

**ECONOMIC DEVELOPMENT COMMISSION  
MEETING SUMMARY**

June 21, 2018  
8:30 a.m. – 12:20 p.m.

**MEETING DATE**

June 21, 2018  
1625 Broadway, Suite 2700  
Denver, CO 80202

**MEETING PARTICIPANTS**

**A. Commission Members**

Carrie Schiff, Jay Seaton, Robert Price, Rob Brown, Tara Marshall, Tom Clark, Denise Brown, Benita Duran, Chris Franz, and Karen Blumenstein.

**B. Guests**

Jennifer City of Boulder, Ed Sealover, DeAnne McCann, Ingrid AI projects, David with Project 5000, Jerry with Project 5000, Dennis Simpson, Clay Walker, Vance Zanubon, Alec Story, Onder Asir, Allison Cloud, Asha Conley, Pam Renall, Mike Karasda, Sarah Kelly, Stacey Chapman, Robert Muratore, Adam Lipsius, Tony Acri, Melissa Henrick, Chris Ruff, Jep Seman, Alan Krcmarik, and Stacy Johnson.

**C. Staff**

Jeff Kraft, Sean Gould, LeeAnn Morrill, Ken Jensen, Rebecca Gillis, Rama Haris, Che Sheehan, Reid Aronstein, Wael Kahlifa, Pam Moore and Virginia Davis.

**DECISION/ACTION ITEMS**

1. The Economic Development Commission approved the EDC Meeting Summary from the May 17, 2018 meeting.
2. The Economic Development Commission approved the following items: **JGITC** - Project Vollgas; **EZ** – Pikes Peak Boundary Amendment; **AI** – Catalyst Campus, LLC; Vartega Carbon Fiber Recycling; Colorado Smart Cities Alliance; Rocky Mountain Innosphere; **OFTM** – Colorado Classics 2018; Dan O’Bannon’s Alien; Soul Custody; Nazi Overlord; and **RJS** – Kaart Group.

**A. Meeting Called to Order**

Schiff called the meeting to order.

**Meeting Minutes**

R. Brown moved approval of the meeting minutes from the May 19, 2018. Price seconded the motion. Motion passed unanimously.

M/S/P – R. Brown, Price – Meeting Minutes approved as presented by staff.

**B. Job Growth Incentive Tax Credit (JGITC): Jeff Kraft**

**Project Vollgas**

Gillis presented project Vollgas. Project Vollgas is a subsidiary of a German-based hardware manufacturer and software development company in the health and wellness industry. The company builds and

develops integrated digital fitness products, combining machine technology and a cloud-based operating platform to customize feedback for customers, with the goal of providing data-driven fitness.

Later this year, Project Vollgas will be opening a lean, operations and sales-focused office in the U.S. This will be its first official American establishment. Currently, Project Vollgas has a small office in New York, and recently acquired a company in California. This growth has catalyzed the need for a consolidated presence in one location. It is likely that a majority or all of the employees at both the acquired company and those currently based in New York will relocate to the final project location. The company is analyzing Boulder, Colorado and other peer markets for this project.

Staff is requesting \$2,888,036 in performance-based Job Growth Incentive Tax Credits over an 8-year period. This incentive is contingent upon the creation of up to 285 net new full-time jobs at a (AAW) of \$63,362, 100% of Boulder County's AAW, in support of this project.

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

#### **Update of Approved Projects**

Gillis updated the Commission on Project 5760 saying the project is not moving forward. They will be staying in Colorado and have indicated they are happy to be here in Colorado. The Company's real estate needs are constantly changing and they have decided to go a different direction.

#### **C. Enterprise Zone (EZ): Jeff Kraft**

Kraft presented the following Enterprise Zone Boundary Amendment request.

The Pikes Peak EZ Administration is requesting an extension of the Pikes Peak enterprise zone to include census tract 34 in El Paso County. The proposed area meets the statutory eligibility requirements and the expansion keeps the Pikes Peak Enterprise Zone within statutory limitations on population (maximum of 115,000 for an urban EZ). The zone administrator, DeAnne McCann, has provided justification, maps, and letters of support for the boundary amendment request.

