

Resolution 25-038

Erie Town Center Restated DDA

TOEURA Board of Commissioners

Julian Jacquin, Director of Economic Development & TOEURA

Lockie Woods, URA & Development Accounting Analyst

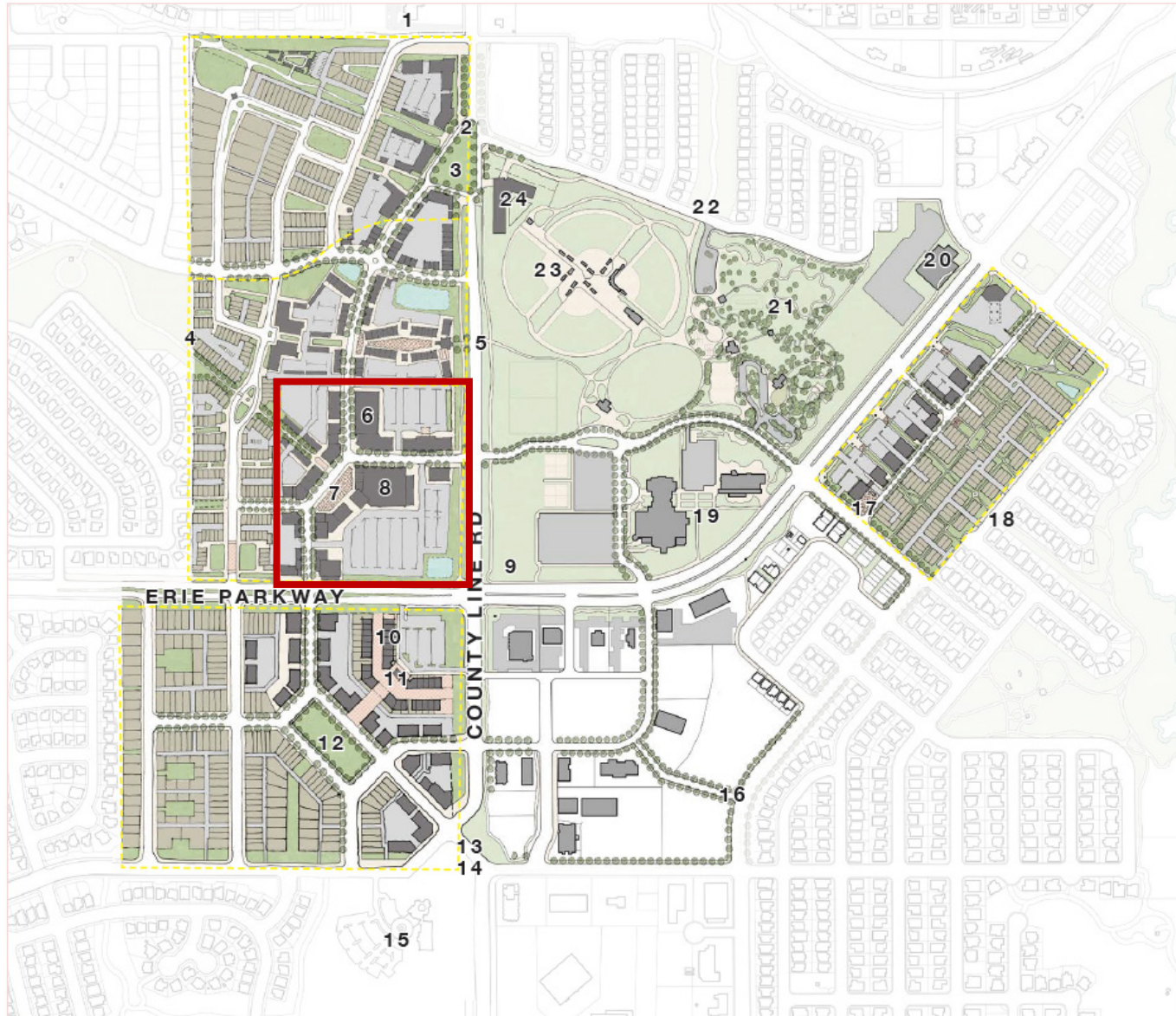
Sarah Nurmela, Planning & Development Director

December 9, 2025

Presentation Overview

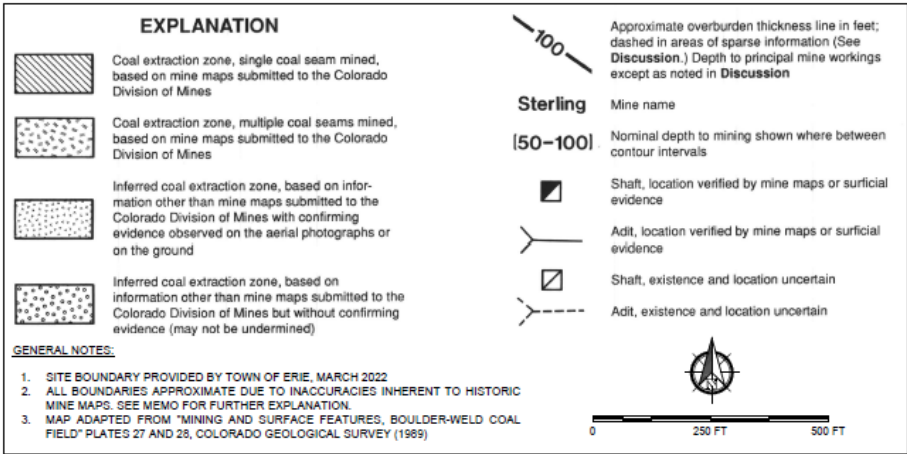
- Erie Town Center
- Validated Financial Gap
- Restated DDA
- Return on Investment (ROI)
- Recommendation

