

**ECONOMIC DEVELOPMENT COMMISSION
MEETING SUMMARY**

June 20, 2019
8:00 a.m. – 12:20 p.m.

MEETING DATE

June 20, 2019
1600 Broadway, Suite 2500
Denver, CO 80202

MEETING PARTICIPANTS

A. Commission Members

Carrie Schiff, Robert Price, Rob Brown, Benita Duran, Tom Clark, Denise Brown, Jay Seaton, Karen Blumenstein, and Lisa Reeves.

B. Guests

Amanda with Project Cowell, Chelsea McLean, Sam Bailey, Turid Nagel-Caseboldt, Ed Sealover, Lucas High, Adrien Kordas, Jon Brasley, Laura Lewis-Marchino, Sherry Waner, Mike O'Donnell, Marie Peters, Terry Berland, Kurt Kucera, Robin Brown, Brad Dodson, Nikki Holmlund, Marcy Loughran, Tracey Huggins, Kathy Donald, Trey Rogers, Jocelyn Hittle, Matt Berry, Rachel Lyons, Terri Benson, Marc Bellantoni, Sarah Solar, Bailey Denmark, Rob Simon, Meryem Ersoz, and Jeanie Nuanes King.

C. Staff

Betsy Markey, Jeff Kraft, Sean Gould, Ken Jensen, LeeAnn Morill, Devon Leighan, Reid Aronstein, Che Sheehan, Jill McGranahan, Andrew Wallace, Courtney Marshall, Katie Woslager, Mariel Rodriguez-McGill and Dave Madsen, .

DECISION/ACTION ITEMS

1. The Economic Development Commission approved the EDC Meeting Summary from the May 16, 2019 meeting.
2. The Economic Development Commission approved the following projects/items: **JGITC** – Project Cowell; **SF** – Project Diablo; **RJS** – Violet Gro; **EZ** – Contribution Projects, Central Colorado - Loaves and Fishes Ministries; Mesa County - Women's Recovery Center; San Luis Valley - Habitat Homes, Naranjo; Central Colorado - St. Thomas More Hospital; Denver - Clinica Tepeyac: Capital Expansion Efforts; Denver- Work Options for Women - Culinary Skills Job Training; Clinica Tepeyac: Job Training; **AI** – Colorado Longitudinal Study; Gates Biomanufacturing Facility; Rockies Venture Club; Ability Composites CSU IACMI; Automated Blade Finishing IACMI; **COFTM** – Colorado Classic; and The Healing Garden.

A. Meeting Called to Order

Schiff called the meeting to order.

Meeting Minutes

Duran moved approval of the meeting minutes from the May 16, 2019 meeting. Price seconded the motion. Motion passed unanimously.

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

B. Job Growth Incentive Tax Credit (JGITC): Reid Aronstein

Project Cowell

Aronstein presented Project Cowell. Project Cowell is a Colorado company that is considering expanding its headquarters operations in Colorado. The company behind Project Cowell is a venture-backed, tech-enabled services company. The company is also known for its leadership on diversity and more than 70% of employees report to a leader of color or female leader. The company has raised significant venture capital from several highly respected Silicon Valley and other investors. Further information would compromise the identity of the company.

Project Cowell is planning a major expansion of its headquarters to continue its rapid growth. This expansion project is estimated to employ 1,368 people over the next eight years. These jobs will be spread out across product & engineering, legal, finance, sales & marketing, and customer service.

The company estimates that Project Cowell will lead to the creation of up to 1,368 net new full time jobs. The company's projected average annual wage of the jobs to be created by this project is \$104,240.

Staff is requesting \$17,882,345 in performance-based Job Growth Incentive Tax Credits over an 8-year period. This incentive is contingent upon the creation of up to 1368 net new full-time jobs at 100% of the County's AAW the Company decides to locate, in support of this project.

M/S/P - Clark, D. Brown – Project Cowell approved as presented and recommended by staff.

Update of Previously Approved Projects

Aronstein said Project Beam approved earlier this year, selected another state, which was Arizona. Several of our companies, thanks to Davis's diligent work, have executed their Conditional Approval. Those companies include, Boeing, Project Princeton, Formstack, Project Lightning, netPolarity, and Project Hypersonic.

C. Strategic Fund (SF): Sean Gould, Dan Lane, Glenn Plagens, John Kovacs

SF Fund Balance Forecast

Gould provided the SF Fund Balance which shows a current available balance of \$1.78M.

Project Diablo

Aronstein presented Project Diablo. Project Diablo is a leading wholesale data center provider in North America. The company owns, develops and operates reliable, efficient and secure data center environments for hyper scale, cloud and enterprise companies. Project Diablo is looking to relocate its corporate headquarters. The company plans to relocate executive leadership, professional, and operational positions in 2019 to support the company's continued growth in North America. The relocation of the headquarters would involve the creation of 126 net new full-time jobs in Colorado with an average annual wage of \$166,627.

OEDIT is working in partnership with the City and County of Denver, which has provided below the maximum \$1:\$1 local match as required by the Strategic Fund incentive. The City and County of Denver is providing \$107,500 in local job growth grants (\$100,000) and business property tax rebates (\$7,500) as their incentive; the project was eligible for \$410,000 in State matching funds but has been lowered to the Local Match amount. The City and County of Denver has approved this local match amount.

Staff is requesting \$107,500 in a performance-based Strategic Fund incentive for the creation of 126 net new full-time jobs at \$853.17 per net new job, at an average annual wage of \$68,393, or 100% of the County's AAW the Company decides to locate, in support of this project.

M/S/P – Clark, Brown - CO Mutual Prosperity (COMP) Strategy approved for \$200,000 from the Strategic Fund to support this initiative as recommended by staff.

Certified Small Business Communities

Anaya presented the Certified Small Business Communities program and current year funding request.