OEDIT supports this application as the EZ tax incentives could be an important factor in business decisions to improve and expand facilities that attract international visitors to Pikes Peak.

M/S/P – Clark, Franz – Enterprise Zone Boundary Amendment approved as presented and recommended by staff.

#### **D. Advanced Industries**

##### **FY18 Infrastructure Grant Requests**

Haris presented the following AI projects for final approval.

AI – Project Name	Industry	Funding Request
Catalyst Campus, LLC	Aerospace/Technology and Information	\$700,000
Vartega Carbon Fiber Recycling	Advanced Manufacturing/Energy, Natural Resources/Cleantech	\$500,000
Colorado Smart Cities Alliance	Technology and Information	\$500,000
Rocky Mountain Innosphere	Bioscience	\$300,000

M/S/P – Duran, D. Brown – AI Projects approved as presented and recommended by staff.

## **AI Budget**

Haris provided a budget update which currently shows a balance of \$4,905,077 in available funds.

## **E. Transferrable Tax Credit (TTC): Ken Jensen**

### **Project 5000 Update**

Jensen introduced David and Jerry who provided a Project 5000 update saying the project is progressing well. Major equipment providers have submitted final bids. In June the board of directors approved a significant engineering budget as the project continues to proceed forward at a quick pace. We are in discussions with other key parties and those discussions continue to progress well.

### **Project 5000 Request**

Jensen presented the Project 5000 request. Project 5000 was approved by the EDC on November 16, 2017, with a forecast of generating \$17 million in tax credits subject to transfer. The EDC has expressed an intention to approve this amount over the course of fiscal years 2017-18 and 2018-19.

Currently OEDIT has no other companies in the Transferable Tax Credit pipeline at this time.

Given the previous allocation of \$9 million, allocating an additional \$1 million to Project 5000 in June of 2018 will help ensure that no Transferable Tax Credits are unutilized in this fiscal year. Assuming that there is no significant change in circumstances, OEDIT will likely recommend allocating \$7 million of Transferable Tax Credit rights in fiscal year 2018-19.

Staff is recommending the allocation of \$1 million additional (total \$10 million) in Transferable Tax Credit funds to Project 5000 in fiscal year 2018-19.

M/S/P – Price, Duran – Project 5000 additional Tax Credit allocation approved as presented and recommended by staff.

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

### **RJS Program Manual**

Jensen presented RJS. After the recent EDC discussions, OEDIT is proposing updating the program manual for the Rural Jump-Start program on the New Hire schedule, the compensation calculation, and late filing of annual reports.

There are four primary changes proposed for the program manual. First, the prior version of the program manual required that the company have five new hires in its first full year of operation. The new version requires that the company ramp up to five new hires over a three-year period. The statute does not specify when the new business must have five new hires leaving the EDC flexibility to determine the timeline. There is also new language around the EDC response if the company does not meet the new hire schedule.

Second, the program manual proposes how annual compensation will be calculated for the purpose of determining new hire eligibility. After researching the issues, compensation now includes benefits provided by the employer which have an identifiable dollar value, and both compensation and benefits are annualized to determine compliance as the statute permits.

Third, the new version also proposes a procedure for EDC responses when the business is late in filing its annual report.

Fourth, OEDIT proposes changing the deadline for businesses to submit their annual report to the last day of February in response to feedback from businesses.

Marshall moved approval of the requested changes accepting the language to the new hire calculation saying that we “may” revoke their approval. Clark seconded the motion. Motion passed unanimously.

### **RJS Public Comment**

Schiff recognized Dennis Simpson of Grand Junction who requested to provide comment on the RJS program.

