



May 20, 2019

Dear Mayor Jones and Council Members:

After reviewing the city's written comments on our annexation application for the CU Boulder South property, received on March 28, 2019, we requested a meeting with council to discuss the key issues of concern identified by staff. We understand you are not able to schedule a study session with us before August. As always, we remain open to a face-to-face discussion as soon as you are able.

Due to the time sensitivity of this matter, however, and the current lack of agreement around key terms of the application, we believe it is our responsibility to send you this letter. This is particularly important in light of the work and direction that the city is currently headed in, including direct expenditure on flood design and negotiations with CDOT.

We are writing to you today to provide notice that the university, as the landowner, does not agree to Variant I 500. Due to the March 28 response which did not offer the university a feasible path forward around the additional acreage the city is asking for under Variant I 500, we are informing the city that any further expenditure for the development of preliminary designs for Variant I 500 should cease. Again, the university will not agree to that option. Neither of our organizations should expend further staff or financial resources to continue to pursue Variant I 500. We provide further detail below.

There remain other viable paths forward to provide flood protection and the university will support other options, including Variant II 500. Variant II 500 also removes the key obstacles outlined below and, with the guiding principles to which we have already agreed, moves us substantially toward full agreement and implementation of flood mitigation and protection measures for the broader community.

You may recall that in a letter to council on August 21, 2018 we requested, for a second time, that the city not select Variant I 500. When city council subsequently chose Variant I 500 we were dismayed, but diligently worked to identify and provide options for the city to be able to continue to pursue Variant I 500 using 30-36 of the acres marked for development by:

- a. substituting equivalent acreage for development within the OS-O area of the property;
- b. allowing the city to purchase the additional acreage desired (at the university's option and approval) beyond the 80 acres (which we have offered at no cost to the city), at a fair market value; or

- c. providing equivalent comparable land acceptable to the university in another location.

The city's comments in the March 28 response indicated that land designated as OS-O may not be used for development which has also been stated by city council members during public meetings and individually. Additionally, the purchase price of 30-36 acres at fair market value we believe would range from \$30 million to \$72 million, making the cost of Variant I 500, ***even with our donation of 80 acres***, equal to or greater than the amount city council rejected as too expensive at their meeting on February 5, 2019. Further, the inclusion of our tennis courts within the detention area of Variant I 500 does not allow for the required facilities we need to build there, necessitating the relocation of the courts/facilities on the property at additional cost and land requirements. Finally, in our estimation, there is no reasonably proximate, developable and comparable land available which can be offered by the city in exchange. The suggested property in the Area III Planning Reserve north of the city is not proximate, not comparable, not developable and not currently annexable under the BVCP.

As such, the city's response to the options proposed by the university, that could allow further evaluation of Variant I 500, are not feasible for either party. As clearly stated in our application, and in previous communications with city council and staff, the university requires development rights to a minimum of 129 acres granted no later than the date of annexation.

We believe there is still a good path forward. The city has several other flood mitigation options available to achieve the stated goals of flood protection. The city's consulting experts, staff and the Water Resources Advisory Board (WRAB) all recommended Variant II 500, which we believe is the best alternative to provide equivalent flood protection at a significantly lower cost, and again, is not burdened by the barriers associated with Variant I 500. Variant II 500 provides the full protection level of Variant I 500 while ensuring that the university has the required 129 acres to develop, and allows for the playing fields to be located in the area designated PK-U/O. Finally, with Variant II 500, the city need not spend additional public funds to purchase additional land from the university. Variant II 500 also provides the university greater flexibility to provide additional community benefit beyond what has been agreed to in the BVCP Guidelines.

Variant II 500 creates a win-win for all parties, including the city, the county, the university and the community as a whole.

We are eager to move this project forward following the agreed-to guidelines in the BVCP and to provide the significant community benefits outlined in our application. The cover letter of that application is attached for your reference. We have also attached our preliminary written response to the major points identified in the city's March 28 cover letter accompanying the city response to our application. Those answers are brief in the interest of your time, and we are happy to discuss them further in person.

We understand we have a preliminary study session date for August 13th with Council during which we hope we can rapidly resolve these issues. We continue to be very committed to working with the city to ensure annexation and flood mitigation can be achieved in a timely manner.

Thank you,

A handwritten signature in black ink that reads "Frances Draper". The signature is written in a cursive style with a large initial 'F'.

Frances Draper
Vice Chancellor for Strategic Relations
University of Colorado Boulder

A handwritten signature in blue ink that reads "Derek Silva". The signature is written in a cursive style with a large initial 'D'.

Derek Silva
Executive Director, Real Estate Services
University of Colorado Boulder