

ECONOMIC DEVELOPMENT COMMISSION

MEETING MINUTES

February 20, 2020
830 a.m. – 12:50 p.m.

MEETING DATE

February 20, 2020
1600 Broadway, Suite 2500
Denver, CO 80202

MEETING PARTICIPANTS

A. Commission Members

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

B. Guests

Ken Gart, Lucy Diaz, Jim Janicek, Sam Bailey, Rebecca Gillis, Jennifer Pinnasol, Peter from Project Blizzard, Nadia with Project Sky, Mike with Project Sky, Brad with Project Next, Tammy Fields, Ed Sealover, Rob Simon, Tim Nolte, Jeff Rood, Ed Sealover, Maggie Hart, Elise Wiggins, Jared Petsche, Aldo Svaldi, Megan Alexander, Lucas High, Brad Dodson, Nikki Holmlund, Robin Hickey, and Bob Cope.

C. Staff

Betsy Markey, Jeff Kraft, Sean Gould, LeeAnn Morrill, Mike ??, Ken Jensen, Che Sheehan, Dave Madsen, Jill McGranahan, Leslie Hylton, Max Nathanson, Andrew Wallace, Mariel Rodriguez – McGill, Reid Aronstein, Katie Woslager, Donald Zuckerman, Kelly Baug, and Virginia Davis.

DECISION/ACTION ITEMS

1. The Economic Development Commission approved the Minutes from the January 16, 2020 EDC meeting.
2. The Economic Development Commission approved the following projects/items

JGITC:	Project Next.
COFTM:	Colorado Classic; Lying Together; and Roots to Ranches.
SF:	Project Blizzard, Project Sky LONE; Colorado Classic; and SF Amount Adjustment.
EZ:	NW, 44 Oak Non-Profit Center; and LAR, Project Self-Sufficiency-Career Pathways.
RJS:	2020 County Designation; and ProStar Geocorp Tax Credit Certificates.
RTA:	Denver/NWC Project Commencement.

A. Meeting Called to Order

Schiff called the meeting to order.

Meeting Minutes

Duran moved approval of the January 16, 2020 EDC meeting minutes. Takeda-Tinker seconded the motion. Motion passed unanimously.

M/S/P - Duran, Takeda-Tinker – January 16, 2020 minutes approved as presented by staff.

B. Job Growth Incentive Tax Credit (JGITC): Max Nathanson

Project Next

Nathanson presented Project Next. Project Next is a cloud-computing technology company that is considering expanding its presence in Colorado. The company behind Project Next is a large multinational information technology company. The company is experiencing significant growth and is considering multiple domestic markets in which to site a corporate headcount expansion in anticipation of the increasing demand from its vendors and clients. The company currently employs about 1,000 people in the State of Colorado. In addition to its footprint in Colorado, the company also has a sizable presence in Texas. The jobs created by Project Next are senior software engineering functions. Project Next is expected to result in up to \$8,200,000 in capital expenditure. The company estimates that Project Next will lead to the creation of up to 40 net new full time jobs. The company's projected average annual wage of the jobs to be created by this project is \$110,000.

This project supports the state's economic goals for several reasons. First, the project will create high paying jobs in the technology sector outside of the Metro Denver area. Second, the project is an illustration of Colorado's ability to compete for site selection opportunities from leading multinational companies with multiple domestic offices, showcasing the state's skilled workforce and attractive business ecosystem.

Staff is requesting \$925,650 in performance-based Job Growth Incentive Tax Credits over an 8-year period. This incentive is contingent upon the creation of up to 40 net new jobs over the next eight years at an average annual wage equal to or greater than the average annual wage of the county the project chooses to locate, the maintenance of net-new jobs in Colorado for one full year before any credits become vested, and before any credits are issued, the company must create and maintain at least 20 net new full-time jobs.

M/S/P - Duran, Franz – Project Next approved as presented and recommended by staff.

Update of Previously Approved Projects

Nathanson said, Project Pinwheel, Spinnaker, will be locating in Colorado. Spinnaker was approved for a JGITC in the amount of \$3,034,801 for the creation of up to 241 jobs at the December 2019 meeting. Also Audentes Therapeutics, presented as Project Goldfinch selected North Carolina.