Erie Town Center

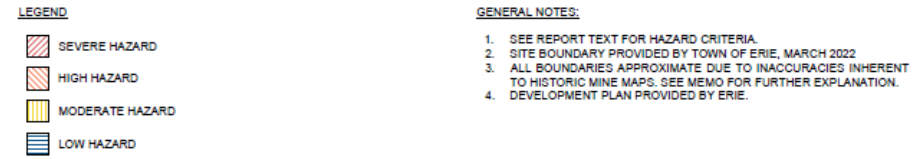
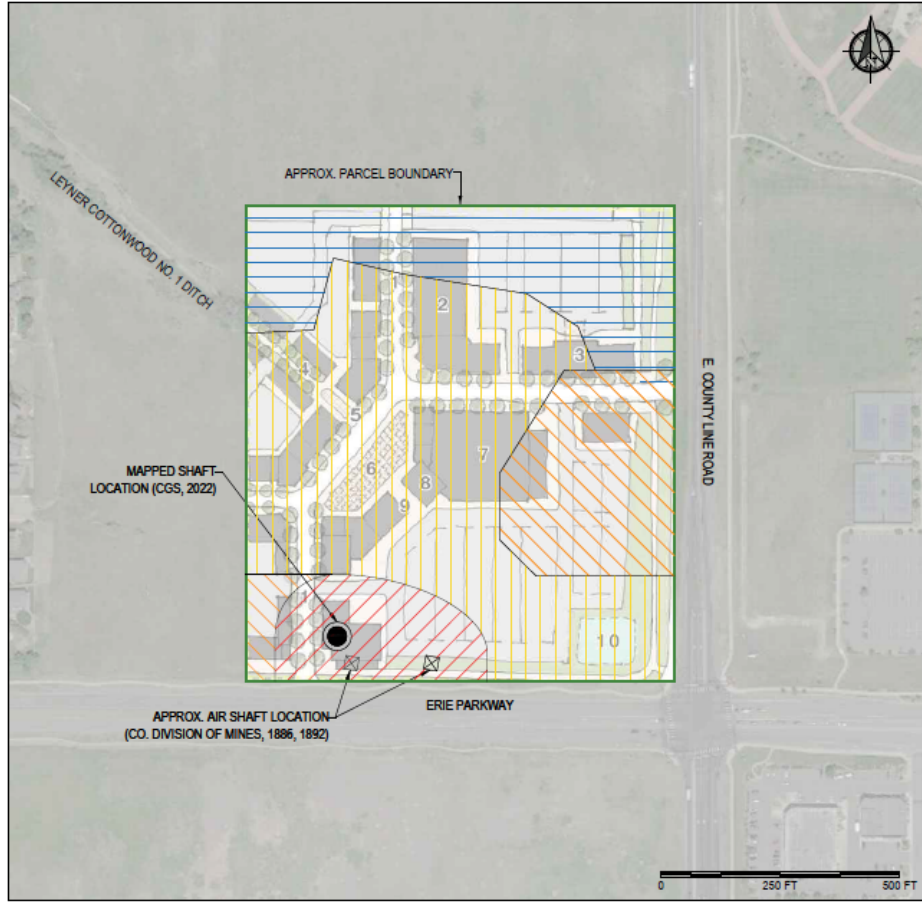




