

**ECONOMIC DEVELOPMENT COMMISSION  
MEETING SUMMARY**

June 15 2017  
9:00 a.m. – 11:50 a.m.

**MEETING DATE**

June 15, 2017  
1625 Broadway, Suite 2700  
Denver, CO 80202

**MEETING PARTICIPANTS**

**A. Commission Members**

Carrie Schiff, Jay Seaton, Benita Duran, Denise Brown, Tara Marshall, Chris Franz and Tom Clark.

**B. Guests**

Ed Sealover, Joanne Greek, Erin Douglas, Trish Stiles, Jocelyn Hittle, Shail Schukar, Monte Menard, Josh Roberts, Kelly Leid, Gretchen Hollrah, Paul Andrews, Stacy Johnson, Laura Marchino, Amanda Mountain, Rachel Summer, Pat Grant, DeAnne McAnn, Sarah Lovato, Tracey Kraft-Tharp, Jose Rocha, Tricia Allen, Angie Bedolla, Bryan Wachs, Margaret Danuser, Jeff Romine, Jim Havey, Krista Doble, Derek Hawkin, Jep Seman, Stacy Johnson, Mayor Gutierrez and Alan Krckmarik.

**C. Staff**

Stephanie Copeland, Anna Ewing, Jeff Kraft, Ken Jensen, Sonya Guram, Dan Lane, Meridith Marshall, Jenifer Doane, Wael Khalifa, Donald Zuckerman, Taylor Tschida, Courtney Potts and Virginia Davis.

**DECISION/ACTION ITEMS**

1. The Economic Development Commission approved the EDC Meeting Summary from the April 20 and May 10, 2017 meetings.
2. The Economic Development Commission approved the following items: **EZ**-Contribution Projects, Pikes Peak – Peak Startup; Pikes Peak – National Cybersecurity Center; Pikes Peak – Manitou Springs Heritage Center; Southwest – Southwest Colorado Telecommunications Infrastructure Project; Adams – Bennett Waste Water Treatment Facility; and the HaveyPro Denver Water Project.

**A. Meeting Called to Order**

Schiff called the meeting to order.

**NEW MEMBER INTRODUCTION**

Kraft introduced the two new members to the Commission, Tara Marshall, Chris Franz and Rob Brown.

Duran moved approval of the meeting summary from May 18, 2017. Seaton seconded the motion. Motion passed unanimously.

M/S/P – Duran, Seaton – Meeting Summary approved as presented by staff.

**B. Enterprise Zone (EZ): Sonya Guram**

Guram presented the following Contribution Projects for approval:

EZ – Project Name	Project Type	Completion Date	1 yr. Projected Credits
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Pikes Peak - Peak Startup	Operations - Business Assistance	2022	\$8,750
Pikes Peak - National Cybersecurity Center	Operations - Business Assistance	2021	\$15,625
Pikes Peak - Manitou Springs Heritage Center - Capital Campaign	Capital Campaign: Tourist Attraction	2020	\$7,500
Southwest - Southwest Colorado Telecommunications Infrastructure Project	Capital - Infrastructure	2022	\$32,500
Adams - Bennett Waste Water Treatment Facility	Capital - Infrastructure	2019	\$506,250

M/S/P – Brown, Duran – Projects approved as presented and recommended by staff. Franz abstained from the vote due to his connection with Peak Startup.

Guram presented the following Contribution Projects for Discussion saying that this project is outside of the Zone and although historically we have approved projects outside of the Zone, the peer review of Zone Administrators were not comfortable with the idea that this was driving economic activity into the Zone.

When this site was initially selected it was in an Enterprise Zone. This has been a seven-year project from when they started looking at a location for this project and in the beginning they did intentionally try and locate within an enterprise zone and the project is now at a point where they are fund raising and have design plans and now that it is coming forward as a proposal, the location is no longer in an enterprise zone due to the recent re-designation.

EZ – Project Name	Project Type	Completion Date	1 yr. Projected Credits
Denver - Capital Campaign - Rocky Mountain Public Media	Capital - Community Facility	2019	\$750,000

The Commission reviewed and discussed this project.