Kraft provided the EDC with an article on VF Corp and their plan to move their global innovation center from California to Denver. Kraft said this demonstrates the follow-on benefits that happen when you get a headquarters to come to your state.

C. Colorado Office of Film, Television, and Media (COFTM): Mariel Rodriguez-McGill, Donald Zuckerman, Jim Janicek

COFTM Project Updates

Rodriguez-McGill provided COFTM updates saying the Healing Garden has finished their editing process and they are off to the colorist and is almost done. Red Winter which passed in January will start filming on Monday, February 24th, in the Grand Lake area.

COFTM Budget

Rodriguez-McGill provided the COFTM budget update which shows a current balance of 1,223,091.00 in unobligated funds.

Colorado Classic

Rodriguez-McGill presented Colorado Classic. For the fourth year, RPM Events Group Colorado, LLC will produce video TV production, live streaming and broadcast of the Colorado Classic presented by VF Corporation, a four-day international women's pro road bike race. Leading up to the race, RPM will produce and distribute approximately 18 videos comprising the "HERoes" series featuring profiles of women riders and athletes, profiles on the Colorado host cities, route previews and other pre-race video content, which will be distributed over RPM's embedded Livestream network and on social media.

Event organizers are finalizing race details and potential filming locations include Snowmass, Avon, Fort Collins, Boulder and Denver. RPM is in the process of finalizing host city negotiations. Similar to the 2019 approach, the 2020 Colorado Classic event will be distributed nationally and internationally via various television and streaming platforms. Additionally, the pre-race videos and "HERoes" series will be distributed through RPM's Livestream streaming network and via social platforms.

Staff is requesting an estimated rebate in the amount of \$128,250 in support of this project.

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

Lying Together

Rodriguez-McGill presented Lying Together. Lying Together is an original romantic comedy, set against the backdrop of the beautiful Colorado Rockies. Like My Big Fat Greek Wedding did for Mediterranean family culture, Lying Together introduces audiences to the quirky but lovable sub-culture that makes up so many modern churches.

Jess and Alex are best friends, and also the last two single people in their church. Jess is happily single, Alex less so. Their newly engaged friend, Rachel, invites everyone to a mountain getaway weekend for her wedding. On arrival, the pastor, Jess's father, tries to set Jess up with yet another guy. Sick of the pressure, Jess blurts out that she and Alex are dating. Can they keep up the lie all weekend? Will they end up together, with someone else, or alone? Will they even stay friends?

Maskil Productions is currently scouting locations in Estes Park, Tabernash, Summit County in addition to various locations along the front range. In addition to submitting to film festivals, the producers of Lying Together have received a letter of intent from Bridgestone Multimedia Group, a distributor of family-friendly and faith-based films. BMG partners with major streamers, cable television channels and major retailers. The Group has seen a large demand for clean romantic comedies and movies with multicultural casts both domestically and internationally.

Staff is requesting an estimated rebate in the amount of \$48,086 in support of this project.

M/S/P – Wahl, Duran – Colorado Lying Together approved as presented and recommended by staff.

Roots to Ranches

Rodriguez-McGill presented Roots to Ranches. Roots to Ranches is a television show for public media produced and starring Elise Wiggins, the chef and owner of Colorado-based restaurant Cattivella. Chef Wiggins has won numerous accolades over the years and recently turned her attention to a new solo venture, Cattivella, a wood-fired Italian restaurant located in Denver's Stapleton area. Cattivella is

garnering rave reviews and is a huge financial success, so much so that Cattivella funded season one of Roots to Ranches, and will fund season two of the series as well.

Roots to Ranches breaks the rules on today's traditional cooking shows, which are either filmed in a studio, are in the style of reality TV where the camera follows a chef yelling at people, or is simply framed as a travel series.

Roots to Ranches is part Travel Channel, part history, part educational and part cooking show. Each season will be broken down into four themes: foraging, ranching, farming and hunting. Throughout the season, Wiggins will focus on how food is procured, focusing mainly on ingredients that are interesting and exotic to most viewers while teaching the audience about regenerative farming and ranching practices. The series will focus on Colorado with episodes filmed in Center, La Salle, Eads, Carbondale, Woodland Park, Durango and Rocky Ford.