Erie Town Center

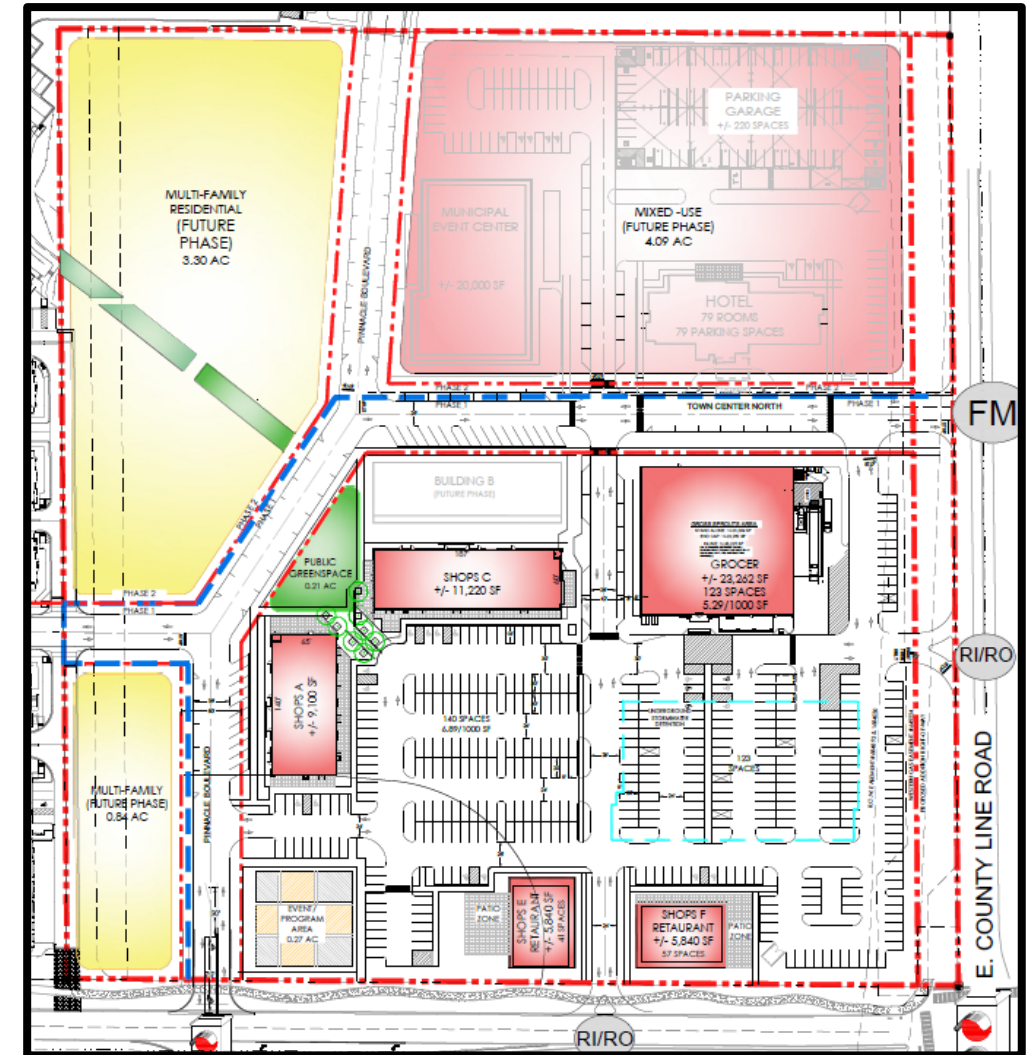
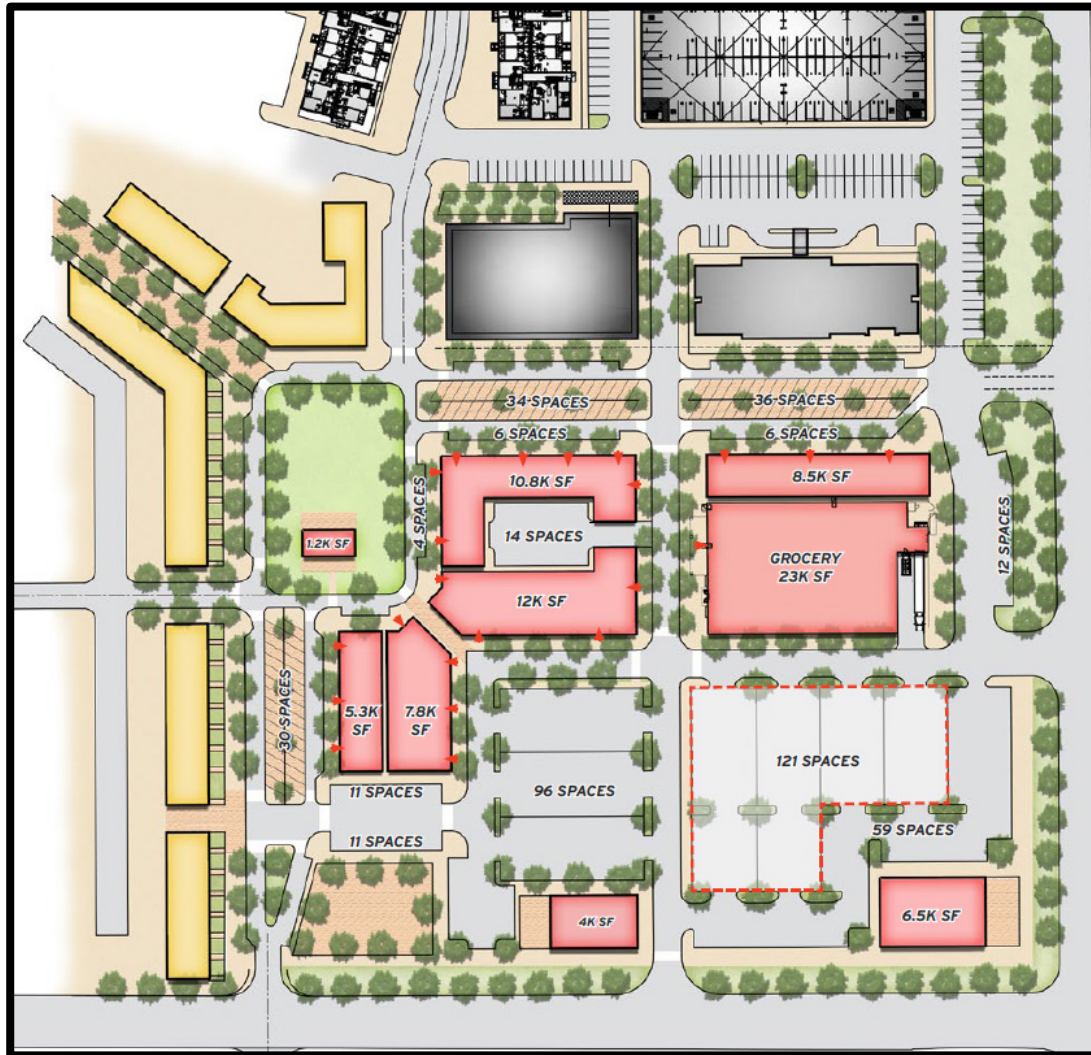