Simpson said the way it works, if I’m an employer, I send in a list to these guys, they then look at it and say okay, those people qualify. They send just a report to DOR saying here are the people that qualify. The law says that they are supposed to issue a certificate that most readers would say, these guys are the ones responsible for determining how much credit each participant gets. But they’ve interpreted the law to say all we have to do is tell DOR these are the guys that qualify, now it’s your problem. You deal with how much credit these people are entitled to on their tax return. As terrible as that process is, at least DOR knew that probably whatever the W2 amount is that’s how much credit these people should get. Now, we’re going to tell them, these people qualify and it’s based on some other amount that’s not the W2 amount and we’re going to include benefits and the example I’d like you to consider is when you have five employees usually two of them are “mom and pop” and “mom and pop” can set up a big retirement plan as a benefit for them that’s not applicable to anyone else that works for them if they do it right, and there will be this giant amount of benefit that they turn into these guys and they say, yep, those are benefits and then they get this giant credit. To me that doesn’t seem to be the intent of what that law said or what you would want to have done. So I think before you approve this you ought to do more than say, DOR has some mild objections to this, but I think you ought to understand what all of their objections are and have them dealt with rather than just approving something says, this major problem will be dealt with later.

I’ve submitted a whole list of other real problems to OEDIT staff. I don’t know if you’ve heard or seem then but I’ll give you one more example. The law says if you meet our qualified application and start a business here in our depressed economy, we will refund all the sales tax you pay on stuff you buy to start your business. There’s no limits and the law clearly makes this group responsible for setting whatever limits that there are going to be and even with exchanges there are no limits. So let’s take my “mom and pop” example again and let’s say they believe that almost all of their automobile expense relates to this new business and they also believe it’s their right to own and claim credit on luxury automobile. So they run out and buy a \$100,000 vehicle and pay the sales tax to the car dealer then submit a claim for refund, which with no regulations, no rules, they are entitled to. I’ve asked this question of the DOR and the final answer I got was, we are going to audit everybody and then we’ll tell them what the rules are when we audit them, and if we think it’s unreasonable, we’ll disallow it. So there are no rules.

Schiff thanked Smith for providing comment.

Schiff asked staff if they had comment.

Jensen said every year OEDIT gets and annual report from the business and we need to determine whether the business is eligible to receive benefits at all. One of the tests we use is whether they have the new hires according to the schedule in the guidelines. That is purely to determine whether the business eligible to be in the program. Full stop, that’s the end of the interest in benefits. So now let’s switch gears entirely

to the individual employee. The company gives us the W2 wages of the individual employee. Then we determine how many days of the year this person was actually a new hire. We then prorate that on a daily basis, based on the number of days in the year. We take that information and determine the entire W2 wages, the chunk that is subject to exemption per the RJS program and report both of those totals to the DOR. We had a number of discussions with the DOR on this point. In order for us to know what the credit amount is, we would have to actually see this person tax return which is unrealistic and outside the scope of this program and outside of the statute and the DOR agreed. With that agreement, we issue a tax credit that lists their name their address, etc. and the total amount of wages the exempt amount of wages and non-exempt amount of wages. That is the information that the employee gets and that is the information that is transferred to the DOR. Given the structure of the program we think that's the way it should be.

In regards to the sales tax, the statute provides a strict limit what can be used. It needs to be personal property used by the business entirely within the zone. It cannot be personal property used by the employees for personal use. It cannot be things for use outside the zone or for other operations beyond the RJS program. We view the statute as placing adequate limits on that scenario.

Schiff said we are responsible for conforming our decisions and our policies to the statute that the legislature has handed us. We are not the DOR and we can't speak for them but there are checks and balances here that are natural and part of this entire process.

Kraft said the companies provide us estimates of the amount of tax credits their claiming and sales taxes and these are reviewed by staff. We do not see large exorbitant numbers. Quite the contrary, we've seen very modest impacts to this program. The number of companies that are actually receiving benefits right now is small and the dollar impact to the state has been de minimis so far.

This is a very powerful marketing tool. If one of these companies becomes very successful, it's a great lure to keep them in Grand Junction.

Blumenstein requested an additional modification to the Program Manual, Requirement: County Average Wage, second bullet, to say "including but not limited to, employer contributions to health insurance, life insurance, disability".

R. Brown requested a correction to the Program Manual, Failure to Report, number 1, add the word "report" after annual in the first sentence.

Schiff said this motion as it relates to this section, reverse numbers one and two.

Marshall amended the original motion to include all of the amendments discussed. R. Brown seconded the motion. Motion passed unanimously.

