

**From:** Paul Witt [pwitt@wittcommunications.com]  
**Sent:** Friday, February 10, 2012 9:45 AM  
**To:** tomboni@townofeagle.org  
**Subject:** Another ERS submittal

Tom – the letter below was submitted to Vail Daily. Please include it in the packet and public record as well. Thanks.

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To the Editor:

Once again, Brandi Resa has written a letter that is full of misconceptions and misrepresentations regarding Eagle River Station.

First, let's look at the Public Improvement Fee (PIF), which Brandi incorrectly refers to as the planned investment fee. The PIF is made up of two components: a portion of Eagle's sales tax; and an added fee. From the Town's 4% sales tax, Eagle will receive 1.45%; in addition, it will get its usual 0.15% from the County tax, for a total of 1.60%.

The remaining 2.55% of Eagle's sales tax will be classified as a "credit PIF," and there will be an additional 1.45% "add-on PIF," which totals 4%. So in reality, the only new fee is the 1.45% add-on PIF.

The key to all this is that the credit PIF will be used to pay for public improvements that will benefit the entire Town, including new water and wastewater lines in the Chambers Avenue area, a new water tank extension of Chambers Avenue and the East Eagle Interchange. Further, I want to reiterate that all of these revenues are being generated by the project and do not exist today.

Second, the additional costs to the Town of providing services to Eagle River Station are laid out in detail in the BBC Research and Consulting report, which was presented at the meeting that Brandi attended. It's estimated that at buildout, the costs to the Town will be \$915,000. With the estimated sales tax projections, there will be a net surplus to the Town of \$2.4 million per year.

Third, Trinity RED did not state that there are no tenants for the project. What we did say is that prospective tenants will not commit publicly to the project until the entitlements are in place.

Fourth, we assume that the defaulting bank Brandi is referring to is Hillcrest Bank in Kansas City, a relatively small local bank that is now owned by another bank group. Yes, we have done some business with them; however, they are one of 20-30 banks that we've worked with, and are by no means our "primary" lender. We've done much greater business with larger lenders such as Wells Fargo, Key Bank, Bank of America and others.

Fifth, we did contest our property valuations with the Unified Government of Kansas City, exactly as many homeowners and commercial property owners in Eagle County have done with the County Assessor's office. The "suing" that Brandi refers to was simply the standard process that property owners go through in contesting their property valuations.

Sixth, we do have a great deal of respect for the local developer who commented on the project. However, we also draw on the extensive studies that have been completed for Eagle River Station and our own experience of developing and managing more than 32 successful retail development projects around the country. Our projections are based on our own experience and data from existing tenants that we work with on a daily basis; we do not rely solely on market studies for this information.

Lastly, we have provided as many details, if not more, in this process of hearings as we did for our first application. Our presentations are guided by the Town Staff and Trustees, all of whom would no doubt assure you that details are definitely not lacking in this proposal.

We do encourage you to visit the Town website for more information, and to attend the public meetings to hear firsthand the discussion of this very important project.

Regards,

Jeff McMahon  
Managing Partner  
RED Development

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**EXHIBIT**

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