The Certified Small Business Community Program offers assistance to rural communities who want to help their community through entrepreneurship growth, retention and expansion. Entrepreneurs can be the driving force in a local economy, especially ones that have been hit by large company closures and relocations. Entrepreneurs create jobs, invest in the community, create innovation, improve the quality of life, and assist communities in competing in a regional, national and global economy. The Rural Response Recovery and Resilience (4R) Counties, as designated by the State of Colorado, will be given priority – Routt, Moffatt, Delta, Gunnison, Montrose, Clear Creek, Grand and Rio Blanco. The program was specifically designed for communities that have limited resources, and need these funds to complete community impact projects.

Grant applications for Year 3 are currently open, they will close on June 30th. We will award 2-4 communities depending on the applications.

Staff is requesting \$120,000 from the EDC for Year-3 funding of this grant which is the final year of this grant.

M/S/P – Duran, Seaton – Certified Small Business Communities approved as presented and recommended by staff.

Colorado Micro-loan Program

Kraft provided some background of the approval of this program.

Jensen provided some of the data and results of this program. The Colorado Micro-loans program is a \$2.6 million Strategic Fund grant to three non-profit lenders. Since early 2017, these lenders have been making small loans to start-ups and entrepreneurial small businesses that are underserved by traditional debt markets. With 93% of the funds lent out, the program has made 62 loans to businesses in 34 different counties, with 85% of the loans going to rural counties. This program has allowed the lenders to reach out to borrowers and industries that would not otherwise be served by traditional credit markets.

McDonnell, Waner, and Lewis-Marchino, provided an update of the program.

After hearing the results of this program, the EDC directed staff to review this program and report back with funding options for this program moving forward.

D. Rural Jump-Start (RJS): Jeff Kraft, Ken Jensen

Kraft provided background on the Competition Clause and provided the diagram on how the Competition Clause works and the process OEDIT takes a company through for the Competition Clause.

When OEDIT drafted the RJS program guidelines, policies and procedures we retained the American Antitrust Association to help us develop these policies. Dianna Moss, President of the American Anti-trust Association and Economics Professor at CU Boulder, worked closely with OEDIT and OEDIT staff also consulted with Devin Laiho from the Attorney General's Office. Professor Moss formally presented these concepts to the EDC and the EDC has approved and consistently applied this analytical framework across approximately 15 applications over more than three years. OEDIT has also consistently used this framework in making recommendations to applicants and the EDC.

Companies need to pass only one of three analytical tests to pass the competition clause (see flow chart and program guidelines):

- Product market (pass = do not compete)
- Geographic market (pass = do not compete)
- Firm Characteristic: Core function (what they do) and Firm Characteristic: Substantially Similar (how they do it) (pass= both categories of firm characteristics are very different)

If they pass any one of these analytical tests they can be approved by the EDC as passing the overall competition clause.

Jensen walked the EDC through the Competition Analytical test for Violet Gro. It should be noted that all indicators for Violet Gro are anticipated, as Violet Gro is not yet operating.

Competition Clause Analytical Test	Indicator	Applicant Violet Gro	Black Dog	Boulder Lamp	Summit Lighting
Product Market	Customer	Primary focus on commercial grow houses, including cannabis, industrial hemp, and food products.			
	Lighting Technology (OEDIT excluded High pressure sodium (HPS) providers which is the current standard technology from this analysis)	LED	LED	Ceramic discharge lamp and LED	Ceramic metal halide
	Visible Spectrum	“Broad”	Fuller (more intense green and yellow) Boulder Lamp asserted strong greens and yellows are important for growing and closer to sunlight		
	UV Spectrum – (benefits include promoting growth, potency, eliminates pests). (Boulder Lamp cited potential risks for human exposure)	Multiple frequency UV-A and UV-B.	Partial UV Frequency, unclear intensity		
	Patents	Company has three patents on lens technology, promoting durability and UV transmission	Yes	Patent pending on CDL+LED grow light	None
	Other Unique Features	Multi- directional mounting, 360 degree projection.	Unknown.	Vertical mounting.	Unknown.
	Do you have a minimum dollar order policy?	No.			

Competition Clause Analytical Test	Indicator	Applicant Violet Gro	Black Dog	Boulder Lamp	Summit Lighting
	Price of Lights	Ultra Violet Light 2' - \$449 (n/a) 4' - \$799 (8 sf) 6' - \$1149 (n/a) 8' - \$1499 (16 sf)	Phytomax-2 200 - \$629 (9 sf) 400 - \$1099 (18 sf) 600 - \$1549 (25 sf) 800 - \$1949 (36 sf) 1000 - \$2279 (42 sf)	CDL + LED Agro - \$650 (8 sf) Vertical \$550 (n/a)	Sum CMH 150 - \$225 (n/a) 315 - \$355 (16 sf)
	Total Cost of Ownership	TCO requires an NPV analysis of upfront capital costs, operating costs, (electrical consumption + HVAC), and maintenance. Products from all four companies are superior to high pressure sodium, which is the current standard. We do not have enough data to make an apples to apples comparison. Violet Gro asserts that they are substantially more energy efficient than Boulder Lamp.			
	Warranty	Assume industry standard.	5 year warranty.	Basic warranty is 3 years. Also offer optional extended warranty.	5 year on ballast.
Geographic Market	Where the Product can be sold?	Geographic market is global, the three existing companies emphasize the US and Canada.			
Firm Characteristics: Core Function ("the what")	Role in the economic value chain	Assembly of manufactured components into a finished product, metal work, packaging, branding and distribution.			
	Distribution Channels	Sales primarily through in-house direct sales force. Each company has limited other distribution partners.			
	Installation Services	No			
	Maintenance Services	No			
	Consulting Services	Not as a separate service, but as part of the sales process.			
	Financing Offered	OEDIT does not know.	Refer customers to private financing.	On a very limited basis.	No financing offered.
Firm Characteristics: Substantially Similar ("the How")	Company Size and Ownership	Small Privately owned company			
	Product Line	Small high tech lighting product lines with limited SKU's			
	Vertical integration	All four similar see "role in the value chain" above			
	Production technology (how capital, labor, technology are combined to make the product	Generally similar, small scale, metal fabrication, component purchase and hand assembly (not aware of any robotics), packaging, branding, direct sales and shipping			

Analytical Test	Result	Notes
Product Market	Fail	In its analysis OEDIT has already defined the product market very narrowly by excluding High Pressure Sodium (HPS) lights which are the primary technology used in the market today and, of which, there are several Colorado-based suppliers.