Jensen said staff will make those changes, upload the revised document to the website and share the revised document with the DOR.

M/S/P – Marshall, R. Brown – Program Manual Amendments approved as discussed.

### **Benefits for Kaart Group**

Jensen presented the request for benefits for the Kaart Group. Kaart was presented to the EDC in April with two employees who qualified as new hires under the previous compensation calculation. Since then,

OEDIT has re-analyzed Kaart with the new compensation calculation, and determined that four employees are eligible for the new hire benefit. The company submitted a list of 32 employees, but most do not qualify due to the wage requirement.

Under the new program manual, Kaart is required to have one new hire in 2017, three in 2018, and five in 2019 and beyond, so no waiver is required for this approval of benefits if you agree with the proposed revisions to the new hire schedule.

Staff is requesting approval of Kaart Group for Rural Jump-Start program benefits with four New Hires.

M/S/P – Seaton, Marshall – Kaart Group benefits approved as presented and recommended by staff.

Schiff asked staff to provide feedback at the next program status update on the concerns of potential abuse of this program.

Staff will follow-up.

### **G. Office of Film, Television and Media (OFTM): Mariel Rodriguez-McGill**

#### **OFTM Budget**

Rodriguez-McGill presented the OFTM Budget which currently shows a balance of \$809,545.00.

#### **Colorado Classics**

Rodriguez-McGill presented Colorado Classics. RPM Events Group plans to film and broadcast the Colorado Classic, a four-day international road bike race. The TV series will cover the race, the participants, special events, and highlight Colorado's tourist attractions and cultural scene. The race will feature Colorado's scenic and challenging terrain in areas such as Vail, Golden, Lookout Mountain, Red Rocks Park, Evergreen, Dinosaur Ridge and the Denver Metro Area. The 4-day event will be broadcast nationally via Tour Tracker, Altitude Sports Cable Network and Facebook Live, and reach an international audience via Eurosport, DAZN (OTT platform available in Japan), DAZN Flo Sports (Canada) and Fox Sports/Sky Sports (Central America, Latin America, 54 countries in Sub Saharan Africa and New Zealand).

The project has a total preliminary Colorado budget of \$566,092. Total CO hires: 40, which equals 73% of the workforce for this project. The estimated qualified local expenditures of the application would result in a rebate of \$113,218. Per the applicant's estimations, the Office of Film, Television & Media is anticipating

a total of \$566,092 in qualified local expenditures and with the multiplier effect, the economic impact could reach up to \$962,356.

Staff is requesting approval of Colorado Classic for a projected rebate request of \$113,218.

M/S/P – Duran, Blumenstein – Colorado Classic approved as presented and recommended by staff.

#### **Dan O'Bannon's Alien**

Rodriguez-McGill presented Dan O'Bannon's Alien. "Dan O'Bannon's ALIEN" tells the untold origin story of Ridley Scott's cinematic masterpiece, rooted in Greek and Egyptian mythology, underground comics, parasitology, the art of Francis Bacon, and the symbiotic genius of Dan O'Bannon and H.R. Giger. On the eve of the film's 40th Anniversary, Exhibit A Pictures will reveal a treasure trove of never-before-seen materials from the O'Bannon and Giger estates, including original story notes, rejected designs and storyboards, exclusive behind-the-scenes footage, and Dan's original 29-page script from 1971, titled

“Memory.” Though principle photography for this film took place across the globe, Exhibit A Pictures would like to apply for a Colorado film incentive for the post-production process, which will take place in Colorado. The production company previously received a post-production incentive for “78/52.”

The project has a total preliminary Colorado budget of \$147,540. The estimated qualified local expenditures of the application would result in a rebate of \$29,508. Per the applicant’s estimations, the Office of Film, Television & Media is anticipating a total of \$147,540 in qualified local expenditures and with the multiplier effect, the economic impact could reach up to \$250,818.

Staff is requesting approval of Dan O’Bannon’s Alien for a projected rebate request of \$29,508.

M/S/P – Duran, Blumenstein – Dan O’Bannon’s Alien approved as presented and recommended by staff.

