

## ECONOMIC DEVELOPMENT COMMISSION

### MEETING SUMMARY

November 15, 2018

8:30 a.m. – 2:00 p.m.

#### MEETING DATE

November 15, 2018

1600 Broadway, Suite 2500

Denver, CO 80202

#### MEETING PARTICIPANTS

##### **A. Commission Members**

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

##### **B. Guests**

Bob Cope, Ed Sealover, Brad Dodson, Paul Andrews, Nikki Homlund, Jocelyn Hittle, Bob Cope, Gretchen Hollrah, Reid Rowley, John Cullen, Geoffrey Gilmore, Mayor Kristie Melendez, Jep Seman, Gary Kerr, Alan Krcmarik, Stacy Miller, Todd Jirsa, Chuck Morris, Jon Nicholas, Jim McGibney, Jack Rosso, Chris Wineman, Rusty Brown, Nick Ragain, Laura Neumann, Jariah Walker, Colin Floom, Tahlia Agdeppa, and Christian Sosa.

##### **C. Staff**

Stephanie Copeland, Jeff Kraft, Sean Gould, Michelle Hadwiger, Wael Khalifa, Che Sheehan, Ken Jensen, Reid Aronstein, LeeAnn Morrill, Jill McGranahan, Katie Woslager, Mariel Rodriguez McGill, Donald Zuckerman, Taylor Tschida, and Virginia Davis.

#### DECISION/ACTION ITEMS

1. The Economic Development Commission approved the EDC Meeting Summary from the October 17, 2018 meeting.
2. The Economic Development Commission approved the following items: **SF** – Opportunity Program Initiative; **RTA** – COS Extension of Commencement of Substantial Work for the Sports and Event Center and the Airforce Academy Visitor Center; **EZ** – NM-Center for Integrated Manufacturing; NE-High Plains Event Center, Inc.; SLV-Food and Farm Incubator; SLV-Alamosa Downtown Revitalization; SLV-Creede Repertory Theatre; NE-Fairgrounds Multi-purpose Building; SW-Pagosa Springs CDC Economic Development Project; SLV-Costilla County Economic Development Council, Inc.; DC-The Gathering Place Resource Center; DC-Salvation Army Denver Homeless Services; DC-Saint Francis Center Housing & Employment Services; DC-Laradon Employment Program; DC-CWEE Comprehensive Career Readiness Program; DC-Bayaud Enterprises Employment Services; DC-SHALOM Denver; DC-The Greenway Foundation; **AI** – NJH Allocation Projects; FY19 AI Applications; FY19 Bioscience Proposals; and **OFTM** – Orphan Train.

##### **A. Meeting Called to Order**

Schiff called the meeting to order and covered Housekeeping items.

#### **Meeting Minutes**

Seaton moved approval of the meeting minutes from the October 17, 2018 meeting. Franz seconded the motion. Motion passed unanimously.

M/S/P – Seaton, Franz – Meeting Minutes approved as presented by staff.

## **B. Strategic Fund (SF): Michelle Hadwiger, Stephanie Copeland**

### **Strategic Fund Balance Forecast**

Kraft presented the SF Balance Forecast which shows a current available balance of \$4,217,671.

### **Project Updates**

Hadwiger presented updates of previously approved projects. In regards to Amazon choosing the East Coast location, we wanted to provide an update. Colorado learned a lot from putting that proposal together and it was a great exercise in making sure we had all of our competitive intelligence and information that we needed. We did find that some of the data was harder to access in the time-frame needed to access it and now we've gotten better and more prepared. They did give us a call and let us know that they have made investments in Colorado and will continue to look at Colorado for future investments.

We just got back from an investment trade mission in South Korea, Hong Kong and Singapore. There was a lot of interest particularly in Hong Kong and Singapore in bringing investment to North America. Interestingly enough, they seem to only be aware of New York, California, Texas and Florida. Colorado really wasn't on their radar at all. They were surprised by the data we provided and have already emailed us with Commercial Services saying that they are bringing a delegation of manufacturers from Hong Kong to Colorado in June.