		Despite differences in product features and technology, the applicant is competing for the same customers as the other 3 Colorado-based non-HPS competitors: commercial grow houses for cannabis and food plants. The products are economic substitutes, if any of the four competitors' products were not available or dramatically raised their prices, customers would switch to competing companies.
Geographic	Fail	The companies serve very similar geographic markets
Firm Characteristics: Core Function ("the what")	Fail	The companies are very similar in this dimension
Firm Characteristics: Substantially Similar ("the How")	Fail	The companies are very similar in this dimension
Overall Recommendation	Fail	OEDIT staff's analysis using the Competition Flow Chart which is part of the program Guidelines, Policies and Procedures is that Violet Gro does not pass any of the analytical tests, therefore they fail the overall competition clause and are not eligible for RJS.

After hearing from Violet Gro, the EDC moved forward with their discussion of this project.

Kraft noted the additional documentation provided by staff which included the executive summary from Brown for Violet Gro's distinctive positioning, a Powerpoint presentation from the Company, the RJS Violet Gro application, the three patents the Company has, some additional information on Black Dog and Boulder Lamp, some spec sheets on the companies and an article from LED Professional.

Schiff said before we move into executive session, I want to say it is clear you are a very exciting company. We have an obligation to administer this program in accordance with the statute we were handed by the Legislature. The Competition Clause part of that statute and we have to make sure our decision making is compliant with it. We are going to move into executive session so we can get some advice on that but I want you to understand that this isn't a judgement on your Company or the importance of your Company to Colorado this is really about making sure we are exercising our fiduciary responsibility to the citizens of the state of Colorado. I appreciate your patience as we work through this. I hope you feel that we've done a thorough job in gathering all the facts and appreciate you taking the time again to join us and tell us about your product.

Berland said, I both respect and completely understand. I appreciate you have a program to run and it has to be done consistently, especially if you are planning to do it long term.

R. Brown 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 Rural Jump-Start and Regional Tourism Act Projects. Duran seconded the motion. Motion passed unanimously.

The EDC is now in Executive Session.

D. Brown, moved the EDC exit Executive Session. Duran seconded the motion. Motion passed unanimously.

The EDC is now in Open Session.

Schiff will be requesting that each Commissioner provide their individual vote.

Schiff is recusing herself from the Violet Gro vote.

Schiff called for a motion on the Violet Gro RJS application.

Seaton moved approval. D. Brown seconded the motion.

Seaton said, what we've heard today is compelling testimony that differentiates Violet Gro from other operators in the State of Colorado. What I have found most compelling is the discussion around the way Violet Gro can offer UVB spectrum light and in a 360 degree projection system that is unlike anything else on the market and certainly anything else manufactured in Colorado. Finally, I find it compelling this technology can operate without a fan or other cooling means because it operates at a lower temperature. Those were the most compelling factors in my decision to make a motion for approval.

Schiff asked D. Brown, how do you vote and please provide your reason why.

D. Brown said, in addition to everything Seaton said, I want to go back to the discussion on the hypothetical discussion of the UVB component. By definition companies operating in this program have to be non-operating companies. By definition they are start-ups. By definition they don't have customers yet. I don't believe that any of us is ready to say that the UVB will be welcomed to the marketplace as a unique technology or not. I think since we don't know that then the benefit of the doubt goes to the Company and the effort they have put into patenting the unique aspect of that technology.

Schiff asked Price for his vote.

Price asked if we could go around in another order.

Schiff asked R. Brown if he would like to vote next.

R. Brown said, I vote no. I'm not voting no because we don't want the Company here in Colorado or we don't want to support rural Colorado. I don't feel they meet the specific standard of the Competitive Clause. I would like to vote no and encourage the local community there to figure out other programs that are available and make them available to them.

Schiff asked Duran for her vote.

Duran said, I am compelled by the history. The Application and due diligence of the community in this rural arena. Grand Junction and Mesa County to put this forward and, I also learned a tremendous amount about competition and this issue of lighting and I am still intrigued by, and I do believe there is a unique aspect of this UVB and, I'm not convinced that it's not an important, critical, distinguishing factor here. So I am supportive of their application and I think it should move forward. So I am going to vote yes.

Schiff asked Clark for his vote.

Clark said, I am going to vote no. Mostly because something at this level of decision, which to me is a very sharp blade that we are walking on and I don't think it's the appropriate rule for the Commission to be the arbiter of what this is. This is something that the market is going to have to play against and I don't want to put us in a position, as lay people saying this is a great deal. So I'm voting no.

Schiff asked Blumenstein for her vote.

Blumenstein said, I'm also going to vote yes. I'm going to mirror Seaton and D. Brown. From what has been presented to us including the applicant's testimony, this does appear to be unique. Whether the

market receives it that way or not, we will have to see up the road. But with respect to how the statute is written, it does appear to meet the Competition Clause. So, I would vote yes.

Schiff asked R. Brown if he would like to vote.

Schiff asked Price if he is ready to vote.

Price said, it is very important for rural Colorado to have advanced industries with technology to move forward in Colorado. Competition to encourage new products in cutting edge products to be located in Colorado. To encourage the entrepreneurial spirit that has been presented to us today, I am going to vote yes.

Schiff said, the motion passes and Violet Gro is approved. I would like to thank everyone for their hard work. I also want to thank Robin Brown for advocating so strongly for Violet Gro. I want to thank Berland for his patience in working with us on this. I would like to ask that we please accelerate our work with the Legislature on fixing the Competition Clause.

Kraft said, in our normal process, approvals are not yet deemed final until the next meeting to allow for a chance in between meetings for anyone to come forward. Staff believes that because this has already been brought to two meetings, that chance has been had and we don't think there is a need to delay this any further.