LITHOS ENGINEERING 2750 S. WADSWORTH BLVD., SUITE D-200 DENVER, COLORADO 80227 303.625.9502	PROJECT TITLE REGENCY COAL MINE SUBSIDENCE EVALUATION	OWNER 	CLIENT 	APPENDIX NUMBER II
	DRAWING TITLE MINING AND SURFACE FEATURES	PROJECT NO. 2087	DESIGNED BY AR	CHECKED BY AR
	LOCATION BSE, CO	DATE 01/10/2022	DESIGNED BY AR	CHECKED BY AR



LITHOS ENGINEERING 2750 S. WADSWORTH BLVD., SUITE D-200 DENVER, COLORADO 80227 303.625.9502	PROJECT TITLE REGENCY COAL MINE SUBSIDENCE EVALUATION	OWNER 	CLIENT 	APPENDIX NUMBER III
	DRAWING TITLE MINE SUBSIDENCE HAZARD MAP	PROJECT NO. 2087	DESIGNED BY AR	CHECKED BY AR
	LOCATION BSE, CO	DATE 01/10/2022	DESIGNED BY AR	CHECKED BY AR

Erie Town Center





Validated Financial Gap

Feasibility Gap Assumptions

Development Program

The Reviewers have evaluated this proposed development from the perspective of an open market. This analysis assumes that the proposed grocer and multi-tenant buildings are being developed as a for-lease product. Commercial pad sales are applied to the project's construction costs. The following chart compares the as-proposed development proforma assumptions with PDC's market-derived assumptions.

Assumptions	As Proposed	Market Estimate	Comments
Use Type			
Residential Units	0	-	No Residential is being proposed.
Commercial Retail	23,262 SF	-	The Reviewers assume that commercial space will be leased to maximize NOI. Commercial leases are assumed NNN. Commercial Retail Space only includes the Grocer, as the restaurant pads are expected to be sold during construction.
Commercial Office	20,320 SF	-	Commercial office space includes the Multi-Tenant Buildings.
Commercial Component			
Commercial Retail Leasing Rates Per Square Foot	\$29.00 psf	\$25.00 psf	Evergreen is expected to construct and own the Grocery Store building as part of this development. Evergreen provided preliminary lease rates for this space. PDC analyzed comparable retailers throughout the regional area. The market analysis found that Evergreen's proposed lease rates are higher than current market lease rates, especially those featuring larger properties. Newer neighborhood commercial retail properties command lease rates range between \$23-\$25 PSF NNN. However, Evergreen's arrangement with the Grocer may be able to justify higher rents. In fact, Erie's commercial retail rents are trending towards that of the Boulder market, suggesting that the developer's assumed lease rate is reasonable, albeit higher than the market. Given these factors, the reviewers estimate that this property would command an asking rent of \$29 PSF NNN. Reviewer's estimate is based on a comparison of commercial retail space leases and expenses in the market area. Assumes NNN leases.
Commercial Retail Operating Expenses	\$N/A	\$11.00 psf	Denver Metro area average operating expenses for commercial retail properties were used by the reviewers.
Commercial Office Leasing Rates Per Square Foot	\$40.00 psf	\$34.50 psf	Evergreen is expected to construct and own the multi-tenant buildings as part of this development. The multi-tenant buildings are expected to be used as office space, including medical offices and professional services. Evergreen provided preliminary lease rates for this space. PDC analyzed comparable multi-tenant office buildings throughout the regional area. The market analysis found that Evergreen's proposed lease rates are aligned with Boulder County averages, but higher.

Commercial Office Operating Expenses	\$N/A	\$11.00 psf	than existing comps within Erie and within a 15-minute drive radius around the site. Boulder County's office leases of comparable properties average \$40.34 PSF NNN. Erie's office space market, by comparison, averages \$23.48 PSF NNN. The Reviewers assume that this newer development can command lease rates similar to those within Boulder County but currently outside the Erie market area. Given these factors, the reviewers accept the developer's estimate that this property would command an asking rent of \$40.00 PSF NNN. Assumes NNN leases. Denver Metro area average operating expenses for commercial office properties were used by the reviewers.
Financing Component			
Debt			
Loan: Cost Ratio	65%	55% - 70%	The developer provided construction loan financing information as part of their pro forma and interviews. Permanent loan financing was not provided. Reviewers' assumptions are based on comparable commercial developments within the market area.
Interest Rate	7.50%	7.50%	
Amortization	N/A	20-30 Years	
Capitalization Rates			
Stabilized – Retail	N/A	6.75%	Economic and market conditions in Denver Metro and Boulder submarkets outperform national and west region averages by ~25 basis points. Retail cap rates, especially for food service tenants, are forecast to remain stable in the coming years. Office cap rates are beginning to see signs of compression, although they remain higher in the local market area. The going-in (stabilized) cap rate used in this Review reflects these market expectations. Typically, exit cap rates (at asset liquidation) are 50 to 150 basis points higher than going-in rates. The reviewers used a 75-basis point increase for liquidated capitalization rates.
Liquidated – Retail	N/A	7.50%	
Stabilized – Office	N/A	7.50%	
Liquidated – Office	N/A	8.25%	
Return on Investment Metrics			
Target Yield			
Yield Rate (IRR, Unlevered)	n/a	9.25% to 10.25%	Market-based target yield rates are used to estimate the financial gap. These yield rates represent a blended return based on market surveys for retail office commercial property investments. The NPV is calculated using the blended pre-tax yield rate. This is the rate of interest that discounts pre-tax cash flows received on an unlevered investment back to a present value that is exactly equal to the original equity investment. Return on Cost, or yield on cost, is based on current capitalization rates and development spreads for specific uses.
Return on Cost	n/a	8.75% to 9.50%	
Net Present Value	n/a	> 0	
Development Cost			

