ECONOMIC DEVELOPMENT COMMISSION
MEETING MINUTES
June 17, 2021
8:30 a.m. – 11:45 a.m.

MEETING DATE
June 17, 2021
Virtual Meeting

MEETING PARTICIPANTS

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

B. Guests
Shai with Project Sunset, Aldo Svaldi, Rachel Lyons, Rebecca Gillis, Jon Moellenberg, Jessica Scott, Bob Cope, Dennis Huspeni, Tiffany Pehl, Andrew Minor, Dan Schnepf, Don Ross, Steve Nielsen, Lucas High, Eric Stavriotis, Sarah Murphy, Deborah Cameron, John Fogle, Jenna Espinoza-Garcia, Stephanie Garnica, Dana Leshem, Charles Garcia, Aldo Svaldi, Annette Gilbert, Michael Persichitte, Turid Nagel-Caseboldt, Kelly Jones, Nikki Holmlund, Jariah Walker, Brad Dodson, Ed Sealover, and Elisha Thornton.

C. Staff
Jeff Kraft, Sean Gould, Michelle Hadwiger, LeeAnn Morrill, Tad Johnson, Jill McGranahan, Andrea Blankenship, Daniel Kim, Andrew Trump, Dave Madsen, Sonya Guram, Che Sheehan, Andrew Streight, Elise Hamann, and Virginia Davis.

DECISION/ACTION ITEMS

1. The Economic Development Commission approved the Minutes from the May 20, 2021 EDC Meeting.

2. The Economic Development Commission approved the following projects/items:

<table>
<thead>
<tr>
<th>JGTC:</th>
<th>Project Fish; and Project Sunset.</th>
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<tbody>
<tr>
<td>SF:</td>
<td>Finder Group.</td>
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<tr>
<td>EZ:</td>
<td>Solvista Regional Assessment Center; SMC Spring Valley Simulation Lab; The Warehouse Business Accelerator; Rocky Mountain Innovation Initiative; and Denver Boundary Amendments.</td>
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<tr>
<td>RJS:</td>
<td>30-day Annual Report Extension.</td>
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A. Meeting Called to Order
Schiff called the meeting to order.

B. Minutes
Schiff called for a motion to approve the minutes from the May 20, 2021 EDC Meeting.

Dragoo moved approval of the minutes. Franz seconded the motion. Motion passed unanimously.

M/S/P – Dragoo, Franz – Minutes approved as presented by staff.
C. Job Growth Incentive Tax Credit (JGITC): Michelle Hadwiger

Project Fish
Hadwiger presented Project Fish. The bioscience company behind Project Fish is a subsidiary of a publicly-traded, Fortune 500 conglomerate. Currently, the company has approximately 150 employees in Colorado in addition to several thousand employees elsewhere in the US. Project Fish would represent an expansion of the company’s bioscience manufacturing and R&D capabilities. The company anticipates creating 85 net new jobs at an average annual wage of $75,000, which is more than 100 percent the average annual wage of the Colorado counties the company is considering. Most of the jobs would be engineers, with some scientists and management functions as well.

Staff is requesting approval of $1,027,204 in performance-based Job Growth Incentive Tax Credits over an 8 year period for the creation of up to 85 net new full-time jobs at an average annual wage equal to or greater than the average annual wage of the county the project chooses to locate. The net-new jobs in Colorado must be maintained for one full year before any credits become vested and the Company must create a minimum of 20 net new full-time jobs before any tax credits are issued.

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

Project Sunset
Hadwiger presented Project Sunset. The technology company behind Project Sunset provides small and medium-sized businesses with app-based business-to-business payment tools. The company, founded overseas, is headquartered in New York and currently has over 150 employees in the US. The company has experienced tremendous growth and product adoption in the last year. Project Sunset is expected to create 250 jobs with an average annual wage of $82,000, which is 109 percent of Denver County’s average annual wage. Most of the jobs created will be for customer support and sales representatives to meet the demands of the company’s growing user base and reach new potential users.

Staff is requesting approval of $5,638,050 in performance-based Job Growth Incentive Tax Credits over an 8 year period for the creation of up to 250 net new full-time jobs at an average annual wage equal to or greater than the average annual wage of the county the project chooses to locate. The net-new jobs in Colorado must be maintained for one full year before any credits become vested and the Company must create a minimum of 20 net new full-time jobs before any tax credits are issued.

