

Matthew Dunston
1230 Scarsbrook Ct.
Monument, CO 80132
And
Duncan Bremer
15050 Woodcarver Rd.
Monument, CO 80132

Town of Palmer Lake
42 Valley Crescent
P.O. Box 208,
Palmer Lake, CO 80133
Attention Dawn A. Collins, CMC
Town Administrator/Clerk
Via e-mail: dawn@palmerlake.org

Re: Concept Development Plan for Town Property, 290-350 Hwy 105

June 23, 2022

Dear Ms. Collins:

We are excited to present this proposal and statement of interest in response to the Request for Proposals dated May 22, 2022 for the development of the referenced Town-owned property. Our proposal offers the Town substantial increased revenue to help support basic Town services. We are eager to conclude this deal by October in order to get the property fully productive by Summer, 2023.

Palmer Lake Festival and Event Center. We propose to develop the “Palmer Lake Festival and Event Center.” This will be a for-profit enterprise, designed to be profitable for the Town and us as its owners, but also producing substantial new revenue for the Town through sales and liquor taxes as well as property taxes. These economic and fiscal benefits will continue long into the future.

As-Is Lease/Purchase. We propose to lease the property on a “triple net basis “as-is” for the remaining term of the Town’s restriction on sale of the property. We will take on the responsibility for making all necessary investment into the property to turn it into a flourishing business. We will relieve the Town of any further financial obligation for insurance, maintenance, security or rehabilitation of this property. When the prohibition on sale expires in 2031, we will buy the property for a pre-agreed price. The lease will be a full commercial long-term lease with option to buy. This arrangement will permit us to make the necessary financial and entrepreneurial investment into the property.

Quality Local Team. Our team is 100% local. This project will be a collaboration between the Town and our local team for the benefit of the local community. We have the experience, drive and qualifications to make the Town proud. Our team has successfully developed many projects our area. We have extensive positive experience working with our local governments in the Tri-Lakes area, including the Town of Palmer Lake. We have the financial capacity to take on this project immediately. We are creative problem-solvers who are already heavily invested in the community and want to see it thrive. We are ready to move ahead rapidly to make this a success.

Property Improvements. Our investment will improve the property to modern commercial standards of safety and efficiency. To make this property a commercial success will require a heavy financial

investment by the developers. During the period of the Town's retained ownership, mortgage financing will not be available. Therefore, the development team is prepared to personally provide the cash investment.

Where appropriate, we will rehabilitate and remodel existing buildings to make them fully functional and attractive. We recognize that any existing buildings we retain will require substantial exterior and interior rehabilitation to meet modern standards. Our team will design our project around the existing natural features such as the beautiful rock outcroppings and mature trees and shrubs. We plan to take full advantage of the way the property slopes away from the highway and actually increase the visual appeal by additional landscaping. We will add facilities as required to meet market demand. We will employ top local consultants for inspection and assessment of the existing facilities and to plan the redevelopment of the property, including on and off-site traffic, parking, landscaping, drainage and utility improvements, all at our own expense.

Since the RFP did not include a survey or plan of the existing buildings and facilities, we have not included a graphic of the development potential in this RFP response. We are prepared to move ahead quickly with our professional consultants once we have agreement with the Town on the fundamentals of the arrangements. In order to be open for next summer, we need to take reservations beginning no later than this October, and to start construction as soon as possible. Therefore, we need the Town to cooperate with expeditious decisions and to give us design flexibility. Obviously one of the first steps will be to get a full professional topographic survey and land survey plat showing all improvements, utilities and easements and adjacent owners, etc.

Land Use. We understand the current zoning is PUD and it should continue as PUD. In order to provide the Town the maximum benefit, the PUD zoning should permit all the contemplated land uses: all kinds of events, weddings, business meetings and retreats, outdoor markets, and festivals as well as related accessory uses, such as parking, temporary RV and tent camping and on-site overnight housing, maintenance facilities, concessions, public restrooms, etc. In other words, we want to offer a full set of opportunities for users to come to events, not only for a few hours, but for a few days. Many any event guests will want overnight accommodations and we contemplate offering some of them onsite accommodation. For instance, the "talent" often travels in RV's or busses and will want "private" RV hookups. PUD zoning will permit us maximum flexibility to quickly meet market conditions and make the necessary investments. This will ensure the maximum success of the venture and benefit to the Town. We intend to continue ownership of the land without any subdivision.