Season one of the series premiered on Rocky Mountain PBS. The team plans to submit season two to Rocky Mountain PBS and other regional PBS member stations in addition to submitting to American Public Television (APT) for the possibility of wider distribution.

Staff is requesting an estimated rebate in the amount of \$41,600 in support of this project.

M/S/P – Wahl, Takeda-Tinker – Roots To Ranches approved as presented and recommended by staff.

Program Sustainability Update

Donald Zuckerman, and Jim Janicek provided a program sustainability update.

D. Strategic Fund (SF): Sean Gould, Reid Aronstein, Max Nathanson, Ken Gart, and Lucy Diaz SF Balance Forecast

Gould provided the SF Balance Forecast which shows an available balance of \$4,132,129.

Project Blizzard

Aronstein presented Project Blizzard. Project Blizzard is a wholly owned U.S. subsidiary of a large, Japanese multinational company that is considering opening a new manufacturing facility in Colorado. The company behind Project Blizzard is a contract development and manufacturing organization (CDMO) with a U.S. headquarters in Washington State. While headquartered in the United States, Project Blizzard also has employees in Europe and Japan as well. Between these locations, the company behind Project Blizzard serves a global market through expertise in cell line development, bioprocess development, formulation, analytical testing, antibody drug development and conjugation, cell banking and storage, and protein expression. Over the past several years, the company has undergone significant growth in part due to its integration under its parent company as well as significant growth in demand for its products and services throughout the global market.

In anticipation of continued growth, the company is seeking to expand its operations to fulfill a higher volume of services. The manufacturing facility under consideration in Colorado would entail a capital investment of more than \$100 million and would create 280 net new full time at a minimum average annual wage of \$68,939. The company does not have a presence in Colorado.

The project supports the State's economic goals for several reasons. On top of the thriving industry cluster that already exists, Project Blizzard would continue the trend of growth in Colorado's bioscience industry

and fill a significant service gap that currently exists. As a contract manufacturer, Project Blizzard would provide a critically needed service to other bioscience companies that are either currently in Colorado or evaluating the state for expansion. Attracting a major contract manufacturer to the State's already thriving bioscience cluster would significantly augment Colorado's ability to grow, attract, and retain other bioscience companies to the state.

Staff is requesting \$75,000 in performance-based Job Growth Incentive Tax Credits over an 8-year period. This incentive is contingent upon the creation of up to 30 net new jobs over the next eight years at an average annual wage equal to or greater than the average annual wage of the county the project chooses to locate, the maintenance of net-new jobs in Colorado for one full year before any credits become vested, and before any credits are issued, the company must create and maintain at least 20 net new full-time jobs.

Wahl said she is on the Boulder Economic Council and although there is no conflict of interest, she wanted to acknowledge that.

Kraft said the City is offering the incentives so there should be no conflict.

M/S/P - Duran, Allen-Davis – Project Blizzard approved as presented and recommended by staff.

Project Sky

Nathanson and Gould presented Project Sky. Project Sky is a technology company that is considering expanding its presence in Colorado. The company behind Project Sky is a cloud distribution software company founded in Colorado. The company is experiencing significant growth from large vendors and is considering multiple domestic markets in which to site a substantial corporate headcount expansion in anticipation of continuing demand. The company currently employs about 375 people in the State of Colorado.

Colorado is competing with San Antonio, Texas and Atlanta, Georgia for Project Sky. The jobs created by Project Sky will include a range of corporate functions including engineering, sales and marketing, partner solutions, and HR & training. The company currently has employees outside of Colorado in Texas, California, and Georgia, and finds Texas and Georgia as viable alternatives to expanding in Colorado.

Project Sky is expected to result in up to \$45,000,000 in capital expenditure. The company estimates that Project Sky will lead to the creation of up to 1,852 net new full time jobs. 55 of these jobs are projected to be remote workers in rural Colorado counties, under OEDIT's LONE incentive. The company's projected average annual wage of the jobs to be created by this project is \$106,112. This is equivalent to 145% of the average annual wage in Denver County.