Select USA has a conference every year in June as well as the Consumer Electronics Show in Las Vegas that happens every January. Some of the companies we met with and some of the organizations have expressed interest in spin-off activity from either consumer electronics show, meaning, if they are in Las Vegas, they will pop-over to Colorado and or Seattle and San Francisco. Select USA has asked us to put together an off-shoot event to capture some of the potential investors as well.

### **Opportunity Zone Initiative**

Copeland presented the Opportunity Zone Initiative. Opportunity Zones is a new federal program designated in the 2017 tax reform bill. The incentive for investors to support distressed communities through private equity investments in businesses and real estate ventures. The incentive is deferral, reduction and potential elimination of certain federal capital gains taxes. There is an estimated \$6 trillion of unrealized gains nationwide. Colorado has 126 zones statewide (60% rural), and has already seen funds and projects emerging. If properly executed, Opportunity Zones may help address a number of challenges in Colorado. The Opportunity Zone Mission is to create a sustainable support structure to maximize Colorado's state-wide benefit from the OZ program.

Staff is requesting to reduce the earlier earmark of \$2.1M to encumber \$1.512M in total over the next four fiscal years from the Strategic Fund in support of this initiative.

M/S/P – Marshall, Seaton – Opportunity Zone Initiative approved as presented and recommended by staff.

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

## **TTC Program Update**

Jensen provided a program update.

## **Project 5000**

Kraft said we have provided a written update to you from their representative. For commercial reasons, the company has asked us not to publicly announce their name yet and not describe the detailed contents of the written update publicly.

## **D. Regional Tourism Act (RTA): Ken Jensen**

### **RTA Program Monitoring**

Jensen provided an update of the RTA program projects with Key Next Steps and Immediate Issues for EDC.

## **Aurora/Gaylord**

OEDIT met with Aurora team about eligible cost certifications in October and confirmed process.

## **Pueblo/PBR**

Carrie to sign written amendment to resolution and resolution certifying commencement.

## **Colorado Springs/C4C**

OEDIT is planning on combining all amendments for C4C into one amended resolution if timing allows. Waiting on responses from Sports and Event Center team regarding business plan questions. Approving extensions for two elements (11/15 meeting), drafting amended resolution, with modifications, approving business plan (12/7 meeting).

- **UCCS**

OEDIT is working with project and attorney general on amendment to Resolution #3 to UCCS/CSURA to allow for commencement plus commencement certification. OEDIT received some information on bond documents. Approving commencement and modifications is scheduled for 12/7 special meeting.

- **USAFA**

OEDIT met with Blue and Silver officials regarding the status of the project. The Master Lease is anticipated to be released by February.

- **Downtown Stadium and Arena**

OEDIT awaiting response from follow-up questions that were sent to the project relating to business plan. OEDIT to review Business Plan at December 7th meeting.

## **NCRTA/Go NoCO**

- **Stanley Film Center**

OEDIT to meet with Stanley Film Center stakeholders on 11/9 and Film Center to update EDC to understand revised plans

## **Denver/NWC**

Project is developing draft of written resolution amendment about changes to Exhibit B. Semi-Annual Update on current development.

## **E. Enterprise Zone (EZ): Wael Khalifa**

Khalifa presented the following EZ Contribution Proposals for review.