### **Soul Custody**

Rodriguez-McGill presented Soul Custody. “Soul Custody” is an independent feature film, to be produced in Woodland Park, Colorado summer 2018. After being accidentally murdered by her schizophrenic mother Lauren and her stepfather, an older accomplished attorney, thirteen-year-old, Victoria, recites the last year of her life up to the moment of her death.

Keep It Moving Productions LLC is a Colorado-based production company. Founded in 2010 by film producers and actors Clay Walker and Jordan Werner, Keep It Moving Productions was established to develop theatrical motion pictures across a wide variety of genres for domestic and international distribution. The production company’s goal is to create opportunities in Colorado for workforce who would like to remain in Colorado instead of moving to popular filming locations.

The project has a total preliminary Colorado budget of \$194,233. The estimated qualified local expenditures of the application would result in a rebate of \$38,846. Per the applicant’s estimations, the Office of Film, Television & Media is anticipating a total of \$194,233 in qualified local expenditures and with the multiplier effect, the economic impact could reach up to \$330,196.

Staff is requesting approval of Soul Custody for a projected rebate request of \$38,846.

M/S/P – Seaton, Duran – Soul Custody approved as presented and recommended by staff.

### **Nazi Overlord**

Rodriguez-McGill presented Nazi Overlord. Uptown 6 Productions is a Colorado-based production company known for developing thriller, family and teen feature films. The company is constantly on the search for stories that capture characters who are real, have problems, and discover dramatic, comedic, inspiring, terrifying or appalling solutions to make those problems go away.

Uptown 6 Productions has been asked by The Asylum to produce a feature-length horror film set during World War II titled “Nazi Overlord”. Captain Alan Rogers just experienced the terrors of battling on the beaches of Normandy, but little does he realize the horrors that lie ahead of him in his next mission: finding kidnapped British scientist Dr. India Eris in the depths of Romanian Nazi territory.

The project has a total preliminary Colorado budget of \$145,531. The estimated qualified local expenditures of the application would result in a rebate of \$29,106. Per the applicant’s estimations, the

Office of Film, Television & Media is anticipating a total of \$145,531 in qualified local expenditures and with the multiplier effect, the economic impact could reach up to \$247,402.

Staff is requesting approval of Nazi Overlord for a projected rebate request of \$29,106.

M/S/P – Marshall, R. Brown – Nazi Overlord approved as presented and recommended by staff.

Schiff pointed out that the OFTM team do a tremendous amount of work for the State of Colorado with a very tiny budget.

#### **H. Strategic Fund (SF): Jeff Kraft and Sean Gould Strategic Reserve Discussion**

Gould updated the Commission saying the Strategic Reserve discussion is begin put on hold until Copeland and Hadwiger are back in the office next month.

#### **Strategic Fund Balance Forecast**

Gould provided a budget update update which shows a balance of \$2,130,000.

#### **Market-based Sourcing and UCCS Commencement of Substantial Work**

Seaton said, 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 the Market-based Sourcing and Commencement of Substantial Work for UCCS. Franz seconded the motion. Motion passed unanimously.

The Commission is now in Executive Session.

Marshall moved the Commission exit Executive Session. R. Brown seconded the motion. Motion passed unanimously.

The Commission is now in Open Session.

#### **I. Regional Tourism Act (RTA):**

##### **RTA Project Monitoring**

Jensen provided the RTA Project Scorecard. The Scorecard lists the RTA awards and projects. As the projects move forward, staff will continue to update this tracking sheet and provide it to the Commission.

Staff said the amendment to Resolution No. 3 was signed today by Schiff. The amendment clarifies the allowance of Colorado Springs to use funds for Administrative costs. We are waiting on economic analysis for the stadium. Staff is having ongoing conversations with Go NoCO and staff is committed to moving forward and getting the Resolution taken care of. Staff continues to work with NWC on their deliverable tracking document.

The Legislative Audit Committing hearing for RTA is scheduled for August. OEDIT will present a draft response prior to the hearing with the program guidelines.

##### **RTA Program Guidelines**



Jensen presented the final RTA Program Guidelines. All previous modifications discussed and provided by the EDC are included in this final document.