Under the LONE incentive, Project Sky will be eligible to earn up to \$275,000 in Strategic Fund cash funds, without any local matching funds, in addition to the Job Growth Incentive Tax Credit eligible for the total pool of employees associated with the project. Per LONE, the average wage requirement for the entire pool of employees will be pegged to the urban county in question (Denver County) irrespective of where the location neutral employees associated with the project are based.

This project supports the state's economic goals for several reasons. First, the project will create high paying jobs in the technology sector, a key industry that Colorado makes a concerted effort to grow and foster. Second, the project represents an opportunity to retain a Colorado-grown company as it rapidly

expands and seeks out a location in which to grow quickly and in a cost effective manner. Third, the project highlights the tech talent available across the State of Colorado, and represents a large tech expansion promoting the use of remote work. A continuation of this trend will spread Colorado's economic prosperity across the state and support rural economic development.

Staff is requesting \$18,900,514 in performance-based Job Growth Incentive Tax Credits over an 8-year period. This incentive is contingent upon the creation of up to 1,852 net new jobs over the next eight years at an average annual wage equal to or greater than the average annual wage of the county the project chooses to locate, the maintenance of net-new jobs in Colorado for one full year before any credits become vested, and before any credits are issued, the company must create and maintain at least 20 net new full-time jobs.

In addition, staff is also requesting \$275,000 in a performance-based Strategic Fund LONE incentive over a 5-year period, 60 months, is requested from the EDC at \$5,000/NNJ. This incentive is contingent upon the creation of up to 55 net new permanent full-time jobs, in Rural Jump-Start-eligible communities, at a minimum average annual wage (AAW) of \$106,122 (145% of the Denver County average annual wage), the Net New Jobs must be maintained in Colorado for one full year before any grant payments are made at the end of the 5 year period, based on the average number of LONE eligible employees over years 2 through 5.

M/S/P - Wendell, Franz – Project Blizzard approved as presented and recommended by staff.

Colorado Classic

Diaz presented Colorado Classic 2020. Colorado Classic, presented by VF Corporation, is a Colorado based women's-only professional cycling event platform which is being run collaboratively with RPM Events Group, LLC. Colorado is the birthplace of professional bicycle racing in North America, starting in 1975 with the Red Zinger Bicycle Classic, the Coors Classic and the US Pro Challenge. The Colorado Classic looks to continue this tradition, with two key goals - a sustainable business model and an all-women's cycling competition. The 2020 event will be the 4th year the race has been in operation (the 2nd year with the all-women's format). The Colorado Classic exemplifies everything Colorado stands for; a meaningful, ground-breaking event that uses cycling to celebrate the state's natural assets, while advancing gender equality, promoting inclusiveness and diversity, aligning with outdoor recreational opportunities, promoting business group and evolving a sustainable business model, all while putting the event and Colorado on a world stage.

Staff is requesting \$150,000 in a SF Grant for sponsorship of the Colorado Classic bike race for the purpose of hosting the Colorado Classic. This is recommended to be the final year of sponsoring Colorado Classic related events from the EDC Strategic fund.

M/S/P - Wahl, Allen-Davis – Colorado Classic approved as presented and recommended by staff.

Marketing Fund Update

Gould provided a brief update saying, that after internal discussions regarding the Marketing Initiatives over \$20,000, staff would prefer to adhere to the original request and approval. Any initiatives over \$20,000 will be brought to the EDC for approval.

Emerging Industry and Strategic Focus Grant Proposal

Kraft, Gould, Nathanson, presented the Emerging Industry and SF Focus Grant proposal. In an effort to bolster strategic rural development, OEDIT will offer a new grant using the SF. The new Emerging Industry/Strategic Focus Grant would provide State support with reduced matching requirements for a variety of different projects/initiatives that fall within the scope of individual communities' strategic priorities. This funding will serve to foster rural development by strengthening communities' abilities to attract and retain businesses, support market entry, and/or develop industry infrastructure. These projects will have strong job creation impacts, either directly or indirectly, and will seek to crowd in additional federal, state, local, or private funding to scale their impact and efficacy.