EZ – Project Name	Project Type	Completion Date	Project Budget	1 yr. Projected Credits
NM - Center for Integrated Manufacturing	Capital Campaign: Community Facility	2023	\$8,000,000	\$506,250
NE - High Plains Event Center, Inc.	Capital Campaign: Community Facility	2023	\$25,759,772	\$162,500
SLV - Food and Farm Incubator	Capital Campaign: Community Facility	2023	\$847,000	\$3,125
SLV - Alamosa Downtown Revitalization 2019-2023	Capital Campaign: Infrastructure	2023	\$175,000	\$2,188
SLV - Creede Repertory Theatre 2019-2023	Capital Campaign: Tourist Attraction	2023	\$300,000	\$18,813
NE- Fairgrounds Multi-purpose Building-Phase II	Capital Campaign: Tourist Attraction	2021	\$550,000	\$9,625
SW - Pagosa Springs CDC Economic Development Project	Operations: Economic Development Organization	2023	\$150,100	\$1,375
SLV - Costilla County Economic Development Council, Inc.	Operations: Economic Development Organization	2023	\$50,000	\$2,500
DEN- The Gathering Place: Resource Center	Operations: Homeless Support	2023	\$2,540,601	\$68,750
DEN - Salvation Army_Denver Homeless Services	Operations: Homeless Support	2023	\$4,726,000	\$100,000
DEN - Saint Francis Center: Housing & Employment Services	Operations: Homeless Support	2023	\$406,552	\$87,875
DEN - Laradon Employment Program	Operations: Job Training Program	2023	\$368,138	\$1,875
DEN - CWEE Comprehensive Career Readiness Program	Operations: Job Training Program	2023	\$3,177,340	\$80,438
DEN- Bayaud Enterprises: Employment Services	Operations: Job Training Program	2023	\$12,193,320	\$31,880
DEN - SHALOM Denver	Operations: Job Training Program	2023	\$883,679	\$7,000
DEN - The Greenway Foundation	Operations: Visitor Event/Attraction	2023	\$66,875	\$1,000,000

M/S/P – Seaton, Duran – EZ Contribution Proposals approved as presented and recommended by staff.

**F. Advanced Industry (AI): Michelle Hadwiger**

Hadwiger said the Bioscience Industry name OEDIT Partner of the Year. The Brookings Institute is doing a write-up on our Advanced Industry Program to model to other states as a national example of a really well orchestrated program that is providing great capital to bridge that gap between technology transfer and commercialization. The Rockies Venter Club also recently recognized the great work of the Advanced Industry Program.

Hadwiger presented the following AI projects for review.

**National Jewish Health (NJH)**

Company	Amount Requested
National Jewish Health PI: Dr. Michael Strong Bioscience	\$22,839 State Funding \$7,613 Match- NJH Institutional Funds
National Jewish Health PI: Preston E. Bratcher Bioscience	\$22,839 State Funding \$7,613 Match- NJH Institutional Funds
National Jewish Health PI: Sanny Chan, PhD/MD Bioscience	\$22,839 State Funding \$7,613 Match- NJH Institutional Funds

**FY19 Advanced Industry (AI) Applications**

<b>FY19 AI Applications</b>	<b>Funding Request</b>	<b>Source of Matching Funds</b>
3D at Depth, Inc.	\$250,000	Schlumberger: \$500,000 3D at Depth Internal Funds: \$320,313
9Fiber, Inc.	\$250,000	9Fiber, Inc. Internal Funds: \$16,203
5280 Prosthetics	\$250,000	<i>* Additional funds will be raised within the 6 month conditional approval timeline</i>
Atomos Nuclear and Space	\$247,497	Baisch Ventures, LLC \$25,000 GAN Ventures \$100,000
Aurora Oncology	\$115,000	National Institute of Health Award: \$299,937
Big Blue Technologies, Inc.	\$250,000	National Science Foundation: \$50,000 National Science Foundation: \$700,000 Nevada Clean Magnesium, Inc.: \$250,000
Copper Labs	\$250,000	Copper Labs Internal Funds: \$539,683
Felt	\$250,000	Felt Internal Funds: \$324,893 T-Mobile Funding: \$96,366.40 <i>* Additional \$78,741 in funding will be raised within the 6 month conditional approval timeline</i>
Health Scholars, Inc.	\$250,000	SIMnext, LLC \$500,000
Lada Cube	\$250,000	<i>* Additional funds will be raised within the 6 month conditional approval timeline</i>
Machavert Pharmaceuticals	\$250,000	Machavert Pharmaceuticals Internal Funds: \$618,383
MuniRevs	\$250,000	MuniRevs Internal Funds \$341,510 <i>* Additional funds will be raised within the 6 month conditional approval timeline</i>
Securisyn Medical	\$249,955	Securisyn Medical Internal Funds: \$540,062 Jeanne R. Warren and Sandra Lee Kanowitz Trust: \$500,000
Stateless, Inc.	\$250,000	Stateless, Inc. Internal Funds \$677,675
Tendeg, LLC	\$250,000	Jet Propulsion Laboratory (JPL): \$149,972 Jet Propulsion Laboratory (JPL): \$ 99,997.25 NASA/Shared Services Center (NSSC): \$1,249,908.00
Ursa Major Technologies	\$250,000	Ursa Major Technologies Internal Funds \$433,672 \$2,501,409

