

**ECONOMIC DEVELOPMENT COMMISSION  
MEETING SUMMARY**

February 16, 2017  
9:00 a.m. – 11:45 a.m.

**MEETING DATE**

February 16, 2017  
1625 Broadway, Suite 2700  
Denver, CO 80202

**MEETING PARTICIPANTS**

**A. Commission Members**

J. J. Ament, Carrie Schiff, Dick Monfort, Jay Seaton, Chuck Murphy, Denise Brown, Millete Birhanemaskel, Noel Ginsburg and Benita Duran.

**B. Guests**

Kristie Pollard, Ed Sealover, Aldo Svaldi, Jariah Walker, David Neville, Bob Cope, Wynne Palermo, BJ Hybl, Stephanie Chichester Kurt Kaufmann, Robyn Moore, and Jason Dunn.

**C. Staff**

Stephanie Copeland, Jeff Kraft, Michelle Hadwiger, Simon Fox, Ken Jensen, Sonya Guram, Angela Mendez, Rebecca Gillis, Courtney Potts, Donald Zuckerman, Jenifer Doane, Liz Cahill, Danielle Lendriet, Dan Lane, LeeAnn Morrill, and Virginia Davis

**DECISION/ACTION ITEMS**

1. The Economic Development Commission approved the EDC Meeting Summary from the January 19, 2017 meeting with a minor change.
2. The Economic Development Commission approved the following items: Project Redwood; Distribution of RJS Benefits; Project Collaboration; and Mesa EZ, John Connell Math and Science Center.

**A. Meeting Called to Order**

Ament called the meeting to order.

**MEETING SUMMARY**

Monfort moved approval of the January 19, 2017 meeting summary with a minor change.

M/S/P – Monfort, Duran – meeting summary approved with correction.

**B. Strategic Fund (SF): Jeff Kraft and Michelle Hadwiger**

**Strategic Fund Balance Forecast**

Kraft presented the SF Balance Forecast which shows a sub-balance of -\$96,020.

**Project Redwood**

Hadwiger presented Project Redwood. Project Redwood is an outdoor recreation company in Mesa County, Colorado. The company offers design, installation, maintenance and inspection, and all operational oversight and training to run each course.

Project Redwood has 18 permanent employees in Grand Junction and 23 part-time project-based staff who live and work across the state. The company has three separate facilities: an office, a warehouse and manufacturing space, and a research and development facility. Company leadership is hoping to consolidate

these units and to grow the company in two phases. The first will be concentrated on the commercialization of the company's components line. The second phase of the expansion will include the installation and operation of an outdoor course open to the public featuring the company's products. Project Redwood estimates this course will attract up to 10,000 customers annually.

Staff is requesting approval of a performance-based Strategic Fund incentive in the amount of \$37,500 for the creation of 15 net new full-time jobs at \$2,500 per net new full-time employee with an average annual wage of \$40,898, 100% of Mesa County's average annual wage, in support of this project.

Pollard said Project Redwood is a vital employer to our economy and have been active in the outdoor manufacturing industry. When they sold their building it opened the door for Utah to approach the company. We immediately began working on ways that we could compete and make it more attractive for the company to remain in Mesa County. We are currently working on a significant acquisition of land that will be donated by the City of Grand Junction as well as some infrastructure development. The Grand Junction Economic Partnership and the City of Grand Junction will be putting in a \$1:\$1 match. The initial estimates that we have run are upwards of \$9M.

Monfort asked if we could do more than \$2,500.

Hadwiger said we can if the wages are above a certain amount. It's scaled and paired based on the wages. If they are at 150% you can pay up to \$5,000 per job, at 110% its \$2,500 and at 130% it's \$3,500.

Brown said the percentages and eligible reimbursement is policy not statutory. So if we wanted approve \$5,000 we could.

Monfort moved the Commission approved Project Redwood at \$5,000 per job. Brown seconded the motion.

Schiff asked if this increase will increase the match requirement.

Hadwiger said since its \$1:\$1 they have already exceeded it.

Kraft said as long as we can quantify that the donation of the land is at least double, it exceeds our increase.

M/S/P – Monfort, Brown – project approved at \$5,000 per net new full-time employee.