M/S/P – Takeda-Tinker, Franz – Project Sunset approved as presented and recommended by staff.

Update of Approved Projects
Hadwiger said there are no updates at this time.

D. Strategic Fund (SF): Jeff Kraft, Sean Gould, Michelle Hadwiger

SF Balance Forecast
Gould presented the SF Balance Forecast that shows an approximate, current available balance of $1.2M in annual Long Bill funds, $13M in CRPS funds, $10M in Federal Rural Funds, and $30M in Federal Funds.

Finder Group
Hadwiger presented the Finder Group project. Finder, an Australian fintech company, provides its users with an app-based financial comparison tool for making decisions about personal purchases. Globally, the company helps more than 10 million consumers a month compare products online across more than 200 categories, including credit cards, home loans, bank accounts, insurance products, telecommunications,
energy plans and shopping deals. Since its launch in 2006, Finder has transformed from a tech startup into an international service that is live in more than 80 countries. The company seeks to launch its app in the US market. This project represents the company’s investment in a US headquarters. The company, which has over 450 employees, currently has three employees in Colorado. As part of this project, the company expects to create 198 net new full-time jobs, including product managers, software engineers, and app developers. Within Colorado, the company is considering the metro Denver area. The company anticipates that it may hire up to 74 location neutral employees to work remotely from Colorado’s LONE Worker eligible counties. The company currently has about 200 remote workers outside of the US and is experienced in managing a remote workforce.

Staff is requesting approval of $2,296,136 in performance-based Job Growth Incentive Tax Credits over an 8 year period for the creation of up to 198 net new full-time jobs at an average annual wage equal to or greater than the average annual wage of the county the project chooses to locate. The net-new jobs in Colorado must be maintained for one full year before any credits become vested and the Company must create a minimum of 20 net new full-time jobs before any tax credits are issued.

Staff also requests a Policy Waiver of the LONE Worker Program that limits the incentive to a maximum of $300,000.

Additionally, staff is requesting approval of a performance-based SF LONE Worker incentive in the amount of $370,000 over a five-year period for the creation of 74 net new full-time jobs at $5,000 per net new job in LONE Worker-eligible communities, with similar corporate positions as the JGITC project. As long as the average annual wage requirement of the total JGITC project has been met, then these LONE Worker net new jobs are eligible for this incentive. 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 Worker eligible employees over years 2 through 5. Per the LONE Worker incentive, no local match is required for these Strategic Fund monies.

M/S/P – Pryor, Wahl – Finder Group JGITC, SF LONE, and Policy Waiver approved as presented and recommended by staff.

E. Enterprise Zone (EZ): Sonya Guram, Daniel Kim

EZ Contribution Projects

Guram presented the following EZ Contribution Project Proposals for approval.

<table>
<thead>
<tr>
<th>EZ</th>
<th>Project Name</th>
<th>Type</th>
<th>Category</th>
<th>Completion Date</th>
<th>Budget</th>
<th>1 yr. Proj. Credits</th>
</tr>
</thead>
<tbody>
<tr>
<td>CC EZ</td>
<td>Solvista Regional Assessment Center</td>
<td>Capital</td>
<td>Community Facility</td>
<td>12/31/2026</td>
<td>$6,736,658</td>
<td>$18,750</td>
</tr>
<tr>
<td>NW EZ</td>
<td>CMC Spring Valley – Simulation Lab Capital Campaign &amp; Operations</td>
<td>Capital</td>
<td>Community Facility</td>
<td>12/31/2026</td>
<td>$2,100,000</td>
<td>$250,000</td>
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<td>LAR EZ</td>
<td>The Warehouse Business Accelerator</td>
<td>Operations</td>
<td>ED Organization</td>
<td>12/31/2026</td>
<td>$6,500,000</td>
<td>$560,000</td>
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<tr>
<td>LAR EZ</td>
<td>Rocky Mountain Innovation Initiative</td>
<td>Operations</td>
<td>ED Organization</td>
<td>12/31/2026</td>
<td>$6,600,000</td>
<td>$275,000</td>
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<tr>
<td>TOTAL</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$21,936,658</td>
<td>$1,103,750</td>
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M/S/P – Pryor, Allen-Davis – EZ Contribution projects approved as presented and recommended by staff. Pryor recused himself from the vote of the Solvista project.

