COLORADO
Office of Economic Development & International Trade
Business Funding & Incentives

Colorado Office of Economic Development and International Trade

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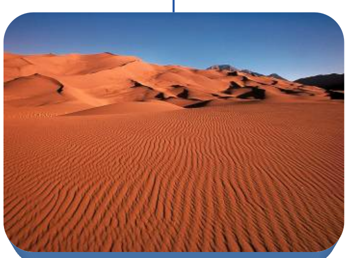
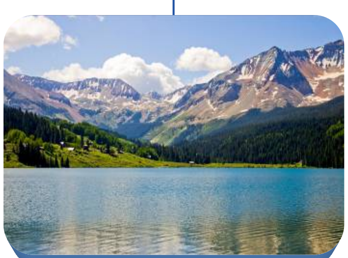
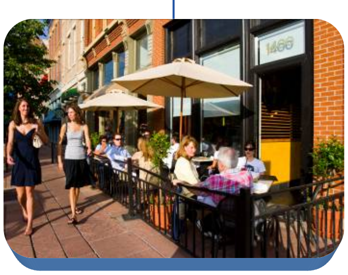






Regional Tourism Act *(RTA)*

Guidelines and Application for 2014/15 (final) cycle

Regional Tourism Act Application Guidelines

The Colorado Economic Development Commission and the Regional Tourism Act

The Colorado Economic Development Commission ("EDC" or "Commission") was legislatively created in 1987 to encourage, promote, and stimulate economic development in Colorado, through the use of incentive and marketing funds. The EDC consists of eleven members, with one member being the Governor or the Governor's designee, four members appointed by the Governor, three members appointed by the Speaker of the House and three members appointed by the President of the Senate. Of the Governor's four appointees, one person is appointed from west of the continental divide and one person is appointed from eastern Colorado. The Colorado Office of Economic Development and International Trade (OEDIT) provides support for the Commission.

The EDC supports economic development initiatives such as marketing, incubators, job creation incentives and other economic development projects through various funding sources. The EDC has oversight for the Strategic Fund, Enterprise Zones, the Job Growth Incentive Tax Credit program and the Regional Tourism Act (RTA or Act) program. The RTA allows for the EDC to approve up to two large-scale Regional Tourism Projects per year to be partially financed with a portion of state sales tax revenue above an existing base amount. **The information contained in this document pertains to any local government (applicant) applying for a regional tourism project (project), including:**

- **designation of a regional tourism zone (zone);**
- **the creation of a regional tourism authority (authority), if applicable; and**
- **designation of a financing entity to receive, utilize and distribute state sales tax increment revenue for eligible costs.**

RTA Purpose

The act promotes diversification of the state's economic base by providing a financing mechanism for attracting, constructing and operating large-scale regional tourism projects which include tourism or entertainment facilities that will attract significant investment and revenue from outside the state. Tourism or entertainment facilities include but are not limited to museums, stadiums, arenas, major sports facilities, performing arts theaters, theme or amusement parks, conference centers or resort hotels or other similar venues that draw a significant number of regional, national or international patrons.

RTA Program Overview

The Regional Tourism Act establishes a program that gives local governments the opportunity to apply to the EDC for approval of large-scale regional tourism projects with tourism or entertainment facilities in regional tourism zones that:

- are of an extraordinary and unique nature,
- are anticipated to result in a substantial increase in out-of-state tourism, and
- generate a significant portion of their sales tax revenue from transactions with nonresidents of the state. An exception to this requirement may apply if a significant portion of the sales tax revenue generated by the project is reasonably anticipated to be attributable to residents of the state but the revenue would otherwise leave the state due to a lack of a similar project or facility in the state.

- the local government must provide reliable economic data demonstrating that in the absence of state sales tax increment revenue, the project is not reasonably anticipated to be developed within the foreseeable future.

The EDC can approve two projects per year for three years through the RTA and shall not approve any project that would create a state sales tax revenue dedication of more than $50 million to all projects in any given year.

Project financing entities for approved projects shall receive a percentage of state sales tax increment revenue above a baseline revenue amount set by the EDC to be used to finance eligible costs for the project.

Involved Parties and Responsibilities

There are several parties that have various roles and responsibilities in the RTA program.