Duran asked, could the CCI program fit as an existing program that would help with the waiving of the match for this?

Kraft provided an example saying, a county tells us their number one priority is getting their Space to Create building funded, just like the scenario in Trinidad. They have a capital gap of a few hundred thousand dollars in getting our Space to Create Live-Work space for artists that's going to create both employment and housing opportunities. They want to use some money for that. That would enable, for example what we approved for Trinidad, through this mechanism.

Markey said, that is an excellent example. Trinidad came back to life in a large measure when Tara Marshall was on the EDC due to the work done in the creative industry in Trinidad.

Duran asked if this could be added to the list of requirements for the match that would be waived.

Kraft said, if you're going to build a Space to Create you would need millions of dollars so match would inherently be there.

Duran said you would have that component of it. But hearing the example of cannabis and outdoor recreation industry, there has been some activity and investment in creative industry.

Markey said that is a good point. That's why this is a draft and we are discussing the program proposal.

Duran asked, in regards to the local match, it's not from the county government necessarily. It's not public funds but private funds?

Nathanson said it could be both.

Kraft said it could be a public private partnership.

Schiff said, if we are open to adding to the list, think about adding agriculture tourism.

Brown said that the economic resilience is a nice term where a lot of things could fit under that term.

Nathanson said, we did try to design this in a way that is flexible and accommodating.

Allen-Davis asked how did staff decide the thresholds and are they feasible for smaller communities?

Kraft said we can certainly adjust them. However, our thoughts were, if it is a top priority from an economic development perspective of a community, they often will be putting some local resources in.

But the goal was that if you had a small award, your match would be dramatically reduced so you would only have to come up with at twenty percent match on a smaller award.

Allen-Davis said, where I am struggling on the feasibility of it is the sixty and eighty percent, for in particular capital projects that could where you get the \$350,000, can a small community, where this is going to do some good work, come up with and eighty percent match.

Kraft said we are open to adjusting that.

Aronstein said within those set state priorities, renewable and alternative energy, cannabis, the concept was, if the project addressed those state priorities the local match would be waived entirely. If there is a project that falls outside of the scope of the state priorities, but addresses a real community concern, there would then be some sort of matching scheme.

Pryor suggested that Kraft and his team work with the Southern Colorado Economic Development District. I believe most, if not all of the thirteen counties are eligible. Secondly, we should consider, some mechanism in the future to allow more counties to participate. I think it's a good thing to require the economic development plan to incorporate the counties thinking. It should be coordinated with the county commissioners.

Franz said that limiting it to the RJS counties might be too narrow.

Kraft said that it is not just the RJS approved counties. It does include the RJS eligible counties. It's about two-thirds of our counties.

Schiff said, we would be open if the county is not RJS, and they meet criteria, you should consider bringing them forward for an exception.

Markey said, particularly if they are coordinating with some other adjacent counties.

The EDC directed staff to move forward with guidelines for this program taking into account the discussion today and bring a refined proposal back to the EDC at a future meeting.

Strategic Fund Amount Adjustment

Gould presented the SF Amount Adjustment. This adjustment will bump up the payout schedule for eligible jobs to a thirty-percent increase. This payout schedule will also apply to the LONE program and will be reflected on the programs fact sheet.

M/S/P – Wahl, Takeda-Tinker – SF Adjustment approved as presented and recommended by staff.

E. Enterprise Zone (EZ): Andrew Wallace

Wallace presented the CVITC Annual Allocation. Annually the Enterprise Zone (EZ) program receives an allocation of State income tax credits which may be awarded for investments in new commercial trucks, truck tractors, tractors, or semitrailers, as well as associated parts used for business operations in an Enterprise Zone. This tax credit differs from the other tax credits awarded to taxpayers conducting business within an EZ, in that there is a limited pool of tax credits, and these are awarded on a first-come-first-serve basis. Like other EZ business tax credits, the program requires pre-certification prior to the investment, then an initial application once property is purchased to recognize or hold the credit, and a

follow-up application to officially certify the tax credit after the eligible property has been predominately housed and based at the taxpayer’s business facility within an enterprise zone for a twelve-month period following the purchase of qualified property.