### **Update**

Hadwiger said OEDIT staff traveled to Munich, Germany for the International Sports Expo. We took six small businesses to assist them entering into the European market for export promotion. We also offered them services with our global consultant to assist them setting up meetings with suppliers and vendors. The Colorado booth was one of the biggest hits at the show. Everyone was excited about our Colorado Brand and the Colorado Story and spent a lot of time with our small businesses. Several of them made connections previously at this Expo and there are some good transactions in the works.

### **C. Rural Jump-Start (RJS): Ken Jensen**

Jensen presented the Annual Reports and Approval of Benefits. Seven companies were approved in 2016 for the Rural Jump-Start program. For this EDC meeting, OEDIT is presenting three companies and five New Hires, all with a recommendation to approve. Given that this is the first year of the program, OEDIT has extended the reporting deadline, and expects to present the remainder of the applications at the March EDC meeting. OEDIT is working with the remaining businesses, with the assistance of the Grand Junction Economic Partnership and Colorado Mesa University.

Staff is requesting approval to issue tax credit certificates to ProStar GeoCorp, Colorado Clear and Rebo and the five new hires for ProStar GeoCorp.

M/S/P – Schiff, Ginsburg – Issuance of tax credit certificates approved as presented and recommended by staff.

**D. Regional Tourism Act (RTA): Jeff Kraft LeeAnn Morrill**

**Aurora**

Kraft presented the Q3 and Q4 2016 reports from the Aurora Project.

**Colorado Springs**

Walker introduced the Colorado Springs team members.

Hybl the project is a \$75M project. We've raised \$44M privately. Based on the numbers for private placement which is a little over \$26M, we are about \$4M short have raising that money right now. We are 95% funded as a project.

The process started with the selection of George K. Baum as the investment banker and Northslope as the financial advisor (FA) for CSURA. We went down a dual track path at the recommendation of the FA looking at a public bond offering and a private placement bond offering. We decided on a private placement offering. December 21<sup>st</sup> we received a commitment letter from UMB as a lead bank and underneath that is First Bank and Academy bank. The commitment letter was negotiated and approved by CSURA in December. Currently we are drawing up the Resolution and the Indenture of Trust and should be brought to the Commission for approval in March.

Kaufmann, Chichester and Moore gave a high level overview of the basic structure of the bonds.

Cope discussed the MOU. The purpose of the document is to say the Mayor is taking 10% of the 16% of the flexible funds and combining them with the 42% of the MEAP of the Museum for the single bond issuance. The proceeds from that will go to the significant infrastructure. There are five elements that were required eligible improvements that had to be completed. The Pedestrian Bridge has been conceptually designed and is in for actual design right now. The total project cost is about \$10.6M. We will be using a portion of the proceeds of the 10% of the flexible MEAP allocation to finance the bridge. In addition to that we will be using some Pikes Peak RTA funding which is our local regional transportation body.

Monfort said that's an expensive bridge.

Cope said everyone felt that it the bridge should be iconic. It will tie into the Museum. The West Landing as shown in the current display will be a little different. It will be incorporated into some southwest downtown multi-use redevelopment. This was meant to be and is proving to be a catalyst.

Copeland asked if any engineering resources from the University to complete the bridge.

Cope said they are not.

Copeland asked if that was something they could do. For two reasons, lowering the cost and engaging the community.

Cope said that is an excellent idea. There has been a process for selecting the architects and engineers as we've moved through this. Each time an architect gets chosen, the architect was somehow involved in either the planning of Southwest Downtown or with the Museum. It ties into the landing and it seemed like there

was a lot of value and as these things were changing they would be able to quickly react and adjust the design to that.

Monfort asked where the people would be coming from to cross the bridge.

Cope showed a rendering of America the Beautiful Park saying it is a park the City built. It had always been envisioned that in another phase there would be a pedestrian bridge that tied our downtown to that park and this bridge will create that connection. This bridge ties in perfect with our downtown master plan and completes that vision.

We will be using a portion of the bond proceeds from this RTA bond issuance to also cover the costs of the streetscape improvements that are part of the required eligible improvements. Phase one of this will be about \$4.5M to complete.

Copeland said her first reaction to that type of expenditure for the bridge feels high. I applaud the project. I do urge you to look at whether there are ways that we can more prudently spend the monies that are being assigned here.

Cope said yes. We can do that. We have a stakeholders committee that is reviewing the work of the architects and we will look into that.