- Applicant – local government applying for RTA program but can have private partners
- Colorado Department of Revenue – collects sales taxes and issues revenue
- Colorado Purchasing Office – coordinate the Request For Proposal (RFP) for a Third Party Analyst on behalf of the Colorado Office of State Planning and Budgeting (OSPB)
- EDC - approves RTA application(s)
- Financing Entity – issues required reports and manages approved RTA project(s) (often but not necessarily the local urban renewal authority)
- Local Communities – provided 30 days by statute to review applications that impact their community
- OEDIT – manages the RTA program and provides administrative support to the EDC
- Office of State Planning and Budgeting (OSPB) – manages the third party analyst
- Third Party Analyst – chosen through an RFP to conduct an independent analysis required as part of the statute for the RTA program. This analysis plays a key role in the ultimate size of awards

Statutory Authority

The Regional Tourism Act, pursuant to 24-46-300, C.R.S., was established by the Colorado legislature to create a mechanism for a local government to undertake a project to attract out-of-state visitors, to create a zone in which the project will be built, and to create an authority or to designate other financing entities with the power to receive and utilize an approved percent of the increment of state sales tax revenues collected in the zone that is above the base amount to be used to finance eligible improvements related to the project. The Act has been modified several times most recently with HB 14-1350.

Changes to the RTA Program and Process due to HB 14-1350

- Pre-Application Process (Due October 13)
- Office of State Planning and Budgeting (OSPB) calculates the baseline or "natural" growth rate of state sales tax inside the proposed Regional Tourism Zone which would have occurred without the project.
  - Both applicant and third party analyst TPA must use this same assumption in their economic models for estimating how much state sale tax revenue is net new to the state and generated by the project
- The EDC must cap the cumulative dollar value of the award
  - This cap and the percent of the state sales tax increment in a final EDC award cannot exceed 50% of the TPA recommendation unless the EDC is unanimous

  - Importance of TPA analysis within the process is enhanced
- Criteria change "significant portion of sales tax revenue must be from nonresidents of State"
  - Except revenue from residents of the state may be included if such revenue would leave state due to a lack of similar project or facility in the state (previously criteria was "nonresidents of the zone")

Criteria Used by The EDC for RTA Project Approval

Qualified applications submitted by a local government for designation as a regional tourism project shall be approved by the EDC upon finding by a majority of its members that each of the following criteria are materially met:

- The project is of an extraordinary and unique nature and is reasonably anticipated to contribute significantly to economic development and tourism in the state and communities where the project is located;
- The project is reasonably anticipated to result in a substantial increase in out-of-state tourism;
- A significant portion of the sales tax revenue generated by the project is reasonably anticipated to be attributable to transactions with nonresidents of the state ; An exception to this requirement may apply if a significant portion of the sales tax revenue generated by the project is reasonably anticipated to be attributable to residents of the state but the revenue would otherwise leave the state due to a lack of a similar project or facility in the state;
- The local government has provided reliable economic data demonstrating that in the absence of state sales tax increment revenue, the project is not reasonably anticipated to be developed within the foreseeable future.

See following table for information on how the criteria will be assessed.

Criteria and Assessment Factors for Project Approval by EDC

Criteria	Examples of Evidence and Factors for Assessment
extraordinary and unique nature and contribute significantly to economic development and tourism	• Impact on future state sales tax revenue during and after financing term • Description and analysis of characteristics and components making this project unique among other facilities and projects in the State of Colorado or within the United States • Analysis of the size of the unique components of the project relative to the non-unique components of the project • "Barriers to Entry" which would make the project, once completed, difficult to replicate within or outside Colorado • Number of new jobs created by job category and information on wages and health benefits by category • Fiscal impact on local governments within and adjacent to the zone • Analysis of the impact to local school districts Identification of amenities, programs, anchor and important tenants
substantial increase in out-of-state tourism	• Net increase to State of Colorado in out-of-state tourism required • Economic and comparative analysis of analogous facilities and projects in the State of Colorado and in states outside Colorado and visitor models and projections • Market impact assessment • Anticipated regional and in-state competition • The size of the project and the amount of the increase in out-of-state tourism relative to the economy of the proposed region it is being proposed for • In-state tourism from Colorado residents will not be considered for purposes of this criteria

significant portion of the sales tax revenue generated by the project is reasonably anticipated to be attributable to transactions with nonresidents of the state	• Economic and comparative analysis of analogous facilities and projects in the State of Colorado and in states outside Colorado and visitor spending models and projections • Market impact assessment • Anticipated regional and in-state competition • Revenue from in-state residents will be considered for purposes of this criterion if it "…would otherwise leave the state due to a lack of similar projects in the state." • However, for calculating the portion of sales tax increment revenue for an approved project, EDC will only consider revenue that is "net new" to the state
in the absence of state sales tax increment revenue, the project is not reasonably anticipated to be developed within the foreseeable future <u>(two part interpretation: 1) without state funds project won't occur and 2) with state funds it will occur)</u>	• Description of the financing entity and financing plan • Financial feasibility analysis and pro-forma including the project's eligible costs and other costs and revenues (break out of TIF and other revenue sources). Analysis demonstrates that project can generate enough revenue to cover operating costs, debt service and provide a return of and on equity Ratios such as return on equity IRR, debt coverage, loan to value and others relevant to the project should be provided (this is required even if owner/developer is non-profit) • Financial pro-forma model shows the use of state sales tax increment revenue should provide an economic impetus which makes the project's development viable when it otherwise would not be <u>**or an**</u> analysis showing a project might be viable without tax increment revenue but with much smaller scale and would be much less extraordinary and unique • Identification of specific viable sources of private and/or public capital for project. Commitment of public and/or private capital for the project demonstrated by letters of interest and commitment letters from lenders, identification of equity sources and similar documents • TIF revenues are gap financing (i.e. final, <u>**not first**</u> piece of the capital structure) • Project is specifically identified and described with site selected • Project is near shovel ready: concept plans and drawings prepared, builder RFPs drafted, required federal, state and local permits and regulations identified, and land control (assemblage, options, leases) in place