Staff is requesting approval of this final document with OEDIT having the ability to make any minor or typographical changes as needed.

M/S/P – D. Brown, Franz – Program Guidelines approved as presented and recommended by staff.

Marshall thanked Schiff and staff for all the work done on the audit.

### **RTA Project Quarterly Reports**

Jensen provided the RTA Project Quarterly Reports as submitted by the Project Representatives for all five projects.

### **Pueblo/PBR Semi-annual Update**

Acri and provided the project update saying in regards to construction, the Convention Centers frame is up, the foundations and we are on a good pace right now. We have our permits and completed the foundation in March and finished our frame in May. We expect to have our certificate of occupancy in January, 2019 and using the month of February to install all equipment and get things fully operational with the goal of opening in March of 2019 and we are on track. The Riverwalk expansion will be brought online at the same time.

Henrick talked about the Camps and Events saying there are twenty-six sports camps targeted annually. With the Minor-League Baseball team, The Pueblo Owlz coming to town, we met with them and there will be a partnership there so we will have a Baseball component as well. Partnerships between the Convention Center and PBR Sports will be key to the success for the facility. We will have the opportunity to host camps in sports such as wrestling, gymnastics and cheerleading. The PBR marketing will include live events, digital signage, television broadcast, etc.

Duran requested the project provide numbers related to local hires, and minority and small business participation at a future update.

Acri said we are tracking that and as we get closer to the end we will provide a summary.

### **NCRTA/Go NoCO**

Ruff said our last board meeting occurred in January where we track our current progress. We have now put Inter-Governmental Agreements (IGA) in place with all of the principal members of the group, Larimer County, City of Loveland, Town of Windsor and Town of Estes Park. We have been working with OEDIT to submit our reports as required. We are in receipt of some initial funding. At this point, the only thing we have expenditure wise is very minor administrative items. Our board is working with OEDIT to complete the final Resolution.

The Commission voiced several concerns. The project is receiving dollars and we don't have a final Resolution in place. There is no one from Estes Park at this meeting which, whether or not you mean to, it sends a signal that they are not in this deal and we need to know. This is the second or third update that we've done without anyone from the Stanley present.

Kraft said we do have the interim Resolution in place. We do have a redlined draft for the final that we started working on upon the initial approval with some notes of things to add, so we do have a good starting point. I think we could make progress and rapidly move it to conclusion before the end of this calendar year.

Seman said the amount of money received so far is about \$140,000. We consider the temporary Resolution that was put in place to be our guiding document that is your protection from those funds being used for anything beyond Administrative expenses. Part of the reason there has been no follow-on board meeting since January is the concern about spending money when we don't have anything concrete to spend it against. The statute allows for five years to reach Commencement of Substantial Work. Our people, including the folks in Estes Park are working diligently with financing folks to try and get these things to come together. My conversations with the Estes Park folks in recent weeks indicate they are still very much committed to doing this project. We hear loud and clear the interest in getting a final Resolution in place and our board has directed us to get that done.

D. Brown asked, in the absence of legal counsel, in worst case scenario, does the Commission have the authority to say, just this far and no further on this project.

Schiff said one thing that would be useful at the next meeting, if you could give us a more detailed report on the status of the projects next month. I also think it's important for us to understand where we are in the final Resolution because it's not just a simple matter of semantics. What I recall from last year's July meeting is that there were some very serious substantive concerns in the final Resolutions where there were some tense conversations around the requirements that we were looking to impose. So what I would also like to see next month is a report out to the Commission on what is the bid and the ask. Where are we on the negotiations of the final Resolution so we can have some foundation on what the real issues are. That will help us to understand the scope of the task.

Schiff said let's be clear. We are not saying we want to kill this we don't like it. What's missing here is if there is a lot of activity, if there is progress, if there are advocates, if there is energy and intensity in achieving this we need to hear about it. We need to know that it's happening within the guardrails and it's going to achieve the project that was approved, now three years ago.

Marshall said we are at 29 months from Commencement and I'm worried for the project that there might not be enough time to get it going. So I'd rather bring my tough concerns now, rather than see this fail down the road.

