

Gateway Village



Susan Balcome
PO Box 1322
Castle Rock CO 80104
970.376.0615
susan@sbalcomb.com

North of the City of Leadville Colorado at the Junction of Hwy 24 and 91

EXECUTIVE Summary, *This Planned Unit Development will have final approval by September 2019. It will incorporate 502 acres of land that will be purchased outside of the Opportunity Zone Fund (OZF) (capital gains deferral) which also includes its own Metro District. Inside the OZ is 88 acres containing the items below with the remaining 414 acres outside the OZF. The TH and SF will be sold to fund the development of the rental and commercial property that will be held for 10 years. Completion of first plat construction to be 5-6 years with additional entitlements and construction to proceed for years to come. The local community is very receptive to growth right now. We are ideally positioned for Eagle and Summit Counties to provide affordable housing.*

Project Type: Mixed Use, Commercial retail (28,000 sq. ft), 24/32 plex rental apartments (312 units), 2 hotels (65/71 units), 1 gas station, 2 restaurants, townhomes TH (179 units) and single-family SF(28 units) development, 50,000 sf flex space. This will have a 50% LTV on completion.

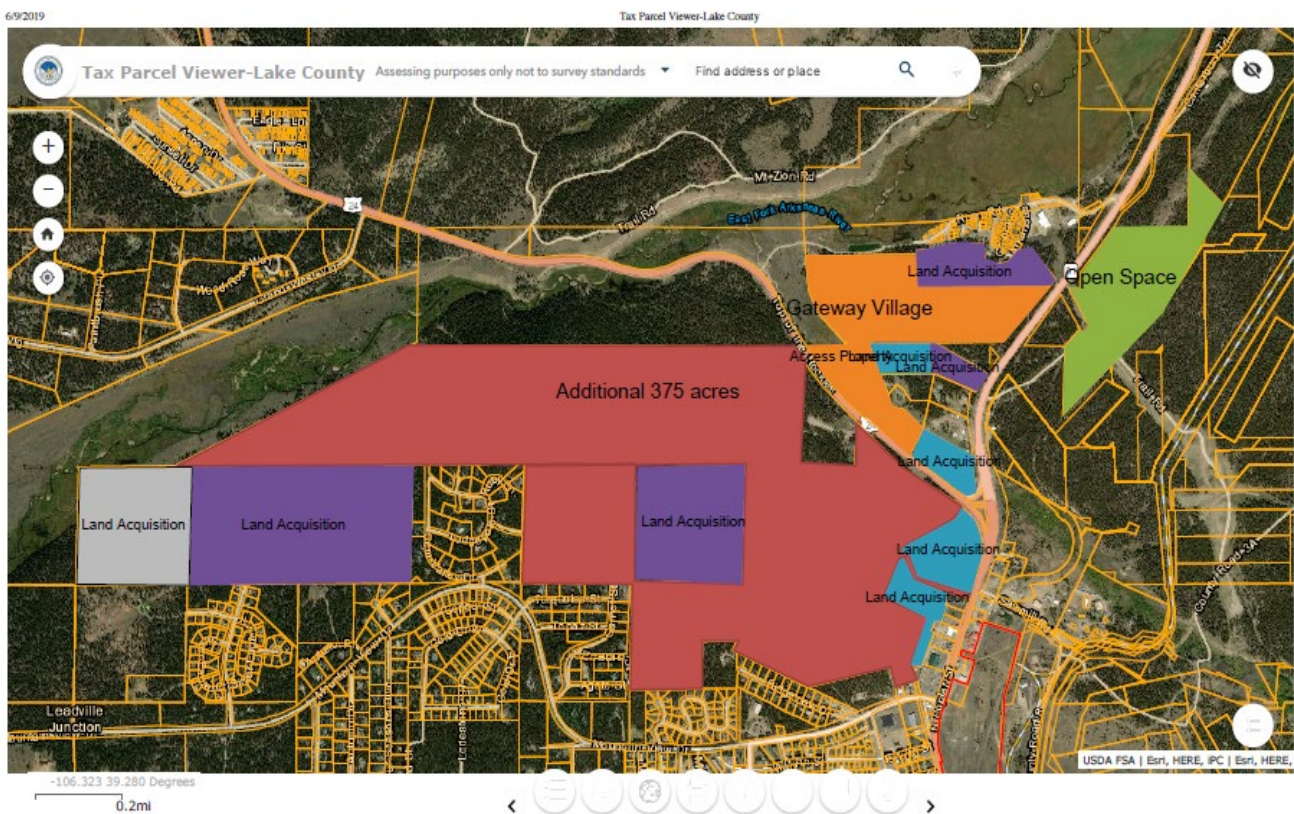
Project Team: Duane Cozart - 37 years' experience in development, Matt Lamar - 28 years' commercial construction, Arden Ferris - CPA corporate accounting for KB Homes, Brent Parker -Novogradac CPA firm specializing in OZ and LIHTC, Michael Shomo - Polsinelli Law Firm

Secondary Egress Land: Lucero property 16 acres will be a trade value of \$600k for 35 acres of the Lydy Farm purchase. This property is a **PRIORITY** due by **Jun 23, 2019** in order to secure the second egress. Seeking funding under Weldon Investments LLC.