Timeline for Application Submission, Review and Approval* (as of 9/17/2014 and subject to revision)

Dates	Item
September, 2014	OSPB Issue Third Party Analyst (TPA) RFP
September 18, 2014	Pre-Application Guidelines Published by OEDIT/OSPB
September 25, 2014 to February 17, 2015	Release of Application Instructions & Call for Applications
September 25, 2014	Applicant Conference in Denver
October 1, 2014	Applicant Conference in Denver
October 2014	TPA Announced by OSPB
October 13, 2014	Pre Application w Zone Map and Fee due to OEDIT
November 14, 2014	OSPB Release Baseline Growth Projections to Applicants
February 17, 2015	Applications & Fees Due to OEDIT
February 18-24, 2015	OEDIT/OSPB Review of Applications for Completeness
March 4, 2015	OEDIT Notifies Applicants of Missing/Incomplete Items
March 11, 2015	Applicant Submits Missing/Incomplete Items
March 11, to March 25, 2015	Application review by OEDIT/OSPB
April 3, 2015	Initial Determination by OEDIT if Applications Meet Criteria for Regional Tourism Project and Feedback to Applicants
April 8, 2015	Applicant Requests that OEDIT Submit Applications and Payment to TPA
April 9, to July August 14, 2015	Review and Analysis of Applications by TPA
April 15, 2015	OEDIT Forwards Application to Local Communities for Comment
Weeks of April 27, 2015 & May 25, 2015	Meetings between TPA and Applicants Discussing Models and Inputs
May 15, 2015	Final Community Comments Due to OEDIT
August 17, to August 28, 2015	Applicant Reviews of TPA Report; Revision Requests & Payments Due
August 31, to Oct 9, 2015	TPA Completes Revisions of Analysis
October 13, 14, 15, 2015	Applicant, TPA Presentation to EDC and Public Hearings
October 20, 2015	Deep Dive Workshop with EDC & TPA
October 23, 2015	TPA Follow Up With EDC
November 6, 2015	OEDIT Executive Director Recommendation to EDC on Project Approvals
November 12 2015	**Scheduled EDC Meeting - EDC Decides Which Applications are Approved (Max 2)**
November 17 to 19 2015	Meeting with EDC, TPA, applicant to discuss terms and conditions for Approved Applications
November 30, to December 2, 2015	Follow Up Meeting if needed to Discuss Terms, and Conditions for Approved Applications
December 11, 2015	OEDIT Executive Director Recommendation to EDC on Terms and Conditions
December 14, 2015	**EDC Decision Meeting on Terms and Conditions for Approved Applications**

**Dates subject to change as necessary. The timing of the application review by the Third Party analyst may be extended, dependent on the quantity of applications received by OEDIT.*

Pre-Application Process

- **Requirements**
  - GIS layered map with a shape file of the proposed Regional Tourism Zone overlaid against a map of the applicant jurisdiction(s). Map file must be presented in a format readable on common software and operating system platforms (.docx, .pdf, .jpeg, etc.)
  - Excel spreadsheet listing the names and addresses of each business in the proposed Regional Tourism Zone. EINs are helpful but not required
  - A short, no more than three paragraph, description of the proposed project
  - A check for $3,000 to cover the pre-application fee, payable to the Office of State Planning and Budgeting (OSPB)
  - These materials must be delivered to OEDIT who will receive them on behalf of the Office of State Planning and Budgeting no later than 5pm Mountain Time on October 13, 2014
- **Purpose**
  - Allow OSPB to calculate the expected baseline or natural growth rate in state sales tax in the proposed zone without the project which must be used as an assumption in the economic analysis of both the applicant and the third party analyst.