### **FY19 Bioscience Proposals**

<b>FY19 Bioscience Proposals</b>	<b>Funding Request</b>	<b>Source of Matching Funds</b>
Click Medical	\$152,500	Click Medical Internal Funds: \$352,861
Living Ink Technologies Transition Request	\$175,000	\$750,000 NSF SBIR Funding
MPTI	\$120,000	\$500,000 USDA/SBIR Phase II Funding
PANTHR	\$7,000	PANTHR Internal Funds: \$1,056 <i>*Additional funds will be raised within the 6 month conditional approval timeline</i>
Sinopsys Surgical	\$240,000	Sinopsys Surgical Internal Funds: \$975,751
SomnoHealth Incorporated	\$160,000	\$409,037 Investment Funds \$36,891 SomnoHealth Funds Total: \$445,928
University of Colorado – Hodges	\$150,000	National Institute of Health \$50,000
ZeoThermal Technologies	\$250,000	ZeoThermal Technologies, LLC Internal Funds: \$76,607 <i>*Additional funds will be raised within the 6 month conditional approval timeline</i>

M/S/P – Franz, Blumenstein – All AI Applications/Proposals approved as presented and recommended by staff.

### **G. EDC Budget: Jeff Kraft**

Kraft provided the EDC Budget which currently shows an available balance of \$4,217,671 for future projects.

### **H. Regional Tourism Act (RTA): Jeff Kraft**

Kraft introduced the Denver contingent who is here to present their semi-annual update.

Dodson provided a project update reviewing the Roles and Responsibilities of Phase 1 and 2 of the project. The program milestones met. Review of future program milestones. Procurements and Construction update and the work that is underway.

Hollrah talked about the projects Historic Resources which included Campus strategy, Work sessions with History Colorado, Historic Denver, Landmark Preservation and Includes historic buildings and other historic site resources. The Cataloging of site historic elements, Images and GPS location of all key historic elements. The Development of Campus Cultural Plan (Placemaking). The Denver Landmark Application for Armour Administration Building and Historic Structures Assessment for the Sheep Bridge and Armour water tower.

Hollrah also provided an update of the the Workforce Development in process. As the project moves forward, the program team will continue to conduct outreach and cultivate interest and participation on the project through industry forums, presentations, certification information and communication about upcoming contracting opportunities.

Hittle provided a CSU update.

Water Resources Center (WRC)

- Design Update: Revising concept design, including various concepts that address the newly adjacent 60,000 GSF CSU Center.
- Construction Update: CM/GC Procurement was issued on October 30, 2018. Selection anticipated by end of January, 2019.
- Funding Update: Initial COP Funds received.

CSU Center (CSUC)

- Design Update: Design procurement to be issued no later than November 12, 2018. Program refinement is in progress.
- Construction Update: CM/GC Procurement was issued on October 30, 2018. Selection anticipated by end of January, 2019.
- Funding Update: Program Plan to be presented to CSU Board of Governors in December. Approval request for COP funding submitted to State.

Animal Health Building (AHB)

- Design Update: The Clark Enerson Partners was selected as the lead design team. Design will begin in November 2018.
- Construction Update: CM/GC Procurement was issued on October 30, 2018. Selection anticipated by end of January, 2019.
- Funding Update: Approval request for COP funding submitted to State.

Andrews provided a WSSA update.