Land Purchase: The 486 acres will cost \$14,000,000, entitlements of \$1,000,000, infrastructure of \$7,550,000 and annexation for \$10,000 plus closing cost.

We are separating out the land investors from the OZ which provides a much better opportunity for both sectors. Land is 502 acres, and 102 acres will be sold to the OZF. The landowners will still own 400 acres outside of the Zone that can be developed however they want it to be.

This will bring the total land purchase to \$25,000,000; we are talking with a local ski company to secure these funds.



Land Cost – Red Only

Evergreen Land Company Holdings			
Parcel	Acres	\$	34,278
R000446	82.03	\$	2,811,814
R002969	38.43	\$	1,317,299
R007247	30.22	\$	1,035,878
R003442	39.74	\$	1,362,203
R002148	70.1	\$	2,402,879
R003439	39.557	\$	1,355,930
R003440	37.57	\$	1,287,820
R003441	37.56	\$	1,287,477
	375.207	\$	12,895,578

Land Purchase Summary

Land Summary				
Income				
Metro District	3,250,000		Reimbursement for Infrastructure in Bond Funds	
TIF Benefit	4,600,000		For Hotels	
OZ Vertical Purchase SF	15,500,000		Sell of lots to OZ	
Land Equity Multi Fam/Comm	32,000,000		Sell of land to OZ Fund	
	55,350,000			
Expenses				
Land	15,000,000		500 AC = 100 IS, 400 OS of OZ + 16 ac Easement	
Entitlements	1,000,000			
Infrastructure	6,550,000		Maintains Metro District, \$8,510,000, roads, drains, gas, electric and water	
TIF Benefits (Annex Cost)	10,000		Urban Renewal District - Annex into Leadville City Limits	
	22,560,000		Cash to get started Land Bank	
			Return Cap	Yr 4
			32,790,000	ROI
Cash Investment				
Ski Resort	10,000,000	40.00%	13,116,000	131.16%
Ski Resort	10,000,000	40.00%	13,116,000	131.16%
Land Owner GV LP	2,000,000	8.00%	2,623,200	131.16%
Investor GV LP	3,000,000	12.00%	3,934,800	131.16%
Cash to get started Land Bank	25,000,000			

OZ Funding Request

Vertical: The OZF will own all of the Commercial and Affordable Rental Property. The rest of the vertical build will be sold to complete the construction of the rest that is inside the Zone.

EQUITY SUMMARY

Equity Required:	\$17,000,000 Total OZF Funding for Vertical Construction
Date of Initial Capital Investment: Need for additional Capital:	\$5,000,000 on or Before June 17, 2109 \$12,000,000 in 3 separate draws before Dec 31, 2019 (Monies Need to be held in special acct. and deposited by June 17, 2019)
Return of Capital (Debt Refinancing) Hold Period:	4-6 years for debt refinance 10 Years