Application Review

- Only applicants who filed a pre-application consistent with the requirements listed above are eligible to file a formal application.
- All Applicants must submit one original hard copy (with original signatures), one additional hard copy and one electronic copy of the application by 5:00 p.m. on or before the corresponding deadline dates. Applicants shall not knowingly submit an incomplete application.
- OEDIT will review all submitted RTA project applications for completeness (based on guidelines and statutory requirements) and will contact potential applicants to discuss their applications. Applicants will be given approximately one week (see timeline above) to submit missing or incomplete items.
- OEDIT will review complete applications for initial determination if application meets statutory requirements for regional tourism projects and provide feedback to applicants.
- Final independent third party analysis from third party analyst will complete RTA application.
- OEDIT forwards RTA application to local communities for comments.
- Local communities review application and submit comments to OEDIT within 30 calendar days.
- OEDIT will hold a public hearing meeting to solicit feedback for the EDC on all applications. Applicants will be provided time to discuss their application with the EDC and answer questions.
- OEDIT Executive Director will provide recommendations to the EDC regarding approving or denying applications, the percentage of state sales tax incremental revenue to award, the size of the cumulative revenue cap and all other conditions. This could be a multi-stage process. See timeline below.
- EDC will approve or deny applications and set all relevant terms and conditions at scheduled public meetings.

Third Party Analyst

The third party analyst chosen by the RFP conducted by the Office of State Planning and Budgeting (OSPB) in 2014 will conduct an independent analysis that will be included as part of the complete RTA application submitted to OEDIT.

The selected analyst is an expert in the field of economic and public financial analysis and will contract and report directly with/to OSPB. The independent analysis will provide a review of the project outcomes and impacts included in the economic and fiscal impacts associated with the project submitted in the local government's application. Each applicant will share its data and reasoning with the third party analyst and is solely responsible for submitting payment for the independent analysis. Analyst fees will be calculated based on the total number of applications and communicated to each applicant after the applications have been submitted. Analyst fees will be determined based on responses to RFP. We anticipate these will be higher than previous years (i.e. more than $25K for application fee and more than $6.2K for revisions). While we estimate the application fee will not exceed $50K, this depends on pending RFP responses, and it could be higher.

OEDIT will provide OSPB with a copy of all complete applications submitted by the application deadline date. (*Please note that an application may be withdrawn at any time prior to submission of the application to the third party analyst without incurring costs related to the TPA.)* OSPB will release the analyst's independent analysis to the applicant upon completion.

Within twelve days of receipt of the third party analyst's findings, an applicant may submit a written request to OSPB for revision. An applicant may request additional review either based on the identification of errors and omissions, or based on a revised application.

a) If the applicant requests additional review based on errors and omissions, it must identify those errors and/or omissions in its request to OSPB. Errors must comprise either mathematical or calculation errors, and may not be based on analytical differences of opinion. Omissions must comprise omissions of factual data included in an applicant's initial submission or subsequent responses to the third party analyst. Objections for reasons other than calculation errors or factual omissions do not constitute rationale for revisions. OSPB will determine whether such errors or omissions exist. If OSPB finds that a report contains errors or omissions, the third party analyst will correct those errors or omissions without additional compensation.

b) An applicant may revise its application based on the findings of the initial "Economic and Financial Analysis Report." Revisions may include modifications to the project scope or inclusion of new information to support the existing project scope. If an applicant requests a secondary analysis of a revised application, it shall submit the appropriate revised application payment to OSPB.

EDC Resolution

If an application is approved as a Regional Tourism Project, the resolution will specify the local government, zone area, creation of an authority (if applicable), a statement that the Department of Revenue will collect a percent of the incremental state sales tax on behalf of the financing entity (after the effective date of the EDC's approval of the project), the amount of the cumulative revenue cap, financing entity to receive and utilize the state sales tax increment revenue for the duration of the financing term, date by which final funding commitments are in place, conditions of approval (including list of eligible costs), and other necessary provisions and conditions.

Any approved projects must commence within five years from the date of the project approval date by the EDC.

Incremental Sales Tax Process

1) Only incremental state sales tax revenue generated from transactions in the regional tourism zone shall be potentially available for dedication to the project per C.R.S 24-46-303 (12). This means property tax revenue from inside or outside the zone and incremental sales tax revenue generated outside the zone is not available for dedication to a Regional Tourism Project under the Regional Tourism Act.

2) Per C.R.S 24-46-305 (3) (d) the percentage of state sales tax increment revenue that will be dedicated to the regional tourism project…shall be set at a value that in the best estimate of the commission will result **in only the net new revenue likely created by the project and related development [in the zone] being dedicated to the financing entity and shall exclude any sales tax revenue the state would likely have received without the project and development**. This means incremental state sales tax revenue in the zone generated from the following sources and other revenue will **not be available** for dedication to this project (see Figure 1 below for an illustration).

    a) Baseline State Sales Tax Growth in the zone
        - unrelated new projects in or near the zone,
        - general improvements in economic or demographic conditions or changes in trends,

    b) "Diverted state sales tax revenue" from other Colorado facilities
        - Revenue generated by **out-of-state residents** who would have visited Colorado and spent similar amounts of money in the state even without the project being analyzed is not eligible for dedication to the project.
        - Revenue from **in-state Colorado residents** will be presumed to be diverted from other in-state venues and will only be considered for dedication to the project to the extent that compelling reasons are provided that such revenue is "net new" to the state (i.e.; it must come from state residents who eschew out-of-state trips due to the project). Revenue from in-state, out-of-zone Colorado residents will be subject to a higher standard of scrutiny before being included as "net new" than revenue from out-of-state visitors. Revenue from residents of the zone will be subject to the highest standards of scrutiny before being included as "net new."

    c) State sales tax revenue from outside the zone, property tax revenue or any other revenue

3) The third-party analyst will provide a report recommending to the commission the percentage of the state sales tax increment revenue that will be dedicated to the project and the total cumulative dollar amount of revenue (i.e. the cap) per C.R.S. 24-46-305 (3) (d) . This report will be submitted for consideration to the EDC.