Culture, Style, Visual Impact. We are familiar with and respect the history and culture of the site and of Palmer Lake. The Event Center will build on the Town's reputation as a desirable destination by bringing in events and festivals and entertainment that will attract both local and out-of-town users. We plan to take full advantage of the existing general topography, rock outcrops, mature trees and riparian area along Monument Creek. Since the property falls off from Highway 105, the visual impact of any changes will be minimal but positive. We do not anticipate many new buildings. Most activity, especially larger activity, will take place in the warmer months and be outdoor-focused. We plan that the higher elevations will remain largely open with additional landscaping, developing a sense of arrival and taking full advantage of the view of the opposite woodland/mountain backdrop. The largest structural additions will be at the lower level, below the existing buildings.

The Palmer Lake Festival and Event Center will be consistent with Palmer Lake's history and traditions. The Town has a history of hosting people, particularly during the summer, for healthy lifestyles,

tuberculosis cure, Chautauqua, and other festivals. The Event Center will host a variety of conferences and festivals appealing to arts and music lovers, to history buffs and religious and family celebrations. Our team is personally committed to promoting healthy lifestyles and family-friendly recreation and entertainment consistent with our own and the Town's values.

The Event Center's commercial scheduling will concentrate on the summer months. When not required for scheduled commercial use, the Event Center parklike atmosphere and facilities will be available for use by local civic and community groups and for informal citizen use, and will complement the Town's nearby parks, trails and game fields. Nevertheless, commercial use and scheduling will prevail over such non-income-producing activity.

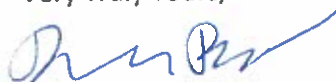
Economic Impact. The Event Center will serve customers from within commuting distance and from greater distances, even national travelers. Customers will take advantage of local restaurants, bars and entertainment opportunities and patronize local hotels and shops. The Event Center will employ local service employees and businesses, and particularly provide local students with summer employment opportunities. Success of this Event Center will help all sorts of local businesses thrive as well. Event marketing will help promote the Town of Palmer Lake as a desirable destination for entertainment and recreation of all kinds and display the Town's natural setting and beauty to a wide audience.

Financial Terms. We will be pleased to discuss the financial arrangements with the Town but believe such discussions should occur initially in executive session once we are chosen as the preferred developer of the property. Suffice it to say that we will make a reasonable financial deal with the Town so that it can fully benefit financially from the donation of this property. We are confident that we have the most financially advantageous proposal. We will enter into a binding financial arrangement that both sides can rely upon with confidence. During the lease period, we offer to pay the Town a fixed monthly rent. When the prohibition on sale expires in 2031, the rental payments will end, but the Town will receive the full price in cash at closing of the sale. However, the economic impacts and the other fiscal impacts will remain indefinitely.

Fiscal Impact. This project can produce an absolutely exceptional positive financial impact on the Town. The Town will realize not only the actual value of the donated property, but more importantly, continuing real, substantial, long-term economic and fiscal benefit. Ticket sales and other activity at the Event Center will boost the Town's sales, use, liquor and property taxes directly and substantially. In addition, by patronizing the other local businesses, the out-of-Town guests will also boost sales, property and liquor tax revenues from other local establishments. These fiscal impacts will continue indefinitely. We will pay a reasonable rent during the lease period. The Town can use the monthly rent for whatever purposes the Trustees determine. When the prohibition on selling the property expires, the Town will receive full payment of the agreed upon price in cash. But more importantly, the Town will continue to receive increased sales, use liquor and property taxes.

Conclusion. We have the vision and full capacity to take on this project. We look forward to working with the Town to move it forward immediately. The Town needs to take advantage of this exceptional opportunity in full and as soon as possible.

Very Truly Yours,



Duncan Bremer and Matthew Dunston



Proponents

Matthew W. Dunston was born in Colorado Springs, educated here and lived here all his life. He started out as a framing contractor and then became a custom home builder. In the early 2000's he started the Walden Preserve development just east of SH 83 and south of Walker Road. Walden now includes over 300 single-family houses, an elementary school and a high school and over 4 miles of trails, ponds, and open spaces. It is considered one of the most desirable locations in northern El Paso County, known for respecting its natural beauty and for its elegant, high-end homesteads. For the last 22 years Mr. Dunston has served as a Director of the Walden water and wastewater system. The care with which he has handled land planning, building siting and overall style gives residents a rich sense of community. Mr. Dunston also owns property in Palmer Lake) and has been a mentor to many small business people in our area. A recent major achievement is the collaboration with SD 38 and Monument Academy to provide the land for and develop the new Monument Academy High School at the north end of Walden.