OEDIT staff certifies these credits on behalf of the Colorado Economic Development Commission ensuring that credits certified do not result in more credits being claimed than are allocated pursuant to C.R.S. 42-1-225. Staff is not responsible for verifying the purchase and eligibility of the vehicle. The taxpayer is responsible for compliance with the requirements, and is subject to audit by the Colorado Department of Revenue.

Staff obtains the annual allocation from The Colorado Department of Revenue early each calendar year. Staff tracks and transmits to the State Treasurer and the DOR by January 30th each year a statement of the amount of tax credits certified. The annual allocation has not been fully utilized since the credit was made available in 2012 – unused credit capacity rolls into the next calendar year. More than \$900,000 is available in Commercial Vehicle Investment Tax Credits for calendar year 2020.

CY2019 Reserved Amount:	\$75,248.53
Disallowed Credits:	\$1,499.81
CY2019 Remaining Amount:	\$801,595.45
CY2020 New Amount:	\$105,578.65
CY2020 Limit:	\$907,174.10

M/S/P – Duran, Franz – CVITC Amounts approved as presented and recommended by staff.

EZ Contribution Tax Credit Proposals:

Wallace presented the following EZ Contribution Tax Credit Proposals for approval:

EZ	Name	Type	Category	Completion Date	Project Budget	1 yr. Projected Credits
NW	443 Oak Non-Profit Center	Capital	Community Facility	12/31/25	\$900,000	\$56,250
LAR	Project Self-Sufficiency (Career Pathways)	Operation	Job Training	12/31/24	\$1,515,764	\$102,500

M/S/P - Wahl, Duran – EZ Contribution Projects approved as presented and recommended by staff.

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

County Analysis

Jensen presented the RJS 2020 County Analysis. OEDIT has performed the annual analysis of economic distress for all 64 Colorado counties. The EDC must designate a county as economically distressed in order for that county to form a RJS zone and participate in the RJS program. No changes to the county listing are recommended for 2020.

Staff is requesting approval to maintain the current county designations for 2020.

M/S/P - Pryor, Allen-Davis – 2020 County Designations approved as presented and recommended by staff.

ProStar Geocorp

Jensen presented the ProStar Geocorp’s Annual Report and Tax Credit certificate request.

Prostar Geocorp has submitted its annual report. OEDIT has reviewed this annual report and recommends issuing tax exemption certificates for the company and the eligible new hires as provided.

M/S/P - Duran, Allen-Davis – Issuance of Annual Tax Credit Certificates for ProStar Geocorp approved as presented and recommended by staff.

Legislative Update

Jensen provided a Legislative update for the RJS program. OEDIT has been working on extending the Rural Jump-Start Program, which currently sunsets in statute on December 31 of this year. At this point there are four statutory changes planned:

- The program sunset date would be extended from December 31, 2020, to December 31, 2025.
- The competition clause would be loosened geographically. Instead of applying to the entire state, the competition clause would only apply to companies that are operating in the rural jump-start zone in which the new business will be located or in a distressed county contiguous to that zone. The economic definitions (“directly compete”, “core function”) would not change.
- In addition to Institutes of Higher Education, nonprofit or governmental economic development organizations such as a small business development center, a business accelerator or incubator, a workforce center, a local economic developer, or other such organization or entity that promotes local economic development would also be allowed to sponsor the creation of RJS zones or companies.
- Language would be added to the statute requiring OEDIT to track certain ascertainable program performance metrics. These metrics were determined in consultation with OEDIT, and the tracking of these metrics is not expected to affect program administration.

These program changes were reviewed by the House Rural Affairs Committee and the House Finance Committee. OEDIT and various economic development partners testified at both of these hearings. The amendment passed the Rural Affairs Committee 10-0, and it passes the Finance Committee 7-2. The amendment is expected to be reviewed by at least three additional committees.