4) The EDC shall set the percent of the state sales tax increment revenue that is dedicated to the project and a total cumulative dollar amount of revenue which may be paid to the project (i.e. the cap). Once the cap is reached, no future revenues may be paid to the project even if there is time left in the financing term. Per statute the total cumulative dollar amount (cap) and percentage of the sales tax increment revenue that can be dedicated to the project shall not exceed the recommendations of the third party analyst by more than fifty percent unless the

EDC **unanimously** approves amounts that exceed the third party analyst recommendations by more than fifty percent.

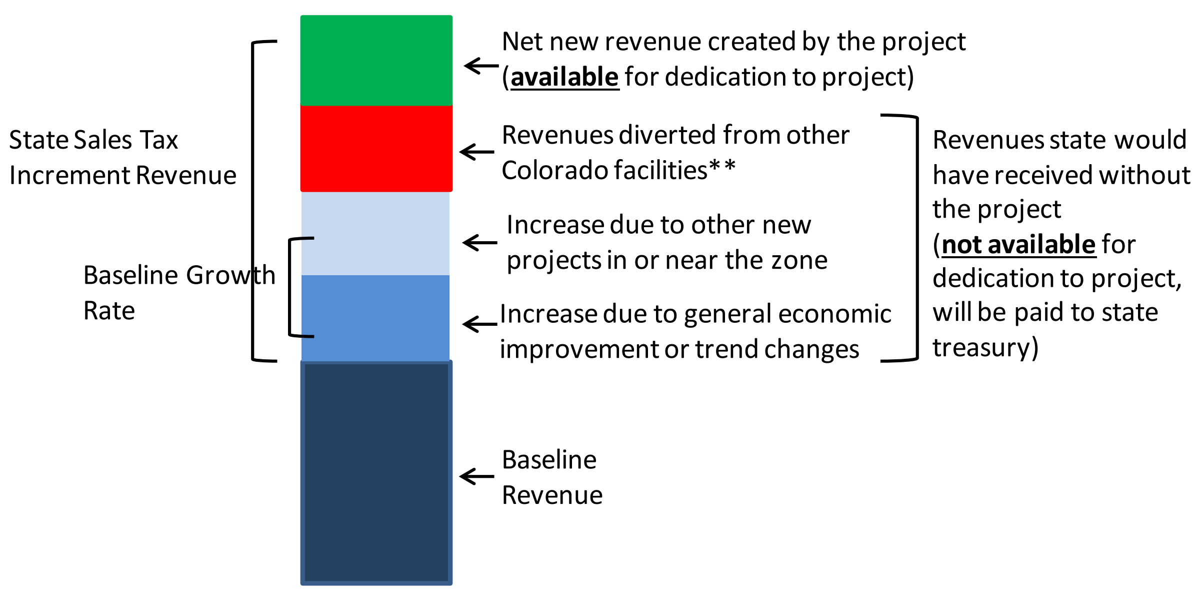
5) Per the authorization by the EDC as stated in the adopted resolution, any state sales taxes levied and collected after the EDC's approval date of the project shall be distributed by the Department of Revenue as follows:

    a. The portion of state sales taxes collected within the boundaries of the zone equal to the base year revenue and incremental revenue not allocated to the project per C.R.S. 24-46-305 (3) (d) will be paid into the state treasury.

    b. The portion of state sales tax revenue in excess of the base year revenue and allocated to the project per C.R.S. 24-46-305 (3) (d) shall be allocated to a separate fund established by the financing entity. The Department of Revenue will remit incremental tax revenue to the financing entity on a monthly basis promptly after collection.