Staff is requesting the EDC vote that the normal process of waiting be waived and deem this as final approval at this point.

M/S/P – R. Brown, Duran – The normal waiting process is waived and final approval of Violet Gro is approved as requested and recommended by staff.

E. Enterprise Zone (EZ): Jeff Kraft

Kraft presented the following Enterprise Zone Contribution Projects for approval.

EZ – Project Name	Project Type	Completion Date	Project Budget	1 yr. Projected Credits
Central Colorado - Loaves and Fishes Ministries	Operations: Homeless Support	2024	\$300,000	\$1,875
Mesa County - Women's recovery center	Capital Campaign: Community Facility	2024	\$4,476,000	\$268,750
San Luis Valley - Habitat Homes, Naranjo	Capital Campaign: Workforce Housing	2024	\$67,000	\$2,625
Central Colorado - St. Thomas More Hospital	Operations: Healthcare	2024	\$110,000	\$15,000
Denver - Clinica Tepeyac: Capital Expansion Efforts	Capital Campaign: Community Facility	2024	\$12,000,000	\$656,250
Denver- Work Options for Women - Culinary Skills Job Training	Operations: Job Training Program	2024	\$1,290,075	\$1,875
Clinica Tepeyac: Job Training	Operations: Job Training Program	2024	\$281,392	\$70,000

M/S/P – Duran, Clark – All Contribution Projects approved as presented and recommended by staff.

F. Advanced Industry (AI): Katie Woslager

Woslager presented the following Advanced Industry projects.

<u>FY19 Infrastructure Projects</u>	<u>Industry</u>	<u>Funding Amount</u>
Colorado Longitudinal Study	Bioscience	\$500,000
Gates Biomanufacturing Facility	Bioscience	\$150,000
Rockies Venture Club	Impacts all 7 AI Sectors	\$470,000
		Total requested: \$1,120,000

<u>Institute for Advanced Composites Manufacturing Innovation Projects</u>	<u>Funding Amount</u>
Ability Composites CSU IACMI	\$200,000
Automated Blade Finishing IACMI	\$400,000
Total requested: \$600,000	

Institute for Advanced
M/S/P – D. Brown, R. Brown – All AI Projects approved as presented and recommended by staff.

Wosalger provided the AI budget which shows a remaining balance of \$5,741,932.

G. Colorado Office of Film, Television, and Media (COFTM): Mariel Rodriguez-McGill

Rodriguez-McGill presented the budget which shows a total of \$643,150 in unobligated funds with \$115,277 in project requests on the agenda today pending approval. The office was allocated \$750,000 again this year.

Colorado Classic

Rodriguez-McGill presented Colorado Classic project. RPM Events Group plans to film and broadcast the Colorado Classic, a four-day international road bike race. In 2019, the Classic will become the only women’s standalone pro road race in the Western hemisphere. Event organizers state that “nearly 100 of the world’s best racers from 16 teams will compete in the four-stage race over challenging iconic Colorado Mountain and urban terrain, starting in Steamboat Springs, moving to Avon, then Golden and finishing in Denver.

The television event 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 and will be broadcast nationally via Tour Tracker, Altitude Sports Cable Network, Livestream and Facebook Live, and reach an international audience via Global Cycling Network, VOX Women Network and Kiswe Cloudcasting.

The estimated qualified local expenditures of the application would result in a rebate of \$92,308. Per the applicant’s estimations, the Office of Film, Television & Media is anticipating a total of \$461,541 in qualified local expenditures and with the multiplier effect, the economic impact could reach up to \$784,619.70.

Staff is requesting approval of the Colorado Classic project in the amount of \$92,308, in support of this project.

M/S/P -

The Healing Garden

Rodriguez-McGill presented The Healing Garden project. The Healing Garden is a micro-budget feature-length film that will shoot in Commerce City, Colorado during the summer of 2019. The film features an old war veteran who shows a spirited little girl how to use bible stories to grow a garden that miraculously heals their neighborhood. The film will be shot entirely in Commerce City in two separate locations – one,

in a private residence within the Thornton Estates Mobile Trailer Park, and the second at the Nuanes/King LLC worksite, a large industrial facility with vast fields and mountain views, which is used primarily for industrial and trucking storage. The locations are privately owned by executive producer, Jeanie Nuanes King. The film will be produced for Denver Christian Network broadcast, and will be directly distributed on DVD and via downloadable file through church networks and online platforms.

The estimated qualified local expenditures of the application would result in a rebate of \$22,969. Per the applicant's estimations, the Office of Film, Television & Media is anticipating a total of \$114,845 in qualified local expenditures and with the multiplier effect, the economic impact could reach up to \$195,237.

Staff is requesting approval of The Healing Garden project in the amount of \$22,969, in support of this project.

Duran moved approval of the project. Clark seconded the motion.

D. Brown asked about the religious content of the movie.

Ersoz said, the reality of film is that it has genres. Horror is a genre, Sci-fi is a genre, Rom-com is a genre, and Faith-based is a genre. This to me is another genre of movie-making. When I look at a script I see the totality of the experience that I'm going to be providing.

D. Brown said, my point is, I have objected in the past to using these funds to fund Faith-based projects. Although this sounds like something I would see at my church, I'm not sure it is appropriate for public funds. That's what this is and I want to let you know that I am going to vote no.

Ersoz said, that is a fair point but again, I feel like the totality of the experience is what matters to me, it's what matters to the film, and I think it matters to the young people that we're going to be bringing on and mentoring.

D. Brown said, I think it's a slippery slope funding Faith-based efforts.

Rodriguez-McGill said, the Film office is looking at this as workforce development, creating opportunity for recent graduates, for the Colorado crew to be able to obtain experience on set and of course as a genre.

Seaton said, he understands D. Brown's point. For the record, I am going to vote to support the project. Notwithstanding the religious components of it, because the support is around the film and television employment and development for that industry in this state. It's not that we are deciding to do this because it's a Christian-based film but rather, it just happens to be a Christian-based film. We should be looking at advancing the industry.