Land Purchase Cost	\$0	\$0	The Reviewers assume that the Town has agreed to convey the land required for Phase 1 to the developer. Land outside Phase 1 is not considered by this analysis. The Reviewers assume the developer's public infrastructure costs are accurate. Reviewer's interviewed development team and reviewed cost estimations. Public infrastructure costs include new public streets (Town Center and Pinnacle) and off-site stormwater and roadway improvement to East County Line Road and Erie Parkway. Reviewer's also interviewed Erie Four Corners developers to confirm and check cost estimates. Cost also included undergrounding major irrigation ditch running through site. Costs include 15% contingency.
Public Infrastructure Cost	\$7,646,348	\$7,646,348	Mine mitigation costs were provided by developer and their engineering consultants. A Phase II environmental study performed by Lithos Engineering originally estimated mitigation costs at \$400,000 per acre. Phase 1's mine mitigation costs equate to ~\$635,000 per acre. Reviewers accept this increase as reasonable given Phase 1's location over the high to severely impacted mine subsidence zones on the property. Reviewers interviewed development team regarding site work costs. Confirmed that off-site and public infrastructure costs were not double counted. Site work costs appear high, but are validated by engineering estimates. Reviewers find these costs reasonable.
Mine Mitigation Costs	\$4,443,011	\$4,443,011	Reviewers used cost approximation tables and construction cost indexes to evaluate the development's soft and hard costs. Building improvement costs provided by the developer were lower than reviewers approximations. Soft costs, however, were higher than typical approximations. This may be due to higher raw water and tap fees, in addition to the Town's impact fees. Financing cost were reasonable.
Site Work	\$7,788,135	\$7,788,135	The Reviewer's estimated development cost is based on the project concept as understood by the Reviewer using cost guide approximations. The Developer's estimated development costs are heavily impacted by horizontal infrastructure costs, mine mitigation costs, off-site road and stormwater improvements, undergrounding a large irrigation ditch, and relatively high water, sewer and impact fees. The Reviewer's cost estimate is within 10% of the Developer's cost estimate, meaning that these costs are deemed reasonable.
Soft and Hard Cost	\$20,805,171	\$19,000,000	
Development Cost	\$40,682,665	\$38,877,494	
Land Sales	\$3,281,775	\$3,281,775	Evergreen provided land sales estimates based on a \$40 PSF price for two commercial pads. These pads will feature additional commercial retail uses not considered by this study. Reviewers found these pad sales higher than market averages (Comparable properties recently sold pads at ~\$25 PSF). The developer's estimate was applied to the total development cost when evaluating the project's feasibility.
1. Source: CoStar, IRR, RERC, Realtyrates.com; RS Means; Zillow; CBRE; DMCAR; NAR, Commercial Real Estate Finance Co. of America, CommercialLoanDirect.com, Integra Realty Resources, Hoyt Advisory Services; NMHC/NAA; U.S. Census Bureau; RealPage, fixr.com, Statista; Denver, Fannie Mae, EV Studio, ARJIS College, Pioneer Development Company.			



Validated Financial Gap

Feasibility (Financial Gap) Summary					
ROI Indicator		Market Target	GAP Funding Range ¹		
Estimated Gap (Stabilized Year)			\$19,500,000	\$20,000,000	\$20,500,000
Return-on-Cost	8.75% to 9.50%		8.39%	8.64%	8.89%
IRR, Unlevered	9.25% to 10.25%		9.47%	9.83%	10.21%
NPV	> \$0		-\$486,124	\$986,124	\$1,486,124

Erie Town Center - Tax Revenue Forecast			
Revenue Sharing Agreements	Mill Levy/Rate %	Revenue Sharing %	URA Plan Mill/Rate
Property Tax (All Entities)	113.249	67%	75.376
Sales Tax (Town Only)	3.50%	92.9%	3.25%

URA Tax Increment Financing Estimates ²	Gross	Net Present Value ³	Annual Average	Town of Erie
Total	\$26,900,000	\$9,900,000	\$1,036,000	\$807,000
Property Tax (67% TIF Share)	\$7,000,000	\$2,600,000	\$269,000	\$40,000
Sales Tax (3.25% Rate, Inflation Adj.)	\$19,900,000	\$7,300,000	\$767,000	\$767,000
GRAND TOTAL	\$26,900,000	\$9,900,000		