Denver EZ Boundary Amendment
Guram presented the following EZ Boundary Amendments. Colorado Revised Statutes gives the EDC the authority to designate and terminate enterprise zones or portions thereof upon the recommendation of OEDIT’s executive director. OEDIT Executive Director and Staff have evaluated the proposed boundary amendment for the Denver EZ and finds it eligible and recommends approval.

In the May 2021 EDC meeting, the Denver Enterprise Zone sought conditional approval of a boundary amendment. This boundary amendment proposed the addition of 15 census blocks to the zone pending a proposal of areas to graduate out of the Enterprise Zone program. Population growth had the population of the Enterprise zone to 117,660. The statutory population limit for urban enterprise zones is 115,000.

Denver has now completed the final due diligence steps in this boundary amendment process to remain compliant with the program’s statutory requirements, specifically related to the maximum population allowed in urban Enterprise Zones. The revised Enterprise Zone boundaries meet the maximum population cap requirement of 115,000 residents, with a final count of 114,748 residents. We respectfully ask you for final approval of Denver’s Enterprise Zone boundary amendment request for the inclusion of 15 census blocks located in the Far Northeast corridor of the City and the graduation of 26 blocks out of the EZ that are almost exclusively residential with no EZ activity for at least five years.

M/S/P – Wahl, Takeda-Tinker – Denver boundary amendments approved as presented.

F. Rural Jump-Start (RJS): Andrea Blankenship

RJS Grant Program
Blankenship said that the Governor signed the RJS grant program. We anticipate bringing the proposal for this program to the EDC at the July meeting. We have a few companies lined up and in the process of applying right now. We will have more next month.

Annual Reports
Blankenship said that in working with some of these companies I have discovered that 2020 was a tough year. I do so a dip in new hires for these new companies. We have a lot of them that are not familiar with the process and some don’t have enough people to run their company right now. I have two companies I am working with right now and I didn’t want to make any recommendations to you before I had a chance to get them through their due diligence. They are not familiar with what they are doing and what we need from them. We will bring more forward next month.

Kraft said since these companies are delayed in their annual report to such a degree that normally we would start taking action and remove them from the program, we want to ask for an exception.

Blankenship requested a 30-day extension on the filing of the annual report requirement for the current RJS program participants.

M/S/P - Dragoo, Wahl – 30-day extension approved as presented and recommended by staff.

G. Regional Tourism Act (RTA): Jeff Kraft, Che Sheehan

RTA Program Update
Sheehan provided the RTA program update. Aurora/Gaylord, and Pueblo/PBR University have nothing to report at this time. Colorado Springs/C4C/AFA element and Denver/NWC will be presenting at their semi-annual updates today. We will also get an update from P3 Partners today. We don’t have any updates today on SFC but we will likely need a special meeting in the near future. Lastly, Denver would like to
schedule a tour for the EDC to visit the site in late July or early August. Staff will keep the EDC apprised of possible dates.

**Denver/NWC Semi-Annual Update**

Dodson provided an update with aerial photos of the construction site taken on May 15th. Demolition of the existing Delgany pipes is underway. On the historic Sheep Bridge, crews have replaced and repaired damaged or loose handrails and have completed structural stabilization work. The intersection of Bettie Cram Drive and National Western Drive is taking shape as the Delgany Wastewater pipes are removed. Progress continues as crews work to finalize construction on the Stockyards Event Center (SYEC). The roll up doors and exterior doors are now in place with the installation of the future wood screen wall going in within the next several months. On the exterior of the building, utility work and bison pen installation is ongoing and will continue throughout the summer and fall. Finishing touches are being put on the interior of the SYEC. Bleachers in the show area are now complete. The auction arena seats and handrails are installed and the final painting activities throughout the building are complete. The rail removal on Race Court near the Maintenance and Operations Facility is now complete.

The EDC thanked Brad for the update and look forward to the site visit.