Cope said part of what they will be asking for in March, if the Resolution is adopted, would be the blessing on Exhibit C which shows our approach to the required infrastructure.

Birhanemaskel asked what the community is like right now considering the issues at the beginning of this process.

Cope said there is some excitement and momentum in the community building up to a ground breaking around May or April.

Cope said UCCS is on track. They signed a partnership agreement with Centura Health to be the medial provider. They have identified staff. They announced the naming of the building. The building should be started and completed on schedule and funding has been identified.

Brown asked why they didn't sign the agreement with Memorial. It changes the opportunity to do education and training concurrently with a clinical activity if they don't partner with the CU system.

Cope said it seemed to be a better fit and all parties seem to be happy with it.

Brown said as this project gains momentum it would be helpful to have someone from the University come and talk about some of the programmatic detail that we talked about in the review process. In addition, if I'm correct, they still do not have an approved program plan from the state. They've missed two legislative sessions to get official state approval for the project which they still don't have.

Cope said they would need to get clarification on this. They will have a representative from UCCS to come to a future board meeting to respond and lay out their schedule.

Cope said the Airforce Visitor Center is using the enhanced use lease program to get proposals from developers. They went through the process last year with two proposals that were reviewed. The proposals did were non-responsive. Still using the enhanced use lease program, they are in the process of modifying the solicitation to fast track responses.

Cope addressed a recent article in the Colorado Springs Gazette. Colorado Springs completed a feasibility study with HBS for the sports and events center portion of City for Champions. The results showed that for the project to be feasible it would require some municipal support. At that time, the Mayor felt with the other priorities, capital needs, now wasn't the time to go to the community for some type of municipal bonding for that. At the same time we had a project emerge which is a WWII and Aviation museum which is currently located at the Colorado Springs Airport. They are performing an economic and feasibility study on what that would look like to locate that in downtown Colorado Springs and how much it would increase visitation. We made it clear that the purpose of the RTA is to bring net new out of state visitors so in order for that to happen we would have to have the economics behind it.

Monfort asked what happens if the event center goes away.

Kraft said the award was structured that there is a minimum annual percentage that would just go away and all the other revenue streams would keep going.

Monfort asked if it would change the cap.

Kraft said yes. It would ratchet down the cap.

Cope said we are very early in that process and we will report further to you in the near future.

#### **Pueblo**

Kraft provided the Q2 2016/17 Pueblo report.

Schiff moved pursuant to Colorado Revised Statutes Section 24-6-402(3)(a)(II), I move that we go into executive session with our attorney for the purpose of receiving legal advice about RTA projects and the Strategic Fund. Seaton seconded the motion. Motion passed unanimously.

The Commission is now in Executive Session.

Monfort moved the Commission enter into regular session. Murphy seconded the motion. Motion passed unanimously.

The Commission is now in regular session.

#### **E. Colorado Office of Film Television and Media (COFTM): Courtney Potts Project Collaboration**

Schiff moved pursuant to Colorado Revised Statutes Section 24-6-402(3)(a)(III), I move that we go into executive session for the purpose of discussing documents that contain trade secrets and/or confidential commercial or financial information about Project Collaboration, which are required to be kept confidential by Colorado Revised Statutes Section 24-72-204(3)(a)(IV). Birhanemaskel seconded the motion. Motion passed unanimously.

The Commission is now in Executive Session.

Murphy moved the Commission enter into regular session. Ginsburg seconded the motion. Motion passed unanimously.

The Commission is now in regular session.

M/S/P – Schiff, Ginsburg – Project Collaboration approved as presented and recommended by staff.

**Budget**

Potts presented the COFTM budget which shows a balance of \$48,929 after the approval of today’s project.

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

**New Contribution Projects**

Guram presented the following Contribution Project Proposals for approval.

<b>EZ – Project Name</b>	<b>Project Type</b>	<b>Completion Date</b>	<b>1 yr. Projected Credits</b>
Mesa – John McConnell Math & Science Center	Operations –Visitor Event/Attraction	2021	\$131,250

M/S/P – Murphy, Ginsburg – New Contribution Project Proposal was approved as presented and recommended by staff. Seaton recused himself from the vote.

**G. EDC Budget: Jeff Kraft**

Kraft presented the EDC Budget which currently shows a sub-balance of \$10,638,799.

**H. Next Meeting**

Ament said the next EDC meeting will be March 16, 2017.

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