Validated Financial Gap

Feasibility Summary													
Scenario: Town Center Gap Funding Scenario: Long-Term Hold (\$20.0 Million in Gap Funding)													
PROJECT SUMMARY													
Property Summary			Construction Loan Summary										
Residential Units	0		Loan : Cost Ratio	65%									
Rentable SF	43,582		Construction Loan Term (mos)	36									
Total Development Cost	\$37,400,890		Construction Interest Rate	7.50%									
Development Cost per Rentable Square Foot	\$858		Construction Loan Amount	\$24,310,579									
Construction Equity	\$13,090,312		Construct Loan Per RSF	\$558									
ConstructionDebt	\$24,310,579												
Proforma			Perm Loan Summary										
Year Stabilized	3		Perm Loan : Value Ratio	65%									
Stabilized NOI	\$1,502,715		Perm Loan Amount	\$13,953,779									
Stabilized Cap Rate	7.00%		Perm Loan Ammortization (yrs)	30									
Stabilized Proforma Value	\$21,467,352		Perm Interest Rate	7.00%									
Stabilized Value Per RSF	\$493		Perm Loan Yearly Payment	\$1,114,018									
Reversion Value	\$24,173,256		Perm Term	10									
Reversion Cap Rate	7.75%		Perm Loan Balance	\$13,953,779									
Growth Rate	3.00%		Loan Fees/Closing Costs	2.0%									
			DSCR	1.3									
			DSCR Loan Amount	\$16,513,347									
GAP FUNDING - applied to construction equity		\$20,000,000	Feasibility Indicators (10 yr hold)			Market Target Rate							
			Return on Cost*	8.64%	8.75% to 9.50%								
			IRR on Project (unleveraged)	9.83%	9.25% to 10.25%								
			NPV	\$ 986,124									
			*Stabilized Year 3										
OPERATING PROFORMA													
Proforma Year		CONSTRUCT	1	2	3	4	5	6	7	8	9	10	11
Investment													
Construction Equity		(13,090,312)											
Construction Debt		(24,310,579)											
Construction Cost		(37,400,890)											
Operating Income													
Net Income from Property Operations		\$0	\$0	\$1,074,792	\$1,502,715	\$1,523,268	\$1,568,966	\$1,616,035	\$1,664,516	\$1,714,451	\$1,765,885	\$1,818,861	\$1,873,427
GAP Funding		\$20,000,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
NOI		\$20,000,000	\$0	\$1,074,792	\$1,502,715	\$1,523,268	\$1,568,966	\$1,616,035	\$1,664,516	\$1,714,451	\$1,765,885	\$1,818,861	\$1,873,427
(less) Construction Loan Interest Payment			(\$1,823,293)	(\$1,823,293)	(\$1,823,293)								
(less) Perm Loan Payments			(\$1,114,018)	(\$1,114,018)	(\$1,114,018)	(\$1,114,018)	(\$1,114,018)	(\$1,114,018)	(\$1,114,018)	(\$1,114,018)	(\$1,114,018)	(\$1,114,018)	(\$1,114,018)
Operating Cash Flow		\$20,000,000	(\$2,937,311)	(\$1,862,520)	(\$1,434,597)	\$409,250	\$454,948	\$502,017	\$550,498	\$600,433	\$651,867	\$704,843	\$759,409
Unleveraged Cash Flow (NET OF CONST GAP FUNDING)		(\$17,400,890)	\$0	\$1,074,792	\$1,502,715	\$1,523,268	\$1,568,966	\$1,616,035	\$1,664,516	\$1,714,451	\$1,765,885	\$1,818,861	\$26,046,684
Rates of Return Analysis													
IRR on Project (unleveraged)		9.83%											
Return on Cost			0.00%	6.18%	8.64%	8.75%	9.02%	9.29%	9.57%	9.85%	10.15%	10.45%	10.77%
xNet Present Value		\$986,124											

Restated DDA

The restated DDA establishes three financial commitments for the Town and TOEURA to meet the financial gap for this project:

1. **The Town** will fund the \$5.1M mine mitigation at Town Center utilizing COPs.
2. **TOEURA** will fund new URA Bonds or COP's using TIF revenues (property and sales tax) and PIF revenues generated by the development, which could yield a project fund of up to \$15.7M to support the validated financial gap, which "but for" the use of TIF, the development would not otherwise occur.
3. **The Town** will authorize up to an additional \$2.5M of public funding assistance for new public road improvements from the Transportation Impact Fund, only to be used if the URA Bonds or COP's funded by TOEURA yield a project fund of less than \$15.7M.



Restated DDA

Additional elements in the DDA:

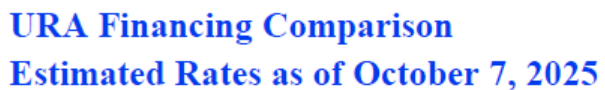
1. The Town agrees to convey the land for Erie Town Center Phase 1 at no cost.
2. Evergreen will be permitted to provide a performance bond as a surety for the public improvements rather than the standard letter of credit required by the Town.
3. Evergreen will impose a 3% services PIF and 1% add-on sales PIF on the development to help pay for public improvements.
4. Any tax increment generated by future phases at Erie Town Center will be retained by TOEURA.
5. Total public reimbursements by the Town and TOEURA cannot exceed \$21.3M.