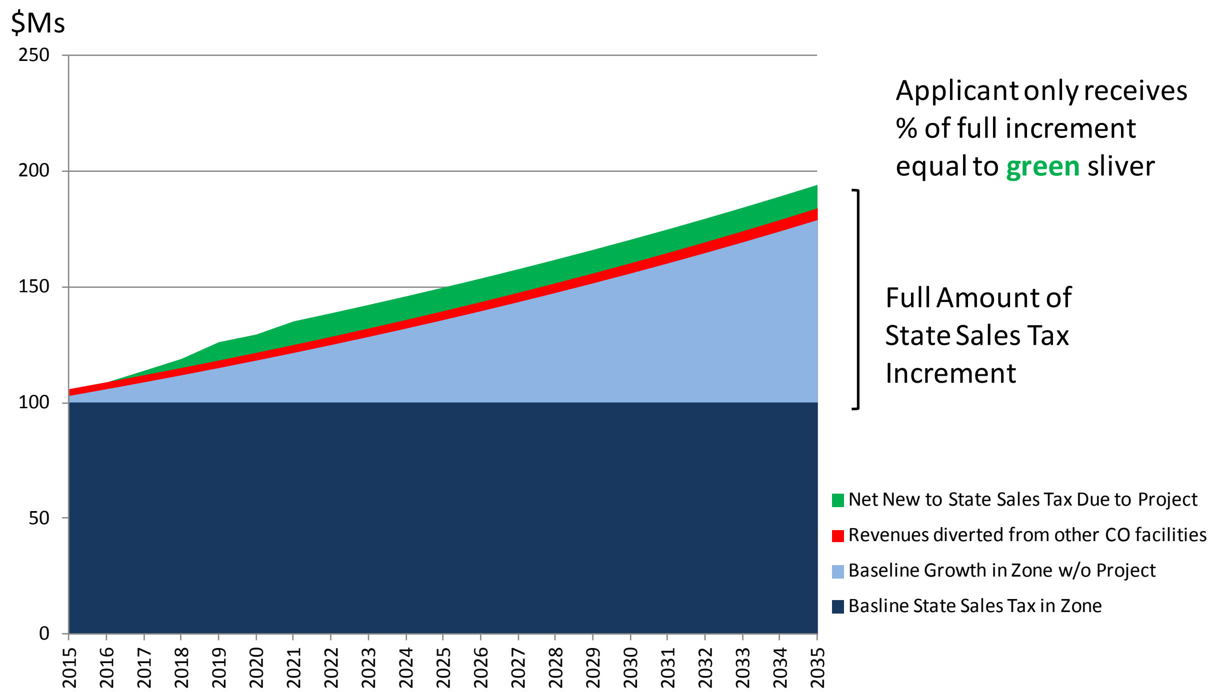
See below for a breakdown of the components involved in calculating the state sales tax increment revenue. Note only the top segment of revenue in green below is potentially available to the project.

Figure 1: Sales Tax Incremental Revenue Components



Please note that there is the possibility that the Department of Revenue will be unable to pay out revenues in one or more years if sales taxes do not exceed the base year revenue. In addition, an applicant should take into consideration potential impacts from an adjustment on the base year revenue as a result of audits completed that identify incorrect reporting (can occur up to three years out from base year revenue). For example, if it is determined that incremental payments have been overpaid the Department of Revenue typically offsets the overpayment by making adjustments to future distributions. It is recommended that the Applicant account for these situations when forecasting revenues and reserve requirements and developing their financing plans.

Figure 2: Hypothetical State Sales Tax Incremental Revenue Example Over Time



Calculation of Percent of State Sales Tax Increment=
Net new sales tax growth caused by project (green sliver) divided by the Total sales tax revenue growth (sum of green, red and light blue areas).

Calculation of Cap on Total Cumulative Revenue=
Total green area.

Confidentiality and Open Records

OEDIT is subject to Colorado Open Records laws (24-72-101 through 24-72-112, C.R.S.). Thus, documents and other materials received by OEDIT and its employees may be subject to public disclosure.

All emails and documents submitted to OEDIT under the RTA process are subject to release under CORA unless deemed to contain privileged commercial or financial information. OEDIT is considering proactively publishing all non-privileged RTA documents and correspondence starting in October 2014.

Applicants should be aware that OEDIT can only respond to requests to review records to the extent that such information is contained in OEDIT's files.

OEDIT will deny the right of inspection of records considered trade secrets, privileged information, and confidential commercial and financial data. Applicants should clearly mark areas of the application they consider to be trade secrets, privileged information, and confidential commercial and financial data. The entire application **may not** be marked "confidential". Please note that information considered confidential at the time of application may cease to be so at a later date.

For further information, please contact:

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Regional Tourism Act
Application Checklist

<u>THE FOLLOWING ITEMS MUST BE INCLUDED IN THE APPLICATION. ALL APPLICANTS MUST SUBMIT ONE ORIGINAL HARD COPY (WITH ORIGINAL SIGNATURES), ONE ADDITIONAL HARD COPY AND ONE ELECTRONIC COPY OF THE APPLICATION TO THE COLORADO OFFICE OF ECONOMIC DEVELOPMENT AND INTERNATIONAL TRADE STAFF BY 5PM MT ON THE DATE THE APPLICATION IS DUE. IF THE ITEM IS NOT APPLICABLE, PLEASE PROVIDE A STATEMENT AS TO WHY IT IS NOT APPLICABLE. THE COMPLETED APPLICATION SHOULD BE ORGANIZED IN THE ORDER REQUESTED BELOW.</u>

1. An original letter from the local government (applicant) requesting review and approval of a regional tourism project, regional tourism zone designation, financing entity designated: regional tourism authority and or urban renewal authority (if applicable), and acknowledgement of a financing entity to administer the state sales tax increment revenue on behalf of the project. Letter should also include the name of applicant, address, contact information and project name.