Duncan Bremer has been in the private practice of law since he and his wife moved here moved from the East Coast in 1981. They live on 20 acres south of Baptist Rd in a house they personally designed and built in 1984. Since 1985 there they have raised their family and have run a Christian non-profit youth development program called Wings Like Eagles. It has served well over 1000 of our local youngsters. Duncan represented northwest El Paso County as County Commissioner (1995-2003). He says he is most proud of having led the statewide overhaul of both Colorado's welfare system and its child welfare services. But he also got the County to pave many of Palmer Lake's roads and created the Town/County partnership known as the Baptist Road Rural Transportation Authority which built the Baptist Road I-25 Interchange. Mr. Bremer's law practice focuses on real estate transactions, business transactions and estate planning. His clients range from individuals to the State of Colorado, but mostly are small businesses and people involved in real estate development and permitting through local governments. His office is in Monument.

Development Experience

Mr. Dunston has over 35 years in local building and real estate development. Most notably, he, along with his brother Bill, has been building and developing the Walden community east of SH 83. The Dunston brothers own the land, hire the consultants, plan each incremental addition to the development, build the roads, water lines, sewer lines, trails, ponds, landscaping and essentially are personally responsible for all aspects of the development. In addition, they operate the community water system and the community sanitary sewer system which serves over 350 homes and two schools. They personally approve all house plans and work closely with the local custom builders to achieve aesthetic goals, preserve views, and develop community among residents. They personally do all marketing. Mr. Dunston is exceptional for having such complete competence, total involvement and success in every aspect of development. Mr. Dunston worked really hard to provide the land and to build the extensive and elaborate infrastructure for the new East Campus of Monument Academy Charter School.

Mr. Bremer has over 40 years of experience with land development in El Paso County. He has unique capabilities, having obtained his architectural degree from Yale University and graduating at the top of his law school class with a concentration in real estate and land use. He is especially known for his skill in helping landowners, developers and regulators come together to benefit the community. He has experience with design, negotiations, regulatory agencies, community relations, real estate financing and economics, and the legal aspects of development. In the Town of Palmer Lake, for instance, he has successfully worked with landowners and the Town to adjust property lines in the Glen to match the physical location of roads and natural features. His clients rely on his experience and know-how. In addition to running Wings Like Eagles, Mr. Bremer has personally owned and managed real estate projects and a variety of small businesses, from industrial technology to fine art. He loves working on entrepreneurial projects.

Mr. Bremer and Mr. Dunston have collaborated on several highly successful projects, most notably the Walden community and the Monument Academy Charter School. They have the knowledge of local conditions, consultants, construction, markets, community organizations and local governments to make this project a complete success. As the projects develop, they have the ability to bring on board all necessary elements and collaborators to assure a result that the Town will be proud of.

REFERENCES

References. Since Mr. Bremer and Mr. Dunston have lived and worked and raised their families in the Tri-Lakes area for most of their lives, they have plenty of people who know them well, from both a business and a personal standpoint. We can provide additional references, but to start with, we suggest the Town Trustees contact the following for references.

John Cressman (former Mayor of TOPL) 719-481-9895

Nikki McDonald (former Mayor of TOPL) 719-481-3307

Jim Fitzgerald (local businessman, landowner across from the subject property)
719-488-8670

Lauren Burlage (local businessman, landowner adjacent to the subject property)
719-339-3525

Don Wilson (Mayor of Town of Monument) 719-481-2954

Holly Williams (El Paso County Commissioner) 719-385-0722

Paul Lundeen (local State Senator) 719-481-6148

Tim Geitner (local State Representative) 719-385-5986

Mark Waller (former State Representative and County Commissioner) 719-290-1292

Mark McWilliams (former Monument Academy Board Chair) 719-237-6455

Randy Brenneman (landowner south of the subject property) 720-984-8565

Jim Wyss (founder Integrity Bank) 719-964-9566