Clark made a motion to approve the project as presented. With no second, this project died from lack of support.

### **C. Strategic Fund Initiative (SFI): Stephanie Copeland Rural Mentoring Program**

Copeland presented a White Paper for a Strategic Fund Initiative called Startup Colorado. Entrepreneurs create economic growth in their communities by forming new businesses, a deceptively straight forward claim that is underpinned by tremendous complexity. In Rural areas, entrepreneurship can provide more than just new businesses and jobs. It can provide for the ability of individuals to play a large role in building community. Colorado is home to a mature and thriving network of entrepreneurs. Given the leverage that entrepreneurship can bring to rural communities, we seek to establish supporting mechanisms to organize and accelerate the advancement of entrepreneurs in rural Colorado.

We seek to create a network emanating from the front range of Colorado that can leverage the success of a dense collection of entrepreneurs for the benefit of rural communities across Colorado. We would need to raise a minimum of \$1M to stand up and run the network for a period of at least three years. We are looking at a public/private partnership for this program and will be working with established venture capitalists and entrepreneurs.

Staff will be coming to the EDC at a future date to request up to \$1M in Strategic Initiative monies in support of this program.

### **LINK Program**

Copeland presented the LINK Program. LINK is a platform that will increase interaction between university students and businesses by matching students to business projects, led by consultants who will guide

students through project completion. The goal of LINK is to better prepare students to enter the workforce and increase overall collaboration between our Higher Education and Private Industry communities.

Staff will be coming to the EDC at a future date to request Strategic Initiative Funding in support of this program.

**D. Office of Film, Television and Media (OFTM): Stephanie Copeland, Donald Zuckerman, Courtney Potts**

**Open Letter to EDC Regarding Film Audit**

Copeland addressed the Film Audit findings with an Open Letter to the Commission.

**OFTM Budget**

Potts presented the OFTM Budget which shows a current balance of \$21,622. If today's project is approved, the total available for future projects will be \$1,622.

**HaveyPro, Denver Water Project**

Potts presented the HaveyPro project. The work of HaveyPro Cinema has won recognition for excellence in a variety of creative services competitions including top honors from the Art Directors Club of Denver, National Hospital Marketing Association, National Association of Telecommunications, eight Telly Awards, four Emmy nominations and two Emmy Awards. Denver Water, in association with HaveyPro Cinema, aims to produce a public education film celebrating its Centennial Anniversary and the story of water in Denver. From the 1918 roots of the Denver Union Water Company to the engineering marvels and immense infrastructure that followed and fueled the development of a Front Range metropolis, the film will engage and inspire viewers with the human story behind the politics, engineering, successes, and failures of Colorado's largest water utility.

Per the applicant's estimations, the Office of Film, Television & Media is anticipating a total of \$182,000 in qualified local expenditures and with the multiplier effect, could reach up to \$313,600. The estimated qualified local expenditures of the application would result in a rebate of \$36,240, but the production has agreed to apply for \$20,000.

M/S/P – Clark, Duran – Denver Water Project approved as presented and recommended by staff.

**E. Regional Tourism Act (RTA): Jeff Kraft Pueblo**

Kraft presented documents to the EDC for the Pueblo RTA project. The Recommendation Letter had been emailed to Mario Trimble for the Pueblo Bond rating on June 7<sup>th</sup>.

Kraft provided the EDC with the Pueblo Q1 2017 Report, the current Pueblo RTA Expense Certification, the current PURA Financial Statements and Report, an article from the Men's Journal on Bull Rider Training and documented comments from Ted Freeman. The EDC reviewed and discussed the provided information.

**Aurora**

Kraft provided the EDC with the Aurora/Gaylord Q1 2017 Report.

**Colorado Springs**

Kraft provided the EDC with the Colorado Springs/C4C Q1 2017 Report. Kraft also noted the C4C had the Ground Breaking for the Olympic Museum on Friday, June 9<sup>th</sup>.

**Denver**

Kraft introduced Tracy Huggins of the Denver/NWC Project.