The Western Stock Show Association(WSSA) continues to make excellent progress in its \$100M Honoring the Legacy, Building the Future capital campaign for the National Western Center.

Campaign Goals:

- \$50M equity payment to the City and County of Denver (CCD)
- \$50M Legacy Building construction
- Nearly \$41M has been pledged and, of that, more than \$15M has been collected as of October 2018 (this amount includes gifts from individuals and funds designated from other WSSA sources)
- WSSA made first cash payment of \$15M to the City and County of Denver on November 1, 2018

We are currently working with OEDIT on amending Resolution No. 5 modifications, approved by the EDC in August of this year. The Cooperation Agreement between DURA and CCD and the Commencement of Substantial Work in 2019.

### **NCRTA/Go NoCO**

Kraft introduced Mayor Kristie Melendez who started the Go NoCO semi-annual update.

Melendez said, the NCRTA board is having regular meetings. We have recently hired an Administrative Assistant so reporting and requirements are met. We have also hired a bookkeeping firm and we will be hiring a CPA.

Kerr said, Water Valley Land company is the principal sponsor for three of the projects. The PeliGrande Hotel, the White Water Adventure Park and the White Water hotel. We have invested \$1.7M in promoting and producing these projects trying to get them going. The Water Park and Hotel there is activity happening. There are equity and debt sources that have expressed an interest but it is going to take time. The Raindance National Golf Course is part of a very large master plan community. When we received the award in 2015 that 1165 acres was all farmland. Today we now have 900 permit ready home sites. Homes are now being built on that development and in the phasing of that development, it looks like we will begin the golf course. We anticipate that we can conceivably begin construction of that golf course in 24-48 months from now. We've spent about \$1M designing that golf course. Once we have a definitive date, we can re-engage with the PGA and begin those conversations to actually implement a tour stop. Once we have that in place we can then go out and capitalize the Boat House and PeliGrande. It takes time.

Clark said, I think of Jack Vickers trying to get a PGA tour in Castle Pines, it took a considerable amount of time for him. How did you all agree to that?

Kerr said, we were talking to the PGA prior to this. This did not come out of this board. It has to be bigger than one company. It has to be Northern Colorado. The imposition of that guardrail as a condition to PeliGrande was not surprising

Copeland said, wasn't the award predicated upon Unique and Extraordinary? I don't know that I would call it an imposition more than it was part of the application.

Kerr said he realizes that but what they hoped they wouldn't have to go out and capitalize \$60M of projects to get the \$110M. Recognizing the guardrails, we are endeavoring to conform to them.

D. Brown said it sounds to me like the residential development is sort of the anchor of the development related to the RTA project and that's a whole construct that's new to me. I have some concern that it very much localizes the RTA projects as related to the residential project and removes a lot of the Unique and Extraordinary nature of the projects.

Kerr said, the RainDance National Golf Course is part and parcel with the development that we're undertaking. The ability to fund that Golf Course is directly tied to the RainDance development. That being said, that golf course and the design and making it a tour eligible golf course is something far in excess of what we would do for a standard community golf course.

D. Brown said, she is not as concerned with the golf course because as I recall that is not a part of the RTA funded projects but the golf course was a required milestone in the total package. If you look at the

projects that the RTA supports, it's the Hotel and the Waterpark. What I'm hearing is that the Hotel and the Waterpark are substantially dependent on the residential development which is something new to me. D. Brown asked Kraft to comment.

Kraft said, you might be missing something. There are those three elements that we're talking about, the two in Loveland that are not dependent on the residential, and the PeliGrande itself is what Kerr is talking about.

D. Brown thanked Kraft for the clarification.

Schiff said, in our last meeting we had the opportunity to tour Pueblo and Colorado Springs, and we now had our presentation on NWC and it's clear how impactful these RTA projects can be to the communities and we want this for Northern Colorado. It's clear that this is difficult and we want to support you in your efforts achieve what you need to achieve but we do have a responsibility by statute. There was a lot of scrutiny by the auditor on our management of this program, that they see our oversight responsibility extending to making sure things are moving along. We have directed staff to get the Resolution amended and signed. We asked to have that done by the end of this year. Can you comment back on where you think we are?