Seman said one of the key elements for us is to get in place the cost-sharing that can be done amongst the five elements of our project. We hope one or more of them will start to get out of the starting gate, we'd like the ability to use some of that funding that's flowing right now to front-load those projects that are moving.

Blumentstein wants staff and the project to meet before the next meeting and discuss moving forward on finalizing the Resolution.

Seman said they will do that.

Schiff said she wants to get a sense of the state of play. We need to know so we can think about from our perspective, what feels right. We want to help facilitate. More information will help us.

Seman said thank you for the opportunity, we'll get with your team and get busy.

### **Colorado Springs/City For Champions**

Walker and Cope provided a project update.

Walker said the Air Force Academy sent out some more communications recently. I'm sure you all know that Christopher Liedel, from the Smithsonian was hired as the CEO, which was a huge win for Colorado Springs and the Olympic Museum to continue the efforts that are going strong there. The building is out of the ground, erected. We just had a topping off ceremony. We will be hearing about the new conceptual plan for the URA area going around the Museum, that will occur at our board meeting next week. We are on the fifteenth requisition with the Museum so funds have been flowing well and going good. Kraft and the COS leadership, as well as Blue and Silver, LLC will be meeting with the AFA people on the 27<sup>th</sup> of July. The whole point of that meeting is trying to get on the same page and making sure there is clear understanding about how the project needs to go. Blue and Silver, LLC does have the lease in place with the AFA and they are hoping to get that project moving forward as quick as possible.

Cope The Sports and Events Center has a team that has been pulled together that consists of institutions in COS and sports teams and organizations. We are very close to being able to make a public announcement that will release the physical concepts, the locations, what the structures will look like, who the developer is, who the operators are, who will be utilizing the facilities and some preliminary information on the business plan and the economic and fiscal impacts. While we've been doing our due diligence on that we have been trying to anticipate the requirements in the Resolution. We are within that week of completing the business plan that is required in the Resolution and we should be able to present that in July or August. In some discussions with OEDIT staff about concerns or at least wanting to make sure that we're verifying that we're producing the same net new out of state visitors that were projected and approved. We also have some economic analysis to give you taking a look at this more specific project and the business plan so that they would be able to then verify they in fact create the new out of state business. So again, we're hoping for our public announcement soon, maybe the end of the month, certainly by early July.

Marshall asked if we could have all of that information at our July meeting in our packets.

Kraft said yes. A few next steps that are on queue for us. According to the Resolution before this project can move forward, you have to be presented with a business plan. Originally the project was presented as a joint project combined on a single site. I think there is a possibility that is not what will come in. We've had discussions and said inherently, if it drives the same net new visitors that's okay but we want to have some analysis and that's what Cope alluded to. They have engaged their analyst that worked on the original project so that they can validate that with the Commission and you would have a chance to ask questions as part of that business plan discussion. There is the Commencement of Substantial work date looming in December of this year. We feel good that we think we are going to get UCCS to that Commencement timeline. These next two projects we have to see where we end up with Commencement and is there some kind of extension that ends up happening, that's all to be determined in the second half of this year.

Schiff thanked COS for the update.

**J. LINKED: Pam Moore**

Moore provided a final update for this program. In August of 2017 we asked the EDC for \$350,000 to highlight this concept. The concept is driven off of our belief that the low and unemployment rate was constraining business retention and expansion in Colorado and a lot of students that were graduating here were going out of state to work. We wanted to create a program that would increase the intersect between college students and the business community here.

The key takeaways are that Companies saw value in project deliverables, but value was not commensurate with the cost; and little value placed on access to talent pipeline. Feedback indicates scaled company adoption occurs when the per-project cost is less than \$10K Price point below \$10K is challenging without sacrificing quality or not paying students. The Consultant model (using Slalom) provided the best student experience.

While LINKED has merit, no clear path to a scalable and self-funded program was determined. Staff does not recommend further Strategic Fund investment.

The board thanked staff for their work on this program concept.

**K. Other:**

**Next EDC Meeting**

The next meeting will be on July 19, 2018.

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