

ECONOMIC DEVELOPMENT COMMISSION

MEETING MINUTES

November 12, 2019

7:00 a.m. – 8:30 a.m.

MEETING DATE

November 12, 2019

1600 Broadway, Suite 2500

Denver, CO 80202

MEETING PARTICIPANTS

A. Commission Members

Carrie Schiff, David Drago, Benita Duran, Rob Brown, Chris Franz, Jandel Allen-Davis, Becky Takeda-Tinker, Wendell Pryor, Gretchen Wahl, Blake Jones, and Jay Seaton.

B. Guests

Bob Cope, Jariah Walker, Nick Ragain, David Neville, Laura Neumann, Kurt Kaufman, John Wendling, Arnold Kaplan, and Rich Laden.

C. Staff

Jeff Kraft, LeeAnn Morrill, Ken Jensen, Che Sheehan, Jill McGranahan, and Virginia Davis.

A. Meeting Called to Order

Schiff called the meeting to order.

B. Regional Tourism Act (RTA): Jeff Kraft

Kraft said, I would like to thank the stakeholders in Colorado Springs with the principles Colorado College and Weidner and the Switchbacks. They really worked in a really good faith effort with staff and the attorney general to sort of work with and edit the development operations and management agreement that will review here today it really is there agreement but we're a third-party beneficiary as the state but they really work with us to take our suggestions and edits and that is a difficult process when you have so many different stakeholders that need to weigh in but it was very much a good faith effort and I felt like there was a lot of positive give and take collaboration in getting these documents done so I just want to thank the stakeholders for working on that.

What I would say is I think the agenda suggests that we review and approve the Switchbacks and Colorado College leases or DOMAs separately. We can probably review them jointly and collectively and potentially could approve them with the a single emotion particularly because the remedies are very similar. The documents themselves are very similar and we'll walk through a few of the specifics. There are some subtle differences and nuances because the Switchbacks are actually issuing a bond to UMB Bank, privately placed, but Colorado College doesn't need to issue a bond so there are those differences. But I think if we walk through the agreements together the Commission can ask questions. I'll take the lead on doing it. I know you're used to Cope doing it but it because we're really comfortable with these agreements and feel very comfortable recommending them, I'll take the lead in walking us through them with you but I'll ask Cope and or any of those stakeholders in Colorado Springs to certainly jump in if they think there's points of clarification and of course Morrill if she wants to emphasize anything and of course the Commission can ask questions.

From a high-level perspective our goal here today is to approve two development and operating agreements one for the outdoor stadium which is the Switchbacks are an anchor tenant and that stadium

is being built and invested in jointly by Weidner Apartment Homes and The Switchbacks. Weidner Apartment Homes is investing in the Switchbacks and they'll be jointly building and operating the Stadium as a collaborative partnership and then Weidner Apartment Homes is doing some development around the stadium which will make it an urban exciting setting. So that's the outdoor venue. The indoor arena is going to be built right next to the Colorado College campus it'll be the home for the Colorado College men's division 1 flagship hockey team but then also be part of all the business plan programming. The reason these agreements are so important is the anchor tenants know who are building the stadium for their use, are really important partners and the financial underpinnings for this whole arrangement. But ultimately the things that makes this Colorado sports events center on RTA project that satisfies the RTA requirements that they be unique extraordinary and that they drive out of state visitation is the programming to bring in out-of-state visitors to hold in a regional and national championships Olympic time trials other events that'll draw in out-of-state visitors you know who could be players and participants an officials and family members of those people as well as fans who are going to see the event. The business plan apart from the anchor tenants is what makes this RTA worthy.

The Commission approved this project element 6 years ago we said you need to have a business plan that would show the net new out-of-state visitors and that needed to be reviewed improved in detail. The Commission did do that back a year ago. Colorado Springs, the applicant took that really seriously and they built a detailed business plan which is attached to your board pack today as a reminder to show how it could drive the type of net new a visitor's that was originally proposed and contemplated in the application. So you reviewed and approved that. There were some changes how the facilities would be laid out and built in that business plan from the original application. The applicant hired their original economist to review that and say, yes this is consistent, you can still get those net new out-of-state visitors and we went through some detailed conversations with that Economist and they even appeared and testified with the EDC as part of the business plan approval. The Commission said this means you really need to have a good lease that talks about implementing the business plan and make sure that these won't be used just for their local tenants but would be used to drive these Special Olympics style events. The Commission came up with this concept that you had to sign a lease and by the way the lease had to have some teeth to make sure the business plan could be implemented.

That led to a long series of complicated conversations with the stakeholders and partners and with the Colorado Springs Sports Authority which is implementing this program and overseeing it and is charged with making sure the business plan is followed. That's what led to the creation of these development, operations and management agreements. As you read them you'll see how the business plan programming is critical and is woven throughout these agreements as a really important intent and goal. These agreements are so important because they really kind of get to the heart and soul of the RTA piece of this project.

The other really important thing besides approving those business plans is approving a Resolution that talks about a motion of some modifications to Resolution No. 3. consistent with all the all these all these pieces.