Ersoz said, I don't have a horse-in-the-race when it comes to the religious question. I have many horses-in-the-race when it comes to using film to develop young talent in Colorado.

Duran asked, can you speak to your outreach efforts.

Ersoz said, people know me because I've made a lot of films and I have a reputation for completion. Most of the outreach I have done is direct via Facebook and social media. Also I've been working with acting coaches here in Colorado who funnel their students to me.

Blumenstein asked if Denver Christian Network Broadcasting will have sole rights to the film and distribution rights.

Ersoz said, no. That is one distribution platform. There are people we know that are excited about the project and are willing to give it a hearing. We have to finish the film and make sure it meets certain quality standards before anyone is going to say an absolute yes to anything.

Blumenstein asked what the connection is to your religious organization.

Ersoz said, there is no connection institutionally.

Blumenstein asked D. Brown for a better understanding of what her comment on Faith-based content comes from.

D. Brown said, we had this discussion a few years ago with some Colorado Springs churches who wanted to do a film and the EDC voted to fund them. My concern is not a legal concern. It is not a concern of a separation of Church and State. My concern is a policy concern that once you get into the genre of supporting Faith-based films, you are starting down a slippery slope. The example I gave two years ago and I'll give it again this year is some evangelical church wants to make an anti LGBTQ two-hour film and they come to us for a couple hundred thousand dollars and they are going to point to this one and say, well you did the progressive Christians, what's the difference, why don't you fund us. I'm sure all of you can think of another example that might be personally abhorrent to you. But, we will have established the precedent of funding Faith-based films and I think its bad policy.

Blumenstein asked for clarification on the fundamental storyline of the film.

Ersoz said, the film is about an old man who is in a broken down situation where his wife has passed and in the process he and his daughter become estranged. The man takes on the task of growing a garden in order to feel closer to his wife, who was an avid gardener, and the young girl, she also comes from a broken home, she happens upon him while he is out digging and they begin doing this thing together. The Garden becomes this galvanizing force in this trailer park community that he has been relegated to due to financial situation. It's a film about how something small can have a big effect in the community around it.

Kraft said, Rodriguez-McGill was steering us toward the statute, which is to promote economic development. It's great to learn about the aspects of the movie but we want to focus on the economic development in our body here.

Schiff said, I think it's important for us to keep our focus. I also do recall the conversation at the time the Colorado Springs churches came to us. We also recognized and believe at the time the role that the Film office plays and their selection process to bring projects to us. Our role here is on economic development and job creation.

Schiff said, we've had a motion and a second. I'd like to call a vote.

M/S/P – Duran, Clark – The Healing Garden approved as presented and recommended by staff. D. Brown opposed the project.

H. Regional Tourism Act (RTA): Jeff Kraft, Ken Jensen, Che Sheehan
Jensen presented the project monitoring update.

Aurora/Gaylord Key Next Steps

- OEDIT working with Aurora regarding future proposal on future ongoing quarterly reporting.
- Financing Entity to formally ask for Commencement of Substantial Work at a later meeting.

Pueblo/PBR University Key Next Steps

Determine what ongoing reporting is needed.

Colorado Springs/City For Champions Key Next Steps and Immediate Issues

OEDIT compiling all modifications into one master amended resolution. Working closely with Attorney General to work on specific resolution language.

- UCCS - OEDIT Staff reached out to Charlie Sweet regarding progress towards spending \$16.87 M before the October 31 deadline. Staff is waiting on a response.
- USAFA - The master lease is anticipated to be released to the State in first half of 2019. OEDIT staff met w/ bond counsel on 6/12 regarding timing and format of proposed resolution modifications.
- Downtown Stadium - OEDIT staff updated letter on milestones to reflect received documents confirming milestones for the CSEC Project Element. See board book for more information.

NCRTA/Go NoCO Key Next Steps and Immediate Issues

NCRTA working to provide audited annual report per statutory requirement (see letter to NCRTA Chair). See board book for articles on planned tourism projects.

- Peligrande – Outline next steps for project.
- Whitewater Park and Hotel Waterpark - OEDIT facilitated a very productive meeting regarding possible funding sources for the whitewater park and suggested combining with Hotel Waterpark or changing developers.
- Stanley Film Center - OEDIT staff provided written resolution to NCRTA/SFC. Scheduling meetings with both entities in June to go over status of resolution.
- There will be some procurement issues for the Stanley Film Center to review and resolve in the near future.

Denver/National Western Center Key Next Steps and Immediate Issues

- OEDIT working with project on proposal for Commencement of Substantial work to be presented at July meeting.
- EDC determination of commencement at July meeting.

Aurora/Gaylord

Kraft noted for Aurora/Gaylord they have presented and we have reviewed and made a few tweaks on their process for reporting and certifying their eligible costs process. They are going to have an independent accountants report and certify construction related costs. We wanted you to see the documents provided and ask if there are any questions.

No questions.

USAFA

Kraft said, in regards to the AFA. This is an issue that is not fully ripe for discussion yet but there is a letter that I received and have provided to you in the board book that talks about how the procurement for the underwriting investment occurred for the USAFA. If you recall, they had a coalition that bid on the project

per federal procurement rules. They found that the underwriter that was doing the work, didn't have the expertise to do the type of bonds they were planning to do. They will be switching out and going with an underwriter that has the required expertise. They gave us that explanation and timeline. We've said to them that this should be good as long as it follows federal procurement rules, as that is what the Resolution says. More to come with this at a future meeting.

Colorado Springs

Sheehan walked the EDC through the documentation provided by Colorado Springs that demonstrates their progress toward Commencement for the Sports and Events Center.