G. Regional Tourism Act (RTA): Ken Jensen, Jeff Kraft, LeeAnn Morrill, Bob Cope, Brad Dodson

Jensen presented the RTA program monitoring update.

Project/Element	Status	Planned Opening Date (or other summary info)	Key Next Steps	Immediate Items for EDC
Aurora-Gaylord		Opened	OEDIT staff waiting for proposal from Aurora regarding future ongoing quarterly reporting.	
Pueblo-PBR University	Commenced	Phase I Completed	Determine what ongoing reporting is needed. REMINDER to EDC per Second Amendment to Resolution No. 1 additional eligible improvements such as Phase II (Gateway Center/Boathouse Facility, Heritage Plaza, Gateway Plaza, Surface Parking Lot/Infrastructure & Other Ancillary Items), Phase III (Regional Aquatics Center & Water Park, Parking Garage, Infrastructure & Other Ancillary Items) can be funded by remaining RTA revenue streams once existing bonds are paid off.	
Colorado Springs-C4C (Must commence by 12/16/18 (19))			OEDIT compiling all modifications into one master amended resolution. Working closely with Attorney General to work on specific resolution language.	
Olympic Museum	Commenced	Opening 2020		

UCCS Sports Performance Center	Commenced	Opening 2019/2020 (construction began October 2018)		
USAFA Welcome Center		Changed from red to green with yellow border per 11/21/19 EDC meeting where commencement was approved	Hit required March 31, 2020 milestones: Financing Entity enters into pledge agreement with the BID. BID issues bond with net proceeds of at least \$60M. The net proceed of the series B bond total at least \$25M. Project Element Developer enter into sublease agreement. Fully executed GMP for general contractor.	Verbal update from Colorado Springs on the status of the March 31, 2020 Milestones
Downtown Stadium and Arena	Commenced			
Go NoCO (Must Commence by 11/12/20)			OEDIT staff expecting feedback from NCRTA on next steps and project change requests.	
National Western Center (Must Commence by 11/12/20)			OEDIT staff working with project on proposal for Commencement of Substantial work which will be presented at the February EDC Meeting.	Determination for Commencement of Substantial Work

Colorado Springs City for Champions/USAFA Welcome Center

Jensen said, back in November of 2019, the EDC approved Commencement for the AFA Welcome Center subject the noted milestone above, being met by March 31, 2020. Cope will provide an update.

Cope said, they are in the final stages of the bonding process. The Preliminary Offering Memorandum was posted on the 7th of February. We recorded an audio investor presentation February 12th and we had several investors who participated in that call. Our current schedule is to have bond pricing occur on February 26th and then have the bond closing occur on March 12th. That is the current schedule.

The Pledge Agreement with TrueNorth and the Business Improvement District has been executed. The executed copies of the Indentures will happen at closing. The Bond Counsel is coordinating with OEDIT staff on a certificate that will allow the executed copies of the Indentures to be approved simultaneously with closing and the certificate that the EDC will be executing certifying that the Resolution and the motion have been completed. The next is the executed copy of the sub-lease agreement between Blue and Silver Development Partners and the Project Developer for the construction of the Visitor Center. That sub-lease has been completed and will be executed today or tomorrow and will be provided to OEDIT staff. The final item is the fully executed copy of the guarantee maximum price construction contract for the construction of the Visitor's Center. That contract was prepared by the sub-contractor some time ago. It has been reviewed by the AF and there has been quite a bit of back and forth on that document. The AF knows that the last day for that approval to occur is next week on the 25th of February to allow us to go to bond pricing on the 26th. We expect that approval to be received on or before the 25th.

Kraft asked if Cope foresees any challenges in having bonds with net proceeds of at least \$60M and of course having the Series B-Bonds for building the Visitor Center being held at \$25M of that amount. Do you see any problems with hitting those thresholds?

Cope said, we don't see any problems with that.

Schiff asked that Cope email staff on that day to let us know that it happened.

Cope said, we will and we will give you an update on the 25th or 26th.

Quarterly Reports

Jensen noted the RTA Project Quarterly reports provided in the board book. The reports were provided on time to staff.