Kerr deferred to the NCRTA Board and counsel.

Schiff asked if those present could be thinking about that to the extent that at the end of the presentation you could give us some feedback on that point. We weren't being arbitrary. We're really trying to satisfy an obligation that was put on us in our fiduciary responsibility here. We want your feedback on timing.

Gilmore gave an update on the Stanley Film Center and the possible programs and labs being considered.

Copeland asked how the community feels about the Center?

Gilmore said they have the support. This is about a populous sensibility. This is unique and timely that is something that will include a variety of people.

Wineman and Brown, the Stanley architects provided an update on the vision of the Stanley campus. We are working on the masterplan design. The location of the Film Center has shifted so we can save the Carriage House and so the new Film Center can utilize that space and the existing concert hall as part of a complex that gives us multiple venues to work with. We plan to come back to you in sixty days with building designs. Wineman introduced Chuck Morris.

Morris introduced himself and provided some background of his accomplishments. I'm excited to be a part of this project.

Seman said, in regards to the question about executing the Resolution. We have the redline that OEDIT put together. In light of the presentation you've heard today, were we to get this done by December, we're going to be coming back to you to re-open it, probably next year. Whether it's this board or some other board. There are a number of provisions in there that simply prevent a lot of what you've heard today. We've identified a handful of guardrails around the Stanley Film Center that work to violate the mortgage that the hotel has. These are non-starters. We have non-starters all through the document. With the boards direction I will commit my time to work toward having something for you in December. I



don't have high-hopes for having something that agrees on all sides other than coming back to you next year to re-open and re-visit some of these things.

Marshall asked, the guardrails you've identified that are problematic, do you see that those can reach a solution where we can still meet our statutory obligation and work around your concerns?

Seman said, we do but that is going to be a function of negotiating that with your staff.

Marshall asked, what time frame could that happen in?

Seman said, I'm going to be evasive. We can work toward December but I'd be surprised if we can get that done. You've heard from the Stanley representatives that they would like to come back to you in sixty days to give you some hard information, business plan and other things. Obviously though, all these things are tied together.

Schiff said the Stanley project seems like it's far along relative to the other projects and we don't want to hold them up because we don't have clear guidance in approved Resolutions that address that project. I think the timing is important also to facilitate that project to get this Resolution signed. Schiff ask Kraft to comment.

Kraft said, what could move the ball forward is some detailed, discussions with the principals who ultimately have to own, operate and make things work. We have two more years to meet the Commencement of Substantial Work for this project and the possible one-year extension.

Schiff said, I don't think we want to drag-out getting a finalized Resolution in place.

Seman said, we are operating under an interim Resolution. In reality that means we have a document in place that's signed so it's not as if there is nothing on paper. Furthermore, there is nothing occurring that those Resolutions govern at this time. You're hearing the evolution of these projects and the early stages that they are all in. The Resolution is a great document but it has little to no bearing on right now on anything that's happening. Once these projects start to get some traction and come out of the ground, then we're going to need that Resolution finalized. Not to diminish your interest in moving this along.

Schiff said, when we went through the audit, one of the criticisms we received was that we didn't have this Resolution finalized. That we still had this interim draft. Even though it is signed it's not final and this is something we need to address. This isn't an arbitrary item we have been told to get this done. What I've heard is a common theme to the guardrails, which really are what was presented to us in the application, is what is making it difficult for some of the projects. To the extent that those are what you are characterizing as non-starters, the ones that we have to have in there in order to satisfy the statutory requirements of Unique and Extraordinary and Net New Visitors, we're not going to be able to do anything for you. We can't say forget the tour or you don't have to link the Waterpark Hotel with the Outdoor Kayak Center. There are things we can't change. Understanding getting to the level of detail that we know there is agreement around Resolutions is really important and I think for your projects to be able to complete their financing objectives and to make progress they are going to need to know what these RTA funds are going to be dependent on. I would assume that it is in the best interest of these projects that we actually get this done.