Colorado College Robson Arena

Milestones Toward Commencement	Expected Documentation	Milestone	Complete?
In 2008, the City of Colorado Springs approved the Colorado College (CC) Long Range Development Plan. The Plan identified the city block bounded by Cache La Poudre, Nevada, Dale and Tejon streets as the site for the potential relocation of an ice arena.	Obtain plan from the City of Colorado Springs.	1(i)	X
In June of 2015, CC issued \$110 million in taxable bonds. The Colorado College Board of Trustees determined that those funds could only be utilized for capital construction projects identified and approved by the Board.	OEDIT to obtain bond documents and certification from CC CFO on the amount available to fund the arena.	2(i)	Wells Fargo statement received, but not complete.
In September of 2016, CC alum Ed Robson pledged to donate \$8,000,000 to the college provided that the funds would be utilized to construct a practice hockey rink on campus and that construction of the rink would begin during the 2018-19 academic year. In recognition of this gift, the college has agreed to name the facility – Edward J. Robson Arena.	OEDIT to obtain CC CFO certification on total amount of pledge, amount of pledge received and timing for the rest of the balance of the pledge.	3(i)	X
In October of 2017, CC received a pledge of \$500,000 contingent upon the construction of a competitive hockey arena.	OEDIT to obtain CC CFO certification on total amount of pledge, amount of pledge received and timing for the rest of the balance of the pledge.	4(i)	X
In November of 2017, the original donor committed another \$1,000,000 for the project contingent upon CC finalizing plans to construct the competitive arena. This gift has been received by the college.	OEDIT to obtain CC CFO certification on total amount of pledge, amount of pledge received and timing for the rest of the balance of the pledge.	5(i)	X
In December of 2017, CC received a pledge of \$1,260,000 contingent upon the construction of a competitive hockey arena.	OEDIT to obtain CC CFO certification on total amount of pledge, amount of pledge received and timing for the rest of the balance of the pledge.	6(i)	X
In February of 2018, the CC Board of Trustees voted to construct a competitive hockey arena contingent upon an agreement that the arena would serve as a part of the Colorado Sports and Events Center project and, therefore, be eligible to receive RTA funds to pay for a portion of the construction costs.	OEDIT to obtain copy of minutes of Trustee meeting or other official document confirming the vote.	7(i)	X
In the summer of 2018, CC entered into an agreement with the City of Colorado Springs concerning the possibility of building a multi-purpose competitive hockey arena and designating the arena as a part of the City for Champions Colorado Sports and Events Center project.	OEDIT to obtain copy of agreement.	8(i)	
In July of 2018, CC completed the purchase of the final parcel in the city block giving the college ownership and control of all the land in the block.	OEDIT to obtain copy of deed of ownership.	9(i)	X

In total, CC has received pledges, gifts and estate commitments for the construction of the competitive hockey arena totaling \$20,090,270. The total cash received to date from these commitments is \$4,166,166.	OEDIT to obtain CC CFO certification on total amount of pledge, amount of pledge received and timing for the rest of the balance of the pledge.	10(i)	X
In October of 2018, CC and the Switchbacks Football Club completed negotiations and agreed to the proposed Articles of Incorporation and By-Laws of the Colorado Springs Sports Authority. The purpose of the Authority is to assure compliance with RTA Resolution No 3. regarding the Colorado Sports and Events Center project. This milestone applies to BOTH Robson Arena and Weidner Stadium.	Bob Cope attested to this development at the December 20, 2018 EDC meeting.	11(i)	X
The City of Colorado Springs, CC, Switchbacks Football Club, Weidner Apartment Homes and Summit Economics developed a business plan for the Colorado Sports and Event Center as required by Resolution No. 3. which includes hosting pre-Olympic and amateur sporting events, such as Olympic Time Trials, Qualifiers, Playoffs, and World Championship events that will draw net new out of state visitors to Colorado, or other events and meetings associated with National Governing Bodies, including events that have not been hosted in Colorado within the last five (5) years. This milestone applies to BOTH Robson Arena and Weidner Stadium.	The Business Plan was reviewed and approved by OEDIT and the EDC at the December 20, 2018 EDC meeting.	12(i)	X
In November of 2018, the CC Board of Trustees unanimously authorized the construction of a competitive ice hockey arena on the site designated in the 2008 Development Plan. The Board also authorized the usage of a portion of the 2015 taxable bond proceeds to pay for the construction of the arena.	OEDIT to obtain copy of minutes of Trustee meeting or other official document confirming vote.	13(i)	X
After a competitive process, CC selected JLG Architects to design the competitive ice hockey arena. The contract between JLG and CC was signed following the November 2018 action by the Board of Trustees.	OEDIT to obtain copy of RFP and key pages from contract including signatures.	14(i)	Contract obtained, but no information on "competitive process"
CC has completed the demolition of three buildings on the site. CC is relocating college functions from two other buildings on the site. The demolition of those buildings will be completed by the end of March 2019.		15(i)	X
CC has entered into an agreement with NES Consulting for planning services, traffic studies, traffic planning, parking studies, parking planning, and a robust public engagement process. CC announced a series of community meetings and public workshops concerning the arena. The first community meeting was held on January 5, 2019 and attendance exceeded 200 individuals.	OEDIT to obtain copy of public posting.	16(i)	X
CC men's Division 1 hockey has been secured as the anchor tenant for Robson Arena.		17(i)	
The Colorado Springs Stadium Authority is formed.	EDC to verify that the Articles of Incorporation and By-Laws of the Colorado Springs Sports Authority were signed and filed with copy of documents	18(i)	
As of a specific date in early 2019, CC has attested that \$_____ has been expended toward development and pre-development activities consistent with the commencement of substantial work.	CFO to certify total amount of expenditure to date (expected to be substantial).	19(i)	X (see letter from Mark Hille)
The consummation of a written agreement between CC and the Colorado Springs Sports Authority thereby creating a contractual	OEDIT and the EDC to obtain preliminary draft(s), review, and	20(i)	