**Colorado Springs/C4C Semi-Annual Update**

Cope provided a brief highlight on each project. The USOM was selected as the country’s best new attraction in 2020 by USA Today’s 10 Best Readers’ Choice Awards. They were presented with the 2020 Grand Award by the International Association for Universal Design, and it was named one of the 11 most anticipated buildings worldwide for 2020 by magazine Architectural Digest. Weidner Switchbacks Stadium is open. There was a game last night. The budget had increased throughout the entire process, not because of cost overruns but because of the commitment to Weidner Apartment Homes and Ragain Sports. They wanted to build a better facility. We’re really anxious for you to see this. It’s set the standard for USL championship soccer. It’s going to be something that every other team will be reaching for. Despite COVID, we have already landed the NCAA Division II Men’s and Women’s Soccer Championships for later this year. They have held one concert with nationally known talent that was well attended. Now that we are out of COVID we can work harder on scheduling non-soccer events. The Hybl Center opened in August of 2020. We are coming up on a year since its opening. This is an international class facility specializing in tactical and occupational performance working with individuals with physical disabilities and working on health and performance in extreme environments with their high altitude chamber. They are already attracting out of state clients and that will increase now that we are wide open. The Robson Arena is on schedule to open in October of this year. I toured the site recently and just like all C4C projects, it is exceeding expectations. Despite COVID we are in negotiation with a national sports organization for a multi-year national championship.

We are coming out of COVID. Tourism is heating up. We were able to attract Southwest Airlines to our airport this spring. We have thirteen additional flights per day. We are exceeding traffic numbers of 2019. We expect the numbers for these venues to really swell and get up to their potential. We are working with Jariah Walker with CSURA and Summit Economics on, building a model so that we will be able to provide our economic and fiscal impact reports annually to the EDC. We want to build the model right so it is taking a little extra time. But in subsequent years we will be able to just plug the data in and be able to generate the report.

**USAFA Update**

Schnepf provided the USAFA project update highlighting the following items.
Project Update

- Visitors Center Development
  - Entitlements Complete
  - Infrastructure Shovel Ready
  - Visitors Center GMP Validated

- Hotel Development Team Finalized
  - Provident Resources 501(c)(3) Hotel Finance/Owner
  - Matthews Southwest Hotel Developer
  - GE Johnson Constructor

- Office Development
  - Developer Letter of Intent Received
  - Develop 160,000 to 180,000 SF Class A Office
  - State of the Art Technology Office Facility

- Retail Development
  - TrueNorth Commons Retail Developer LOI
  - 35,000 sf of Food Service and Inline Retail
  - 2 Stand Alone Restaurant Pads
  - Refueling Station & C-Store

Persichitte provided the following financing update.

Public Finance Update and Milestones

- Bond Market Update
  - BID Bonds & Hotel Bonds to the Market in mid-August
  - Hospitality Market Conditions Improved - Large Capital Inflows
  - Interest Rates Improved

- Public Finance Outlook
  - Seeking an S&P Hotel Bond Rating July ’21
  - New HVS Study RevPAR Increase
  - Congressional Budget Request for Project Funding
  - $5 million Request from HUD
  - Submitted to Senator Bennett June 8, 2021

Schedule assuming project funding by September of 2021

- Sitewide Infrastructure
  - Commence Construction – October 2021
  - Pad Delivery to Sub-area Developers – November/December 2021

- Visitor Center
  - Design and Permitting – October 2021 to March 2022
  - Commence Construction – March 2022
  - Complete Core and Shell/Deliver Building to Air Force – August 2023
  - Air Force Tenant Finish and FFE – August 2023 to December 2023
  - Certificate of Occupancy – December 2023
  - Grand Opening – December 2023
• Hotel and Conference Center
  o Design and Permitting – May 2021 to December 2021
  o Commence Construction – December 2021
  o Certificate of Occupancy – December 2023
  o Grand Opening – March 2024

• Office
  o Design and Permitting – November 2021 to April 2022
  o Commence Construction – May 2022
  o Certificate of Occupancy – May 2023
  o Opening – May 2023

• Retail
  o Design and Permitting – November 2021 to April 2022
  o Commence Construction – May 2022
  o Certificate of Occupancy – November 2022
  o Opening – November 2022