Copeland said, there is a lot of liability here for both the Commissioners and the State with regard to exercising the legislation. Given what we know moving through the audit and also that we are trying to be as consistent as possible across all board recipients. So to Commissioner Schiff's point, it isn't a desire it is a risk mitigator for the funding itself.

Clark asked if the parties come to the Commission to carve themselves out to be a different authority to be able to move their project forward.

Kraft said, what we can and plan to do is build the Resolution setting them up as separate project elements so it's possible for one to move forward and others not to and the funding associated with that one will be locked in place and the ones that don't move forward will fall away. It's not like all four of them have to simultaneously commence.

Schiff said, it's one Resolution because there was a limited amount of projects we were allowed to approve.

Kraft said, but we can build a Resolution that's flexible enough to allow some elements to move forward and others not to. The current draft of the Resolution is based on the Colorado Springs Resolution and the concept there was the award was divided up in ways that are roughly proportional to the Net New Revenue generated by each element. So when each element moves forward, it locks in its own share of the revenue. There could be separate commencement dates for each project element.

Cullen said, unlike all the other RTA projects, Stanley is the only one that is an existing business. The Stanley has a \$77M mortgage that has to be considered. I need the board to help me work with staff so I don't violate that mortgage.

Copeland asked, how was the mortgage on the Stanley contemplated in the application?

Cullen said there were some guardrail added to the Resolution and we never really talked to a lender about that. Some of those guardrails reach into the Stanley Power Campus where a lender is going to say, no. They control that asset. This project will work. It just takes time.

Schiff said, our message back to you is we want to give you the confidence that you can proceed without us coming up with something in the Resolution. So that's why it's really important to us to actually get these Resolutions worked out so that you can proceed.

Cullen said, I am actually trying to solve some of the guardrails. I've brought talent to the table. This is a huge undertaking. I am fixing a hundred years of infrastructure as a result of submitting the RTA application three years ago.

Schiff asked Kraft, what he thinks is a reasonable deadline in getting the Resolution done.

Kraft said, based on everything we've heard here today and all the forward momentum we'd really like to work on the guardrails and see how we can make those facilitate the project. I don't think December is reasonable to do that. What I think could be reasonable is to have a draft that is ready for detailed review in January or February where the structure is in place and we've eliminated key issues.

Blumenstein said, she has taken time to review the current Resolution and staff has done a great job working with the numbers to break apart that portion that's really Stanley oriented more than fifty percent of the revenue really is directed that way. The question I would have is, in the end, if that's the project that goes forward, do we still need the Unique and Extraordinary based on the Stanley project itself.

Kraft said, each of the elements that were being built were unique and extraordinary given the guardrails. If the Stanley moved forward by itself, it would still be Unique and Extraordinary.

Schiff asked staff for a report at the December meeting what the deal breakers are that Seman is talking about. If they are deal breakers that are unsolvable like a need to decoupling the Water Park from the Kayaking Center, that is a deal breaker from our side. But if they are deal breakers where you need to work on the technicalities to not trip a mortgage covenant that could be a disaster and you need some time to find a work-around, that's different. It's a different exercise. I think we need a deeper level of detail. Also, we need some recognition that these Resolutions are not the final prescription on how these projects must be built. Within the boundaries of our statutory requirements, there have been some small changes that have been made. We need to settle these things and sign off on a Resolution.

Kraft and Seman said they can work toward that and have something for the December meeting.

Schiff said that the Commission needs to be better informed on what the issues are. We need context. Ultimately, the Resolution is ours and we are responsible for it. We want to facilitate what you are trying to accomplish and we really do understand how difficult it is, but there are limits to the statute and it is our responsibility to comply with them.

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

Kraft introduced Cope who is here to provide his semi-annual report.