	Base Costs	General Conditions	Contingency & Inflation	Evergreen Proposal		Town Counter Proposal	
				Evergreen Costs	Public Costs	Evergreen Costs	Public Costs
Land Costs							
Land Acquisition	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,400,000
Closing Costs	\$ 20,000	\$ -	\$ -	\$ 20,000	\$ -	\$ 20,000	\$ -
Hard Costs							
Building Costs: Grocery							
- Grocery Building	\$ 5,969,960	\$ -	\$ 596,996	\$ 6,566,956	\$ -	\$ 6,566,956	\$ -
- Refrigeration Package - Equipment	\$ 404,497	\$ -	\$ 40,450	\$ 444,947	\$ -	\$ 444,947	\$ -
- Refrigeration Package - Install	\$ 567,738	\$ -	\$ 56,774	\$ 624,512	\$ -	\$ 624,512	\$ -
- Tenant Change Allowance	\$ 30,000	\$ -	\$ -	\$ 30,000	\$ -	\$ 30,000	\$ -
Building Costs: Shops							
- Shops A Building	\$ 2,184,000	\$ 273,000	\$ 245,700	\$ 2,702,700	\$ -	\$ 2,702,700	\$ -
- Shops C Building	\$ 2,558,160	\$ 319,770	\$ 287,793	\$ 3,165,723	\$ -	\$ 3,165,723	\$ -
Tenant Improvement Allowances							
- Shops A	\$ 455,000	\$ -	\$ -	\$ 455,000	\$ -	\$ 455,000	\$ -
- Shops C	\$ 561,000	\$ -	\$ -	\$ 561,000	\$ -	\$ 561,000	\$ -
On-Site Costs							
- Parking, Drives, Hardscape	\$ 2,144,153	\$ 268,019	\$ 361,826	\$ -	\$ 2,773,998	\$ -	\$ 2,773,998
- Shops A & C, Grocery	\$ 713,846	\$ 89,231	\$ 120,462	\$ -	\$ 923,538	\$ -	\$ 923,538
- Export of Soil	\$ 725,217	\$ 90,652	\$ 122,380	\$ -	\$ 938,249	\$ -	\$ 938,249
- Shop F, Left & Right	\$ 323,456	\$ 40,432	\$ 54,583	\$ -	\$ 418,471	\$ -	\$ 418,471
- Wet Utilities Mains	\$ 1,462,240	\$ 182,780	\$ 246,753	\$ -	\$ 1,891,773	\$ -	\$ 1,891,773
- Wet Utilities Laterals	\$ 182,065	\$ 22,758	\$ 30,723	\$ -	\$ 235,547	\$ -	\$ 235,547
- Dry Utilities	\$ 751,032	\$ 93,879	\$ 126,737	\$ -	\$ 971,648	\$ -	\$ 971,648
- U/G Irrigation Ditch	\$ 465,480	\$ 58,185	\$ 78,550	\$ -	\$ 602,215	\$ -	\$ 602,215
- U/G Storm Water Pond - P1	\$ 1,032,460	\$ 129,058	\$ 174,228	\$ -	\$ 1,335,745	\$ -	\$ 1,335,745
- U/G Storm Water Pond - P2	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
- Signage / Project Branding	\$ 320,000	\$ -	\$ 48,000	\$ -	\$ 368,000	\$ 368,000	\$ -
Mine Mitigation Costs							
- Site Work	\$ 4,231,439	\$ -	\$ 634,716	\$ -	\$ 4,866,155	\$ -	\$ 4,866,155
- CTL Oversight	\$ 211,572	\$ -	\$ 31,736	\$ -	\$ 243,308	\$ -	\$ 243,308