<p>obligation for compliance with Resolution No. 3, as amended, and the associated approved Business Plan.</p> <ul style="list-style-type: none"> - OEDIT recommends that OEDIT and the EDC review draft of agreement before executed to avoid re-work. - Agreement should contain minimum availability days each year for business plan programming. - The agreement shall contain a specific list of CC facilities that will be made available as part of the C4C plan and corresponding information about how these facilities satisfy the required minimum size requirements in Exhibit - The agreement shall be for a term that is substantially similar to the Financing term for Dedicated Revenue stream. - The agreement acknowledges that under Resolution No. 3, as amended, the EDC may direct the Department of Revenue to temporarily delay and/or permanently reduce the amount Dedicated Revenue paid to the Special Fund established and controlled by the Financing Entity if CC facilities are not available for the minimum number of days each year as provided by the agreement. - The agreement allows enforcement mechanisms for the Colorado Sports Authority to enforce the business plan with CC including suspending or canceling disbursements of Dedicated Revenue from the Colorado Springs Urban Renewal Authority to CC. 	<p>expressly approve final agreement before it is executed.</p>		
<p>Certification from CC, the City of Colorado Springs (as Applicant), and the Colorado Springs Urban Renewal Authority (as Financing Entity) that one third of the CSEC MEAP, approximately \$9.2 million, has been pledged for the payment of eligible costs associated with Robson Arena as the indoor venue component of the CSEC project element.</p>	<p>OEDIT to obtain formal pledge document obligating the funds to CC and associated documents including bond counsel opinion and independent financial advisor to verify interest rate.</p>	<p>21(i)</p>	
<p>The applicant has designed the Colorado Sports and Event Center indoor arena and supplemental facilities such that they satisfy the approximate and minimum size requirements listed in Resolution No. 3 Exhibit B</p>	<p>EDC to obtain design summary and formally approve that it satisfied Exhibit B. Also expressly approve any needed minor modifications to approximate and minimum size requirements and accept use of additional CC venues to satisfy the approximate and minimum size requirements.</p>	<p>22(i)</p>	

NCRTA

Kraft introduced Trey Rogers, new counsel for NCRTA.

Rogers began with addressing NCRTA’s failure to complete the required annual report for 2018. The board parted ways with its bookkeeping and accounting staff late in the year. The first attempt at replacing them was unsuccessful. I do think we now have this back on track. The board engaged Carrie Bartow of CLA to handle the auditing. We have now realized we not only need help on the auditing side, we need help getting our financials in order and Bartow has agreed to take that on.

We have also engaged Steve Dazzio of Dazzio and Associates to handle the auditing.

We think this is a good team that will get us on track to complete our financials, and our certifications, and get you an audit letter in short order.

Stanley Film Center

The Stanley is on track and moving in the right direction. OEDIT staff had a tour of the facility and a recent meeting with Grand Heritage. One of the topics that was discussed were compliance with or procurement standards of when sole sourcing may be appropriate. There was some talk about bond structure, which was helpful to the Stanley group. Financing is going well on this project and we hope to have some real progress before you for another report.

Whitewater Adventure Park

In the last few weeks we have made some progress on this project. We had a good meeting with Zuckerman, Kraft, Sheehan, and Jensen to discuss financing. We've had some difficulty in that area. We brought Scott Shipley in as well as representatives of Loveland for a very good session on how we might jump start the financing for that project.

As you know, the Indoor Waterpark is joined at the hip with the Whitewater Park. So we need to make some progress there and then move on to the Indoor Waterpark.

Peligrande

OEDIT staff currently has a meeting scheduled in July with Peligrande project representatives to discuss this project and what we can do for this component.

Amended Resolution No. 4

Rogers said they have received a draft. We have reviewed it and have provided some initial comments. We are now waiting on comments back from the AG's office. Once we receive those comments we will move quickly to get that Resolution in final form for NCRTA and the EDC.

The board had no question and thanked Rogers for his report.

Denver

Kraft introduced Dodson who will provide a project update.

Dodson provided the following update:

Upcoming Program Milestones

2019-2021 Construction begins on:

- Stockyards & Stockyard Event Center site pad preparation
- Rail consolidation
- CSU Animal Health Building site pad preparation
- Maintenance & Operations Facility
- Equestrian Center
- Livestock Center

2020-2023 Facilities to Open:

- Maintenance & Operations Facility

- Stockyards & Stockyard Event Center
- Equestrian Center
- Livestock Center
- Riverfront Open Space

2021-2022 Anticipated use of RTA funds for construction

Phases 1 and 2 of Program Contracts

Campus Placemaking MIG, Inc. ●Design ●M/WBE Goal of 25%	Integrated Demolition Saunders Construction ●Integrated Demolition ●M/WBE Goal of 18%	Brighton Boulevard -3 Kiewit / Hamon ●Integrated Construction ●M/WBE Goal of 14%	Maintenance & Ops SEH, Inc. ●Design ●M/WBE Goal of 30%	Maintenance & Ops GH Phipps ●CM/GC ●M/WBE Goal of 33%
DRIR Railroad Wilson & Company ●Design ●M/WBE Goal of 14%	Horizontal Portfolio Merrick & Company ●Design ●M/WBE Goal of 23%	Horizontal Integrated Hensel Phelps ●Integrated Construction ●M/WBE Goals -work order	Stockyards / Event Ctr. HKS ●Design ●M/WBE Goal of 30%	Stockyards / Event Ctr. Adolfson and Peterson ●CM/GC ●M/WBE Goal of 17%
Equestrian Center & Parking Garage Populous ●Design ●M/WBE Goal of 24%	Equestrian Center & Parking Garage Whiting Turning ●CM/GC (Pending City Council approval) ●M/WBE Goal of 20%	Campus District Energy EAS Partners ●Active Procurement in the Predevelopment Phase	Livestock Center TBD -2019 ●Design ●M/WBE Goal TBD	Livestock Center TBD -2019 ●CM/GC ●M/WBE Goal TBD

NWC Workforce Initiatives

- Increase awareness, outreach, training & employment for people from economically disadvantaged areas & populations
- Diversify & connect businesses competing for government contracts

Historic Resources

- Campus strategy
- Work session with History Colorado, Historic Denver, Landmark Preservation
- Includes historic buildings and other historic site resources
- Cataloging of site historic elements
- Images and GPS location of all key historic elements
- Development of Campus Cultural Plan (Placemaking)
- Denver Landmark Application for Armour Administration Building
- Historic Structures Assessment for the sheep bridge and water tower

