

February 12, 2020

Rob Zuccaro
Planning Director
City of Louisville
749 Main Street
Louisville, CO 80027
rzuccaro@louisvilleco.gov

RE: Nawatny Ridge Metropolitan District Service Plans – now to be called Redtail Ridge Metropolitan District Service Plans

Dear Mr. Zuccaro,

Per our ongoing discussions, we are pleased to provide this letter as Brue Baukol Capital Partners' ("Brue Baukol") formal written request to separate the Redtail Ridge Metropolitan Districts ("Districts") Service Plan ("Service Plans") approval process from the ConocoPhillips Campus GDP 1st Amendment process.

The organization of these Districts requires the approval of City Council. Brue Baukol is requesting City Council consider and hopefully approve the Service Plans at its February 18, 2020 meeting. By way of this letter, please accept the attached Service Plans for Districts No. 1-4 and other supporting documents included in the packet for review.

The impetus for this approval date is predicated on the statutory deadlines for a May 5, 2020 election and organization of the Districts. We request the City Council review and consider the Service Plans at its February 18, 2020 meeting in order to meet those statutory deadlines. If the statutory deadlines are not met, Brue Baukol would need to wait until the following election cycle (November 3, 2020) to organize the Districts. In doing so, the development timeline for the entire project and, specifically for the anchor, corporate tenant would be severely compromised.

Brue Baukol is an established developer in the Colorado Front Range. The company's development portfolio spans land, office, mixed-use, senior living, industrial and residential. Over half of the portfolio has been developed without the assistance of a metro district. Factors that warrant development to utilize a metro district vary but may include the scope or need of infrastructure, location of the project site, the development plan and its alignment with City objectives, and access to capital for growth. Brue Baukol has experience on seven metro district boards in three unique municipalities. Our team has an active role as board members, assume great responsibility in their roles, and as such make prudent decisions that err on the side of caution.

The vast size of the project site and needed Public Improvements require the support of Districts to fund these Public Improvements. Without the Districts, the essential Public Improvements will not be built, and the development will not occur.

The Districts will serve an integral part of the proposed development. The Districts will be utilized to assist in financing and installing the public infrastructure necessary to serve the development. Specifically, the establishment of the Districts is vital for the financing, construction, operation and

maintenance of certain street, water, sanitation, safety protection, park and recreation improvements and transportation to serve the Project (the “Public Improvements”).

The Service Plans for the Districts include all statutorily required information and include certain additional limitations City staff has requested. The proposed Service Plans contain measures which limit Brue Baukol’s ability to develop and finance the proposed improvements. These measures include that the Service Plans do not allow for any development without the prior approval of the 1st Amendment to the GDP and final subdivision. Also, the mill levy for debt and operations (combined) is capped at 60 mills and the total bonding capacity is capped at \$168.75 million. That said, Brue Baukol anticipates 35 mills will be required as reflected in the Service Plans’ exhibits, and to be well under the total bonding capacity cap. Brue Baukol is aligned and incented to keep the mill levy’s low in order to both retain real estate values and remain competitive amongst other projects along the Highway 36 Corridor. The caps are meant to protect against excessive spending yet allow for bonding capacity to finance the respective Public Improvements, including accommodating cost increases over a 20-year horizon.

We look forward to presenting and discussing the Redtail Ridge Metropolitan District Service Plans with City Council on February 18th. We appreciate the City of Louisville’s thoughtful and careful approach to evaluating metro districts within the community and we welcome a constructive and transparent discussion on the proposal.

Sincerely,



Jordan Swisher
Vice President
Brue Baukol Capital Partners

cc: Kathleen Kelly, Esq. kathleen@kellypc.com
Kim Crawford, Esq. kim.crawford@butlersnow.com
MaryAnn McGeady, Esq. mmcgeady@specialdistrictlaw.com