Huggins introduced Kelly Leid. Leid introduced the Denver contingent for the NWC Project and provided the Semi-Annual Project Update working through the projects 2015 milestones of adopting the master plan in March of 2015, the signing of House Bill 15-134 in May of 2015, the beginning of land acquisition in October of 2015, approval of Denver Ballot measure 2C in November of 2015.

In January of 2016 the National Western Center Office was established and will focus on the execution of the NWC project. In April of 2016 the first bond was issued. In November of 2016 the NextGen Agribusiness was released. In January of 2017 NWC brought on CH2M to provide overall program and portfolio management of the scope, schedule and budget of the Project. In April of 2017 the CSU Program delivery team was put in place. In April of 2017 the MIG was selected as the campus of place making team.

Romine spoke to the workforce perspective focused on this area and the gentrification or voluntary displacement of the businesses. We are on the ground with technical assistance in that area and working with businesses to provide options.

Kraft reviewed the timeline of this project for new board members and reminded everyone on the advice of counsel we had worked to put together an interim Resolution with the intent to amend the Resolution and make it a comprehensive, detailed and thorough Resolution.

From the very beginning of the RTA process we have consulted with legal counsel. Legal counsel reviewed the statute which called for a Board Resolution to govern this. The Resolution is a unilateral document which gives the Commission the maximum amount of flexibility to interpret pieces of this down the road should you need to if problems arise.

Kraft provided a high level review of the current draft Resolution for the board.

Kraft noted that Denver/NWC said that the base year revenue may have been improperly established. Denver and DURA said that any error in the establishment of the base year revenue is minor and that the base year revenue as previously calculated should be used for all purposes related to the Project. The DOR is in agreement of this.

The Commission agreed with staff's recommendation to use the base year revenue as previously calculated.

Kraft asked the board about the Commencement of Substantial Work and what constitutes this. We have made a few subtle changes, one is that we've changed the definition to allow the issuer to issue bonds backed by the RTA revenues and not just the financing authority. The reason being, Denver is contemplating issuing bonds to the City of Denver, mixing some other revenue streams in there and getting a higher rating grade and they wanted that to count as a Commencement of Substantial Work. We felt comfortable with that.

The other item legal counsel wanted to get feedback on was if the Commission wanted to put some language around the Commissions determination of Commencement of Substantial Work.

Schiff asked the Commission if there were any issues with the issuer of the bonds. The Commissioners agreed they are comfortable with the issuer to issue the bonds backed by the RTA revenues.

Schiff asked the Commission if they are comfortable with the additional language around Commencement of Substantial Work. The Commission agreed on additional language.

DURA is asking that they be able to certify the eligible project costs using their in-house CPAs instead of engaging a separate certified CPA to review and certify costs.

The Commission agreed that they would be more comfortable that Denver/NWC engage a separate certified CPA to review and certify eligible project costs for the project.

With all the discussion items regarding the Resolution, staff will take those comments and present a final draft for the Commission to review at the July EDC meeting.

**Northern Colorado Regional Tourism Authority (Formerly Go NoCO)**

Mayor Gutierrez provided a project update. Go NoCO has been dissolved and we have formed the Northern Colorado Regional Tourism Authority (NCRTA) per statute. In late 2016, with the EDC's assistance, we appointed 15 community members to the NCRTA board. This board has convened. We remain enthusiastic and hopeful about the project, however we are confronting several challenges. As of today, no tax increment has been generated and collected. The baseline year has not been calculated. Economic growth in Northern Colorado is lagging well behind the four and a half percent assigned base. We do not anticipate any tax flow for these projects at this time. This is one of the big challenges. As you know we have experienced some challenges with the guardrails that link some of the projects together which has slowed the process for some of these projects to be able to do their financing.

Our team has met with OEDIT staff in recent weeks and had discussions on how to overcome some of these challenges. We appreciate that OEDIT has been supportive and continues to work with our team on trying to overcome these challenges.

**F. Budget: (Jeff Kraft)**

Kraft provided the budget which currently shows a sub-balance of \$9,210,253.

**G. Next Meeting**

Schiff said the next EDC meeting will be Wednesday, July 19, 2017.

**With all items discussed, the meeting was adjourned.**