A Low Carbon Resilient Campus

1. Energy Efficient Buildings
Prioritizing energy efficiency to achieve LEED Gold or above
2. District Thermal using Wastewater Heat Recovery
100% renewable electric using a combination of on-and off-site sources
3. Renewable Energy

Utilizing wastewater thermal energy to heat and cool campus buildings efficiently

4. Community Resiliency

Ensuring critical facilities have power, heating and cooling, even during extreme events

The Triangle at NWC

Future Phases For The Campus

Four Required Assets:

- Redeveloped 1909 Historic Building
- New 10,000-seat arena
- New Expo Hall
- Supporting structured parking

Anticipated Procurement Process

- Outreach throughout process
- Request for Qualifications (RFQ)
- One on one meetings w/short listed firms
- Request for Proposals (RFP)
- Interviews

Partner Update: CSU:

We are currently waiting on CSU updates.

Partner Update: WSSA

The Western Stock Show Association (WSSA) continues to make excellent progress in its \$100M Honoring the Legacy Campaign building the future for the National Western Center.

Campaign Goals:

- \$50M equity payment to the City and County of Denver (CCD)
- \$50M Legacy Building construction
- More than \$50M has been pledged
- Focus remains on major gift and naming opportunity work
- Rigorous effort to approach members, trustees and long-time exhibitors, with the goal of 100% participation from these groups

Partner Update: Authority

Developing An Implementation Plan

Call for Ideas	The Summit	Focus Area Work Groups	SIP Plan
MAR -APR 2019	MAY 2019	JUN -AUG 2019	SEP 2019

Focus Area For Impact

- Strengthening the AG & Food Economy
- Healthy Places
- Thought Leadership & Policy
- Next Generation
- Entertainment & Experiences

Increment Sales Tax Collection

Dedicated Revenues received by the Financing Entity (DURA) as of June 2019: \$150,213.65

None of these dedicated revenues have been used to reimburse eligible costs for any portion of the project.

Dodson introduced Hittle to provide an update for CSU.

Hittle said, we are in design on all three buildings now. We have moved up our food building to be in alignment with our water building which aligns with our animal health. So all three of those buildings are in design right now in slightly different phases. We have three different architecture teams that are working on those buildings. Through two different procurements, we landed on the same general contractor. JE Dunn will be building all three of our buildings even though they bid separately, they won both bids. We are really excited about the teams that we have on board.

The program plans and our funding request have all gone through the state process last fall so we are just waiting on final signatures on that so we can continue to move forward to procurement the funds for all of our facilities. We anticipate breaking ground on all three buildings next year.

The Animal Health building is the one that is most relevant to you from an RTA perspective and we have checked our RTA box, when it comes to that facility and we're really excited to see it happening. We look for completion of the Animal Health building at the end of 2021 roughly and the other buildings sometime in 2022.

Duran asked if MWBE goals get set separately.

Hittle said, through the office of the State Architect, there are no official state requirements. The State Legislature makes that decision about whether or not as a state facility we actually have those requirements. Although we do not have those requirements, we do encourage so through the selection of our teams, we encourage our teams to have MWBE subs to bid on projects.

D. Brown asked if the design review process is through the Authority. With all of this going up at once, I'm concerned about cohesiveness and quality.

Dodson said, we have a design review team, SADL which stands for Strategic Design Leadership Committee that is co-chaired by the executive director of NWC and the Authority with representatives from CPD, CSU and WSSA. The design standard and guidelines are governed by SADL and then the design review committee are the stewards of those guidelines.

D. Brown asked if those guidelines have been established.

Dodson said yes, and they would be happy to share those.

D. Brown said that wasn't necessary but that she would like a list of names for those serving on the design review board.

Dodson said Paul Andrews apologized for not being able to make this meeting today. The Legacy Campaign continues to be enormously successful. To date, they have over \$50M in pledges.

Berry said, our approach to programming the facility was to create a Cultivate Campaign. We reached out to members of the community, state and national partners to give us some ideas for programming. We received about 267 ideas across the board. We took those ideas and had a summit with our board and stakeholders to start revisiting the mission, sharing those ideas and start trying to coalesce them into

thematic areas. We are now looking at five focus areas which include, Strengthening the AG & Food Economy, Healthy Places, Thought Leadership & Policy, Next Generation, Entertainment & Experiences.

With all of that, we are now working towards producing a plan for our board in 2019. We have invited a series of work groups over the summer, for each of the five focus areas.

Dodson asked if there are any further questions.

The EDC had no further questions and thanked Dodson and team for presenting.

Kraft said, over the next few EDC meetings, we will work through some issues to get towards Commencement. More to come.

**I. Other: Ken Jensen, Sean Gould, Carrie Schiff
Transferrable Tax Credit (TTC) Program Update**

Jensen provided a TTC program update.

Per the EDC resolution at the May meeting, OEDIT has issued precertifications to VF Corporation and Evraz. The VF Corporation Precertification was for \$6.9 million, and the Evraz precertification was for \$100,000. Given that VF Corporation received a precertification of \$3 million earlier in the fiscal year, the statutory maximum for the fiscal year has now been issued. This is detailed on the following page, followed by copies of the precertifications.

OEDIT met with VF Corporation late in April. VF Corporation has signed a lease for the property in downtown Denver, which is expected to satisfy their requirement to make a Strategic Capital Investment. This should be documented in VF's June 30th 10-Q. Once OEDIT has had the opportunity to review the 10-Q, OEDIT expects to bring this issue to the EDC for next steps.

Project 5000 needs to complete an engineering study before they can make a determination as to whether to commit to their project. Their goal is to finish this engineering study by December of 2019, then present the study to their board for the "Go/No Go" decision. Therefore the "Go/No Go" decision is expected in early 2019.

EDC Budget

Gould provided an EDC Budget update which shows a current balance of \$5,494,353 available for future projects.

Next Meeting

The next meeting will be on July 17, 2019.

With all items discussed, the meeting was adjourned.