So the goal today would be to have you sign off, as a Commission, on these on these agreements as well as emotion that modifies Resolution No. 3 so everything's kind of tied up and consistent. What will happen is, if we get through both of those stages they'll be a very clear glide path for this project element to commence before December 16th of this year.

Kraft walked the Commission through the agreements and the changes to the agreements, noting that overall they are very similar.

After reviewing the documents, Kraft turned things over to Schiff saying, we are at the point where we could take motion from the Commission to approve these two agreements.

Schiff called asked if there was a motion to approve both the Colorado College and Switchbacks DOMA agreements in one motion.

Franz moved approval of both documents. Allen-Davis seconded the motion. Motion passed unanimously.

M/S/P – Franz, Allen-Davis – Colorado College and Switchbacks DOMA Agreements approved as presented and recommended by staff. Jones abstained from the vote.

Kraft said, the second part of our agenda here today is to walk through another motion. Before we do that, I want to run through the mark-up of Exhibit B which is in your board book. You'll see after Exhibit B and what you'll see with Exhibit B here, it's identical to the currently approved Exhibit B the Commission passed 5 years ago with track changes showing changes. The changes are designed to show differences from what was approved based on changes you've approved to the business plan and one or two other changes.

You'll notice at the beginning we clarify that it will be these two separate venues, Robson Arena and Weidner Stadium. The total number of gross square feet did come down for the outdoor stadium and that was approved by the Commission when you reviewed the business plan. The final design actually is slightly bigger than the business plan but slightly less than what was originally approved. We're just clarifying it here. On the indoor venue what you'll notice is it includes a combination of Robson facilities and other college facilities. There's a couple of footnotes there that talk about the size of Robson Arena and the total square footage in a listing of what those other college facilities are that are part of El Pomar. This is sort of how we know what's included totaling 44,263 gross square feet. Notice the storage facilities are less than the application in a little bit less than what was contemplating the business plan but the storage is sort of an adjunct piece and it's really not key to accommodate visitors or holding sports events. The college has enough storage to sort of make this all works we think that's a minor piece. The total required seats are a thousand less, however what I'll note, is both the CC and Weidner field have configurations which include substantially more seats and so they can get well over that 13000 seat limit.

Takeda-Tinker asked about the square footage involved.

Kraft said, we can walk you through the components that are planned for the stadium. The business plan, which was approved back in December for the spectator facilities, the square footage goes from 134,000 to 108,454. The team facilities go from 21,200 to 17,000. The media facilities go from 2200 square feet is 1800 square feet. Operations to concessions from 22,100 square feet to 17,700 square feet. The administration increases a little bit. That's just a quick recap and those changes were all approved as part of the business plan. One thing I can also add, which is exciting, is I know that they have invested in sort of a landmark iconic entrance to stadium and they put more money into stadium over time than they initially planned to spend to increase its visual appeal and how it will look when marketing and advertising and showing it on television.

Moving on to page 145 of the document. This is sort of a background and status summary memo that the OEDIT staff put together with help from the attorney general and help from the stakeholders that kind of explains what's happening. I'm not going to read this word for word but it sets the stage for the motion that we're proposing that you adopt and it's a written motion but I'll just get a couple of highlights. We do allude to the fact that the business plan that you previously approved helps demonstrate and reaffirm the unique extraordinary nature of the modified project element including the attraction of the net new

out-of-state visitors which are really key. We talked about the bonding for the stadium and the fact that they're going to use 66% of the RTA funds allocated to the stadium. The Sports and Events center gets 23% of the total RTA Award of \$120.5 million and then of that 23%, 66% is going to the Stadium, 33% to the indoor venue and they're going to be able to issue bonds in proceeds of about \$12M to help build the stadium and then the Switchbacks entity that's being capitalized by Weidner is going to put in another \$12M to help build the stadium. The way it's structured is the equity is going in dollar for dollar along with the bond proceeds. The Switchbacks is putting a \$2M down payment, so to speak, with the bond trustee at the very beginning to make sure that the funds are there to build the stadium.

One of the things that we note here, is because it's a privately placed Bond, there will be an external financial advisor that will review the interest rate terms of this transaction and make sure that these are market rate interest terms. As part of Bond closing will get an official opinion from that independent financial advisor to show that the interest in terms are fair and market-based. I talked about the fact that 66% or two-thirds of the revenue go to the stadium and then 33% go to the arena and we talked about how the eligible costs are paid by the trustee based on the equity and the bond proceeds, those are the key highlights in terms of the background. We talked about the fact that there's a for further information and clarification within the Resolution, we don't just have Exhibit B and the list of the facilities but you also have an actual color coded set of maps in a list of facilities provided by Colorado College for clarity in reference to just show where these court arrangements are and make it really clear what they are on their official map so that those are referred to hear in the background as well.

This completes the review.

Schiff asked for a motion of the Written Motion provided in the board book.

Duran moved approval of the Written Motion. Brown seconded the motion.

Schiff asked if there are any questions from board members? Hearing none, a vote was called.

M/S/P – Duran, Brown – Written Motion approved as presented and recommended by staff. Jones abstained from the vote.

Staff thanked the board and stakeholders for their time this morning.

With all items discussed, the meeting was adjourned.