Cope said, the USOM is just over sixty-percent complete on the exterior. They are shifting the emphasis to the shell construction now to final design and the installation of the exhibits and technology that is going to be required and doing the fine tuning of the museum. The building itself will be complete in 2019. The Hybl Center has had their ground breaking. They should be doing excavation on the site and construction should commence in January of 2019 and the projected completion is April of 2020. The Sports and Events Center, we are far along. We have gotten through the procurement processes to choose a design contractors and general contractors. The projects are teed up and ready to move forward. We are working closely with OEDIT staff on exact project milestones that would constitute Commencement of Substantial Work and approval of dedicated revenue. The Switchbacks and Rapids announced they are working together on player development. Gateway Academy is moving forward. We are working to secure the public funding that is going to be required to build this project.

Kraft said we have provided some information in your board books today that will queue up conversation for the December 7<sup>th</sup> meeting. Before the last EDC meeting, Cope sent us a letter requesting we extend their Commencement deadline by a year. The deadline is December 16, 2018. They have asked us to extend it to extend the deadline to 2019 which we have the authority to do. They have also asked us for some clear direction on what will constitute Commencement of Substantial Work.

Franz said, pursuant to C.R.S. § 24-46-309 and in response to the letters from the City of Colorado Springs for the City for Champions RTA Project requesting extension of the commencement of substantial work

deadline and the evidence of progress on and based on support for these elements by multiple stakeholders presented into the record over the course of the past several EDC meetings, I move:

- To extend the commencement of substantial work deadline for both the US Air Force Academy Visitor Center and the Colorado Sports and Event Center Project Elements to December 16th, 2019.
- That this motion shall be codified into a written amendment to the RTA Resolution No. 3 (or an amended Resolution No. 3) and will include specific modifications and guard rails based on the proposed plans submitted by the applicant and Project Sponsors for executing the Project Elements.
- That these specific modifications, as allowed by C.R.S. § 24-46-309, shall be determined solely and exclusively by the Economic Development Commission at a future date.
- To direct OEDIT staff the Attorney General to work with the City of Colorado Springs, Colorado Springs Urban Renewal Authority and other project stakeholders to develop the proposed written amendment and modifications.
- That the portions of the amendment concerning the US Air Force Academy Visitor's Center, shall among other things take into account the potential timing of the construction of the Center compared to other related developments at the site and ensuring funds are set aside for the Center and should specify what events and milestones will trigger commencement of substantial work for this project element.
- That the portions of the amendment concerning the Sports and Event Center, shall among other things, take into account: the fact that this Project Element shall be built at two different sites in downtown Colorado Springs with different construction timelines, ownership and anchor tenants at each site; proposed modifications and inclusions of other facilities at Colorado College for the indoor arena, shall include further details about the role of the Colorado Springs Stadium Authority and its contracts with both the stadium venue and the indoor arena. The amendment should specify what events and milestones will trigger commencement of substantial work for this project element.

Duran seconded the motion. Motion passed unanimously.

M/S/P – Franz, Duran – Request for extension of the Commencement of Substantial Work deadline approved as presented and recommended by staff.

#### **I. Office of Film, Television and Media: Mariel Rodriguez-McGill**

##### **Film Budget**

Rodriguez-McGill provided the Film Budget which currently shows an available balance of \$328,099.00.

##### **Orphan Train**

Rodriguez-McGill presented Orphan Train. The Orphan Train is a feature film told through the voice of a small girl who was once an orphan train passenger herself and continued on to dedicate her life to helping children. Orphan Train, LLC is a limited liability company set up by Colorado resident and producer, Taliah Agdeppa and producer/director Brian Presley. Production for this film is expected to take place Winter 2018-19 in Durango and Pagosa Springs. Orphan Train will be distributed by OnBuzz, LLC and is intended for both theatrical and Cinema-On-Demand release.

The estimated qualified local expenditures of the application would result in a rebate of \$141,920. Per the applicant's estimations, the Office of Film, Television & Media is anticipating a total of \$709,601 in qualified local expenditures and with the multiplier effect, the economic impact could reach up to \$1,206,321.

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

**Next EDC Meeting**

We will have an RTA focused conference call meeting on December 7<sup>th</sup> and the next full EDC meeting will be on December 20, 2018.

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