Capital Stack

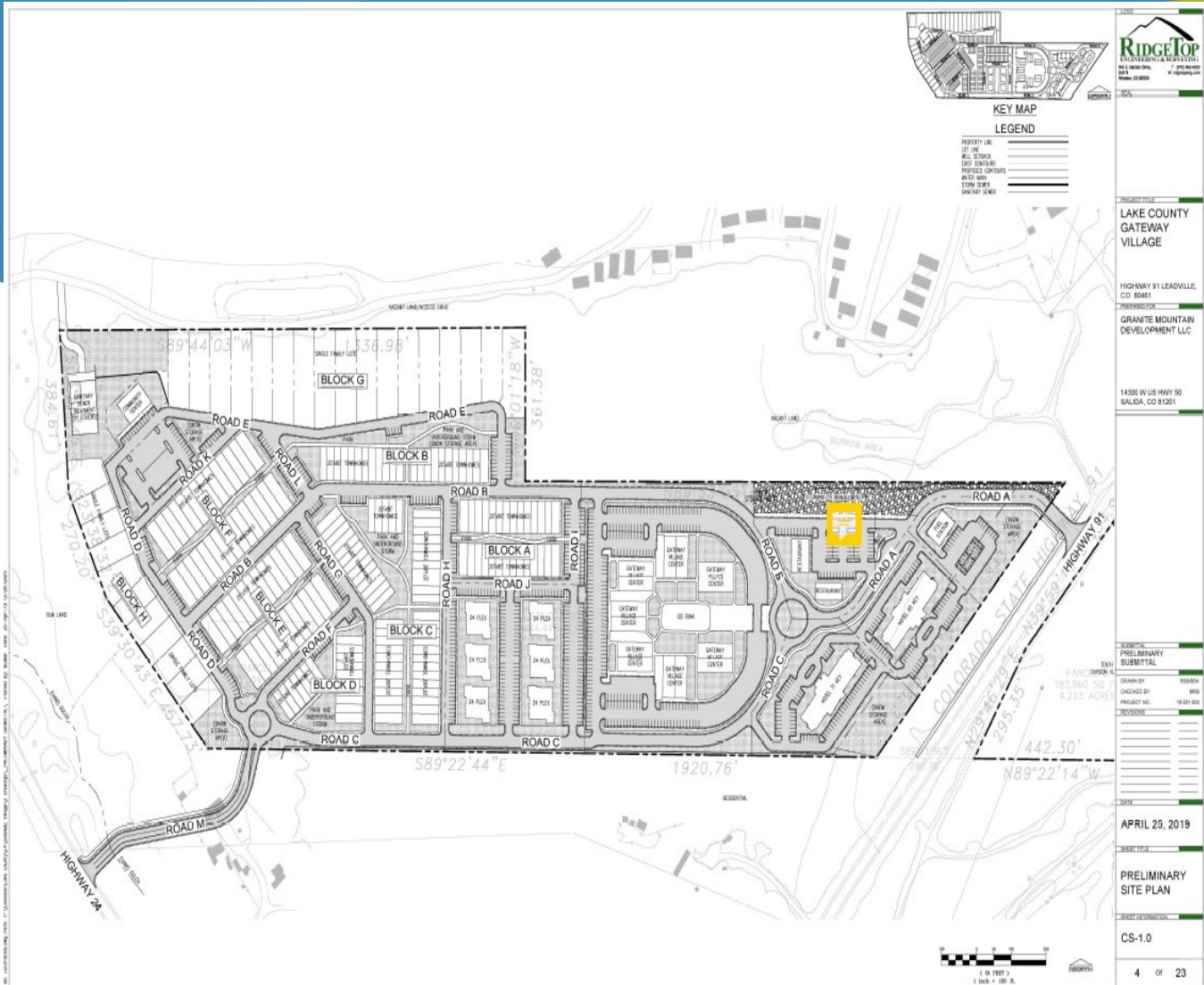
Investor Equity	\$17,700,000
Proceeds Home Sales	\$30,748,665
Re-investment of Land/Home Const. Equity	\$41,649,955
Bank Financing	\$99,110,482
Pace Funding	\$12,250,450
Metro District Bonds	\$ 3,250,000
Profits Income Producing Assets	\$21,779,297
Depreciation	\$ 4,366,472
Total	\$230,825,321

The land purchased outside of the OZ fund and the first phase of infrastructure including the Metro District Sanitation Plant, there will be a reduction in the Investor Equity OZ requested from the \$17,700,000 to \$10,000,000 vertical only. **The present landowner will invest \$2,000,000 back into the project for the tax incentives, leaving a \$8,000,000 Investor Equity still needed.** The OZF will purchase the lots for the Land Company as needed over the 6 year build out.

OZF Asset Accumulation

Phased Investment									
	Capital Needs	Home Sales	Re-invested Profits	Re-invested Capital	C Corp Taxes	Asset	NOI	Market Value	
Yr 1	11,000,000	16,048,417	3,121,480	4,454,981	655,511	24 Plex	222,667	3,711,117	
Yr 2	0	16,679,954	3,246,123	4,633,010	681,686	2-24 plex	445,334	7,422,233	
Yr 3	0	19,331,612	3,026,843	4,891,934	635,637	Hotel 65 key	668,065	11,134,422	
Yr 4	0	17,221,935	2,383,582	2,383,582	500,552	24 plex	222,667	3,711,117	
Yr 5	0	18,840,415	2,953,288	3,765,894	620,190	2-24 plex	445,334	7,422,233	
Yr 6	0	19,594,032	3,071,419	3,916,530	644,998	1-24 plex Retail	534,401	8,906,680	
Yr 7	0	20,529,401	3,502,421	4,301,724	735,508	1-24 plex Retail 71 key Hotel	1,013,205	16,886,754	
Yr 8	0	21,383,932	3,291,283	4,180,970	691,169	1-24 plex Retail	534,401	8,906,680	
Yr 9	0	18,560,328	2,955,277	3,655,547	620,608	2-32 Plex	300,600	5,010,008	
Yr 10	0	19,598,253	3,196,949	3,981,081	671,359	1-32 Plex	300,600	5,010,008	
Total		187,788,279	30,748,665	40,165,253	6,457,218		Land Sales	2,400,000	
			Years 3-5 Capital Returned (Debt Re-imbursement)				Mortgage Debt	(35,752,944)	
						Excess Cash	1,649,840		
						Metro Bond	3,200,000		
						Initial Equity	11,000,000		
							60,618,147		
						GMD Return	9,092,722		
						Investor return	51,525,425		
							5.68		
							19.0%		

Site Map:



This project will provide affordable housing to the bedroom community for both Eagle and Summit Counties which at present are over 85% built out on land usage and provides support to the ski industry with 750 employees currently commuting to both Vail Resorts and Copper Mountain ski resorts.

Present Holding Status