RTA Program Additional Board Training – Commencement of Substantial Work

Kraft said, we will be having a discussion later in the meeting regarding Commencement and staff saw this as an opportunity to provide this presentation on Commencement. This presentation will serve as additional training for the RTA program related to the statutory requirements for Commencement of Substantial Work and the additional Program guidelines clarifications adopted by the EDC.

Jensen reviewed the presentation which covered the following:

- Path's to Commencement
- Statutory definition of Commencement
- Clarification of Program Guidelines and a List of Factors
- Statutory definition for revocations/reinstatement
- Common principals for Extension & Policy Recommendation

Schiff asked what staff to be clarify what they are requesting.

Jensen said, staff is requesting approval to add the following to the RTA Program Guidelines:

Revocations/Reinstatement aka "Extension"

- Intended to be an exception and is not automatic
- Requires strong justification including demonstration of progress to date in periodic written reports to OEDIT and the EDC
 - In multi-element projects, demonstration of progress required for each extended element will be the minimum time necessary
- Can include "modifications" such as, conditions of approval and/or changes Financing Entity and adding specific performance requirements

Common principals for Extension & Policy Recommendation

Objective Milestones

- Site Control
- Money has been spent on pre-development/development post-EDC approval
- Developer selected and committed
- Made significant progress or consummated long term leases with key partners

Other considerations

- Strong justification including progress to date and providing good cause for the delay
- The local government and/or developers had demonstrated continual and diligent efforts to pursue the project via regular updates to OEDIT and the EDC
- Reasons for the delay and efforts taken to avoid needing an extension
- Other factors deemed relevant to the EDC

M/S/P - Takeda-Tinker, Dragoo – RTA Program Guideline modification approved as presented and recommended by staff.

Commencement of Substantial Work

Sheehan reviewed the written staff summary of the project element for the NWC which also includes the staff recommendations.

Dodson provided the NWC Semi-annual update highlighting the visible construction being done.

Sheehan said staff is requesting approval of the proposed written motion of Commencement as provided by staff.

Wahl, Jones – NWC Commencement of Substantial work written motion approved as provided and recommended by staff. Takeda-Tinker, abstained from the vote.

Denver/NWC Semi-Annual Report

Dodson provided the NWC Semi-Annual Report.

Commencement and EZ Program Discussion

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 the RTA and EZ Programs. Allen-Davis seconded the motion. Motion passed unanimously.

The EDC is now in Executive Session.

Allen-Davis moved the EDC exit Executive Session and enter into Open Session. Jones seconded the motion. Motion passed unanimously.

The EDC is now in Open Session.

H. Board Training: Sean Gould, Reid Aronstein

JGITC Program Board Training

This item was tabled and will be covered at the next meeting.

I. Other

Transferrable Tax Credit

Jensen provided a TTC Program Update. In this fiscal year, the EDC has the authority to issue the final \$10 million in precertification's. If the projects for Evraz and VF Corporation proceed as planned, Evraz will receive a precertification of \$6.9 million this fiscal year (for a total of \$17 million), and VF Corporation will receive a precertification of \$3.1 million this fiscal year (for a total of \$13 million). These two precertification's total \$30 million, which is the statutory maximum.

OEDIT is currently working with VF Corporation to establish that the requirement to make a Strategic Capital Investment of \$100 million has been met. When OEDIT has this documentation, it will be brought to the EDC for confirmation.

Evraz needs to complete an engineering study before they can make a determination as to whether to commit to their project. Evraz has informed OEDIT that the announcement of this decision is expected in early April of 2020.

Also, the Transferable Tax Credit Program expires in statute on June 30 of this year. OEDIT is working to extend the program's expiration date by 3 years. No changes are anticipated for the structure of the program.

EDC Budget

Gould provided an EDC Budget update which currently shows \$5,557,129 available for future projects.

The EDC suggested we cover the budget at the beginning of the meeting.

Staff agreed and will make this adjustment moving forward.

AI Budget

Woslager provided an AI Budget update which currently shows \$6,347,278 in remaining funds.

Next EDC Meeting

The next EDC meeting is scheduled for Thursday, March 19, 2020.

With all items discussed, the meeting was adjourned.