2. Narrative description of the Project including:
   - Brief description and detailed description
   - List of entities involved with development of project, background of entities, organization charts of the entities and specified contributions by the entities to the project
   - Location
   - Estimated overall cost and status of financing commitments
   - Estimated eligible costs and identification of eligible costs that will be covered.
   - Anticipated scope
   - Phasing of eligible Improvements (this should only be a summary but more detail should be provided to the phasing description required by the third party analyst and in item 10. Below).
   - Infrastructure existing or needed in connection with Project

3. Maps and renderings of proposed project area showing both current conditions and conceptual rendering of the proposed project in its anticipated condition. The maps must include boundaries of the proposed regional tourism zone

4. A list of businesses/properties, owners, address and sales tax number in an excel spreadsheet.

5. Discussion of how the project meets the following criteria based on the "Evidence and Factors for Assessment" from table in the Guidelines above:
   - Project is of an extraordinary and unique nature and is reasonably anticipated to contribute significantly to economic development and tourism in the state and communities where project is located.
   - Project is reasonably anticipated to result in a substantial increase in out-of-state tourism (include increase projected amount and percentage).
   - Significant portion of the sales tax revenue generated by the Project is reasonably anticipated to be attributable to transactions with nonresidents of the state (include % of transactions from residents and nonresidents of the state. Further, for in-

transactions with in-state residents - - delineate by in-zone and out-of-zone and explain what portion and why transactions with in-state residents should be included).

- Local government has provided reliable economic data demonstrating that in the absence of state sales tax increment revenue, the project is not reasonably anticipated to be developed within the foreseeable future. Explain and demonstrate with pro-formas why state money is needed for the project to move forward. Also explain and provide evidence that the project will move forward rapidly if the RTA project is approved.

THIS INFORMATION WILL BE IMPORTANT IN THE OVERALL ASSESSMENT AND APPROVAL OF THE APPLICATION

6. Discussion of how the Project will meet each of the criteria in an economic analysis (along with a copy of the economic analysis) that includes the following items:
   - Projected economic development
   - Impact on future state sales tax revenue during and after the financing term (including any potential or competing negative impacts to revenue from neighboring communities or similar tourist locations statewide.)
   - Average useful life of all facilities in the project
   - Number of new jobs to be created by the project by occupational group as defined by the Colorado Department of Labor and Employment occupational employment statistics survey Table 8a and the wages and, to the extent that it is reasonably possible, information on health benefits for jobs in each major occupational group (see link below for survey groups) https://www.colmigateway.com/admin/gsipub/htmlarea/uploads/OESWageSurvey2011.pdf
   - Market impact
   - Anticipated regional and in-state competition
   - Ability to attract out-of-state tourists
   - Fiscal impact to local governments within and adjacent to the regional tourism zone
   - Analysis of the impact to local school districts
   - Estimate of percentage of total project that the state is anticipated to fund through the state's share of total program (22-54-106, C.R.S.) in the event that an urban renewal authority is the financing entity for the project and uses property tax revenue to finance the project (include total costs of the project including eligible costs and ineligible costs).
   - Other information which will help with assessment of the project relative to the criteria in C.R.S 24-46-304.

   Applicant will need to work with the Department of Revenue to determine the baseline revenue for the project and identify the percent of incremental revenue that may be available.

7. Items Required by the Third Party Analyst

   - Business Plan describing the proposed development project
     - Explanation of the Development program
     - Timing and phasing of the improvements (what will be built when in detail. This item is the same as number 10 below)
   - Market analysis documenting the following:
     - Projected increase in tourism

- Portion of new tourism that is *net* new economic development activity to the state (excludes tourism activity diverted from existing Colorado attractions)
- Estimate of net new annual sales tax revenues to state from new out of state visitation from:

- Admissions
- Retail and lodging sales
- Other taxable activity
- Explain and justify key assumptions. What evidence are you using to support them? Provide comparisons to similar projects in other states to help support your assumptions.
- Financial model demonstrating the Project cannot be reasonably developed without State TIF in the foreseeable future
  - This analysis is what is referred to as a "But For" analysis
  - Provide pro forma financial analysis showing development, construction, and operating costs; a 10 year cash flow estimating operating costs and revenues; use of construction financing; all sources of public financing (i.e., issuance of revenue bonds through state or local TIF, district formation, and all reasonable public finance assumptions, such as provisions for capitalized interest, and debt service reserve
  - The pro forma should also include appropriate calculations of returns including IRR, NPV and return on cost that demonstrate that without the state financing the project does not provide a reasonable rate of return or is not viable in the case of non-profit ownership and that with the state financing, the project returns are fair and reasonable and/or the project is viable given the associated risks.
  - Show the available sources of revenue *in addition to RTA funds* for financing the project
- Economic Impacts - The Third Party Analyst will quantify the economic impacts for all projects using an economic model. The following inputs should be provided:
  - Project construction budget by phase
  - Permanent employment by job or wage level by phase
- Fiscal Impacts – The Third Party Analyst will assess any potential fiscal impacts of the proposed project on State services. The applicant should therefore identify:
  - Extraordinary impacts to State facilities and services, e.g. state highways, state patrol, major capital costs
  - A qualitative assessment of any potential impacts on school enrollment resulting from significant population growth or in-migration

Note that the items required by the third party analyst are <u>in addition to</u> and may overlap "Evidence and Factors for Assessment" listed above required to approve a project per the Criteria and Assessment Factors for Project Approval by EDC table

8. A check made payable to the Office of State Planning and Budgeting for the cost of the third-party analyst.

9. Description of the Financing Entity
   - A general description of the Financing Entity's plan for financing the Eligible Costs and providing the Eligible Improvements

- Request for Regional Tourism Authority (if applicable), which includes a description of the proposed Authority's geographic boundaries, requested powers, anticipated sources of revenue (if any) in addition to State Sales Tax Increment Revenue, and recommended board members
- General description of any contractual arrangements the Financing Entity will enter into with specific entities regarding the financing methods for Eligible Costs and providing Eligible Improvements.

10. If it is anticipated that the Eligible Improvements will be constructed in phases or that financing of the Eligible Costs will be accomplished in phases, a description of the contemplated phases and anticipated timing of phases.

11. Proposed Financing Terms, including: the percentage of State Sales Tax Increment Revenue to be allocated to the Financing Entity, the total cumulative dollar amount of revenue that can be allocated to the Financing Entity (i.e. the dollar cap), and the portion of the Financing Term during which such percentage is to be allocated to the Financing Entity (the length of the revenue stream should not exceed 30 years)

12. Third Party Analyst Payment Commitment Form (attached below)

13. Project Certification Form (attached below)

14. W-9

15. The report completed by a third party analyst, once completed.
    - Report by third party analysis will recommend the percentage of the state sales tax increment revenue that is net new due to the project and should be dedicated to the regional tourism project and the total amount of cumulative revenue which the project may receive (i.e. the revenue cap).
    - Third party analyst may also provide an opinion regarding an application's satisfaction of the four criteria required for approval of a regional tourism project.

It is anticipated that this analysis will be submitted by OSPB to OEDIT at a later date in the application timeline than the other parts of the application will be. (See Timeline for Application Submission, Review and Approval in Application Guidelines

ADDITIONAL INFORMATION MAY BE REQUIRED IF NECESSARY.

Regional Tourism Act
Third Party Analyst Payment Commitment Form

We, as Applicants to the Colorado Economic Development Commission for a Regional Tourism Project, commit to paying a Third Party Analyst (to be named at a later date) for an independent analysis (and one revision if requested) that will be included as part of the final application and sharing data and reasoning to a Third Party Analyst to assist with the independent analysis. We understand that the Colorado Office of State Planning and Budgeting is responsible for selecting, contracting directly with, and managing the Third Party Analyst, but the payments for such analysis is fully our responsibility and will be made upon request payable to the Third Party Analyst. The application may be withdrawn at any time prior to submission of the application to the Third Party Analyst without incurring any costs related to the Third Party Analyst.

____
Name of Applicant

____
Representative Signature

____
Typed or printed name

____
Title/Capacity

Regional Tourism Act
Project Certification Form

I, as an Applicant or as the entity involved in the development of the Regional Tourism Project to the Colorado Economic Development Commission for a Regional Tourism Project, certify that the information, exhibits and schedules contained herein are true and accurate statements, and represent fairly the financial condition of the enclosed entity (ies) as of the date stated herein and demonstrate that in the absence of State Sales Tax Increment Revenue, the Project is not reasonably anticipated to be developed within the foreseeable future. I give my unconditional consent to allow the Colorado Economic Development Commission, the Colorado Office of Economic Development and International Trade and its agents to verify financial information, obtain business-related credit reports or discuss information regarding the application and its primary developers/shareholders/guarantors herein with participants in the Project or with others as deemed necessary solely by OEDIT.

In some cases personal financial statements will be needed. If required, OEDIT will provide a consent form required to access such information during its review of the application.

____
Name of Entity

____
Signature

____
Typed or printed name

____
Title/Capacity for legal entity above