				Evergreen Proposal				Town Counter Proposal	
	Base Costs	General Conditions	Contingency & Inflation	Evergreen Costs	Public Costs	Evergreen Costs	Public Costs	Evergreen Costs	Public Costs
Off-Site Costs & Contributions									
- Pinnacle & Town Center	\$ 1,012,561	\$ 126,570	\$ 170,870	\$ -	\$ 1,310,001	\$ -	\$ 1,310,001	\$ -	\$ 1,310,001
- Pinnacle & Town Center Wet Utilities	\$ 582,270	\$ 72,784	\$ 98,258	\$ -	\$ 753,312	\$ -	\$ 753,312	\$ -	\$ 753,312
- Contribution: Erie Parkway Signal	\$ 451,800	\$ 56,475	\$ 76,241	\$ -	\$ 584,516	\$ -	\$ 584,516	\$ -	\$ 584,516
- Contribution: Electric Reinforcement	\$ 84,000	\$ -	\$ -	\$ -	\$ 84,000	\$ -	\$ 84,000	\$ -	\$ 84,000
- Contribution: County Line Road	\$ 415,150	\$ -	\$ -	\$ -	\$ 415,150	\$ -	\$ 415,150	\$ -	\$ 415,150
- Contribution: NG Reinforcement	\$ 75,000	\$ -	\$ 11,250	\$ -	\$ 86,250	\$ -	\$ 86,250	\$ -	\$ 86,250
Soft Costs									
- A&E/Testing/Environmental	\$ 1,376,893	\$ -	\$ 206,534	\$ 737,265	\$ 846,162	\$ 737,265	\$ 846,162	\$ 737,265	\$ 846,162
- City & Utility Fees: Fire Dept. & Misc	\$ 34,000	\$ -	\$ 5,100	\$ 39,100	\$ -	\$ 39,100	\$ -	\$ 39,100	\$ -
- City & Utility Fees: Water Tap & Fee-in-Lieu	\$ 1,193,353	\$ -	\$ 179,003	\$ 1,372,356	\$ -	\$ -	\$ 1,372,356	\$ -	\$ 1,372,356
- City & Utility Fees: Impact Fees	\$ 387,705	\$ -	\$ -	\$ -	\$ 387,705	\$ 387,705	\$ -	\$ 387,705	\$ -
- City & Utility Fees: Development Review Fees	\$ 7,880	\$ -	\$ -	\$ -	\$ 7,880	\$ -	\$ 7,880	\$ -	\$ 7,880
- City & Utility Fees: Building Permit Fees	\$ 165,908	\$ -	\$ -	\$ -	\$ 165,908	\$ -	\$ 165,908	\$ -	\$ 165,908
- City & Utility Fees: Town of Erie Use Tax	\$ 369,623	\$ -	\$ -	\$ -	\$ 369,623	\$ -	\$ 369,623	\$ -	\$ 369,623
- Boulder County Use Tax	\$ 115,801	\$ -	\$ 17,370	\$ 46,526	\$ 86,644	\$ 133,171	\$ -	\$ 133,171	\$ -
- Dry Utility Costs	\$ 535,000	\$ -	\$ 80,250	\$ 445,625	\$ 169,625	\$ 615,250	\$ -	\$ 615,250	\$ -
- Bonds - Surety & Warranty	\$ 257,503	\$ -	\$ 38,625	\$ -	\$ 296,128	\$ 296,128	\$ -	\$ 296,128	\$ -
- Markets/Legal/Accounting/Taxes	\$ 591,807	\$ -	\$ 88,771	\$ 680,578	\$ -	\$ 680,578	\$ -	\$ 680,578	\$ -
- Leasing Commissions: Shops	\$ 377,952	\$ -	\$ -	\$ 377,952	\$ -	\$ 377,952	\$ -	\$ 377,952	\$ -
- Leasing Commissions: Grocer	\$ 512,133	\$ -	\$ -	\$ 512,133	\$ -	\$ 512,133	\$ -	\$ 512,133	\$ -
- Insurance	\$ 193,143	\$ -	\$ -	\$ 81,209	\$ 111,934	\$ 193,143	\$ -	\$ 193,143	\$ -
- Development Fee	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
- CAM Loss	\$ 304,800	\$ -	\$ -	\$ 304,800	\$ -	\$ 304,800	\$ -	\$ 304,800	\$ -
Financing									
- Construction Loan Fees	\$ 102,983	\$ -	\$ -	\$ 102,983	\$ -	\$ 102,983	\$ -	\$ 102,983	\$ -
- Lender Third Party Fees	\$ 40,000	\$ -	\$ -	\$ 40,000	\$ -	\$ 40,000	\$ -	\$ 40,000	\$ -
- Interest Reserve	\$ 1,345,700	\$ -	\$ -	\$ 1,345,700	\$ -	\$ 1,345,700	\$ -	\$ 1,345,700	\$ -
GF Rebates (Net Neutral to Town)				\$ -	\$ (543,411)	\$ -	\$ (543,411)	\$ -	\$ (543,411)
TOTAL COSTS				Evergreen	Public	Evergreen	Public	Evergreen	Public
PERCENTAGE				\$ 20,657,064	\$ 20,700,074	\$ 20,704,746	\$ 22,052,393	\$ 20,704,746	\$ 22,052,393
				49.95%	50.05%	48.42%	51.58%	48.42%	51.58%
ROI				8.96%		8.94%		8.94%	



Total Erie Costs	21,252,579
Less Mine Mitigation	5,109,463
Targeted Funding Need	16,143,116

Financing Sources Summary

Par Amount	\$17,500,000
Premium	1,146,940
Total Sources of Funds	\$18,646,940

Uses of Funds Summary

Project Fund	\$15,734,440	408,676
Capitalized Interest Fund	\$2,625,000	
Debt Service Reserve Fund	\$0	
Cost of Issuance	\$200,000	
Underwriter's Discount	87,500	
Total Use of Funds	\$18,646,940	

Finance Statistics

Dated Date	12/1/2025
Net Interest Cost	4.65%
Maximum Annual Debt Service	\$1,512,000
Total Debt Service	\$29,893,250

Scenario 1:

Certificates of Participation

\$17,500,000		
1,146,940		
<u>\$18,646,940</u>		
	Funding	
	Shortfall	
\$15,734,440		408,676
\$2,625,000		
\$0		
\$200,000		
87,500		
<u>\$18,646,940</u>		
12/1/2025		
4.65%		
\$1,512,000		
\$29,893,250		
Net Debt	Annual Excess	DGC

Scenario 2:

Tax Incremental Revenue Bonds with Moral Obligation Pledge

\$17,500,000		
<u>\$17,500,000</u>		
		Funding
		Shortfall
\$13,506,433		2,636,683
\$2,756,250		
\$764,817		
\$350,000		
122,500		
<u>\$17,500,000</u>		
12/1/2025		
5.28%		
\$1,529,633		
\$30,178,333		
Net Debt	Annual Excess	PSG

Return on Investment (ROI)

- A new commercial district with grocery store, restaurants, and shops
- \$26.9M in total new tax revenue over 25 years
 - \$9.9M net present value of TIF revenues
- A project that covers its service costs and produces a surplus
- \$451,000 positive net fiscal impact during URA term
- \$859,000 annual surplus to the Town after incentives end
- \$40M in private construction investment
- About 250 new jobs created
- Unlocks hotel, parking structure, multifamily, and civic sites
- Converts an unproductive mine hazard into a revenue district
- Site currently generates zero revenue to the Town

Recommendation

- Staff recommends TOEURA approve Resolution 25-038, approving the Restated Disposition and Development Agreement for Erie Town Center.
- If approved, the Town Council will then consider Resolution 25-181 fully executing the Restated DDA.

Questions & Discussion

Julian Jacquin, Director of Economic Development & TOEURA
Lockie Woods, URA & Development Accounting Analyst
Sarah Nurmela, Planning & Development Director