USAFA Key Financing Dates

<table>
<thead>
<tr>
<th>Date</th>
<th>Event Description</th>
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<tbody>
<tr>
<td>June 28</td>
<td>Submit initial rating package to S&amp;P</td>
</tr>
<tr>
<td>June 29</td>
<td>Submit BID Bond Documents &amp; PLOM to Air Force for review</td>
</tr>
<tr>
<td>July 22</td>
<td>Air Force Comment Deadline on BID &amp; Hotel Bond Package</td>
</tr>
<tr>
<td>July 27</td>
<td>Submit final BID &amp; Hotel Documents &amp; PLOM to Air Force for 2nd review</td>
</tr>
<tr>
<td>August 6</td>
<td>Update S&amp;P on Hotel Construction Contract &amp; Completion Guaranty</td>
</tr>
<tr>
<td>August 11</td>
<td>Final Sign Off by Air Force on Bond Documents/PLOM</td>
</tr>
<tr>
<td>August 12</td>
<td>8am MST PLOM &amp; Roadshow Posted</td>
</tr>
<tr>
<td>Sept 1</td>
<td>Pricing, execute BPA</td>
</tr>
<tr>
<td>Sept 16</td>
<td>BID/Hotel Closing</td>
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</tbody>
</table>

The EDC thanked the C4C team for the update and look forward to the site visit.

NCRTA/Go NoCO Semi-Annual Update
Kraft said we are working on SFC and will have some updates to share soon. We are shifting our focus to the Whitewater Park. We are in the home stretch of getting to the Commencement deadline in November. There are some changes going on in the financing and we will hear from the developers about that today.

Fogle said from the perspective of the NCRTA, we have separated ourselves from the SFC because they are going to use the Aurora Urban Renewal Authority as their financing entity so I don’t have an update on that project. The property that has been selected by the P3 Partners is in an ideal spot to allow this project to occur and thrive. Its right next to our sports park which is a huge component of Loveland’s recreational portfolio. John introduced the NCRTA team present that will provide an update.

Neilsen provided the following update by beginning with an overview of the projects Site Requirements.

Financing Approach
In order to facilitate the timely financing of the Loveland Whitewater Adventure Park, P3 Partners has decided to combine both the waterpark and the hotel into a single financing, under a non-profit
foundation. This will minimize potential conflicts of interest between the hospitality component and that of the waterpark, while streamlining the finance and development process.

Community Finance Corporation (CFC) is an Arizona based 501 (c) (3) corporation whose charitable purpose includes lessening the burdens of government and nonprofit entities. CFC has been very active in the P3 space and has participated in over $1.3 billion in projects located throughout the United States. Steve provided a view of the non-profit financing model for the project. The benefits of this model means:

- Lowest cost method of financing
- Elimination of the profit motive – true P3 project
- Non-profit cannot make money – surplus revenue, when available, returned to the community
- Ownership of the improvements transfer to the city, without cost, upon retirement of outstanding debt

We’ve spent a significant amount of money on the due diligence combining the projects. We will have acquired a very expensive piece of property. Over the next four months we will spend $4M in design work to get to a guaranteed maximum price. We will have engaged five separate law firms for the partners to develop the bond documents. This is complex project. We will have a pledge agreement with a contractor for a guaranteed maximum price so we will have a contract to build this. We will at least of drafts of the bond documents for that the preliminary offer of sale. We will have purchased the land. We are shooting for a close of financing by the end of the year. This will be a draw down type of bond. We are working on a schedule that will start the excavation of the channels and the things necessary to make the site complete. We will still have another $5M to $8M in design work necessary to get to a true construction plans for all of this. Unlike some of the other projects, we are doing this all at one time. This is a large scale project and the design alone is significant. We will get to all of it but we really need to hear from the EDC what is acceptable to you in the way of Commencement requirements. Before we pull the trigger on spending a lot of money we need to know exactly who do we get this across the finish line.

Fogle said originally the City of Loveland offered up the sales tax and property tax generated by the project as our contribution towards what we know will be a wonderful project. We just need to figure out how to pay for it. At some point we will come back to council to reaffirm that commitment once we know exactly how that is going to work. Some of the hold up there may be, as you’ve seen, is P3 Partners is looking at a non-profit finance model. If the City ends up owning the property there won’t be a property tax component. We would then have to come back to the EDC to change and massage the Resolution because we can’t give them what we are not collecting. But they will be getting it in a different fashion. So it will be a little paperwork shuffle to get the money to where it goes and stick with our commitment as the City.

Jones said the only thing I’ll add to the timeline is confidentially in this land negotiation there are some comprehensive legal documents internally that we have to take care of. Because the position of the land has not been identified I won’t talk further about that but there are some complications there. John, you had said June or July, but I believe its August 3rd we will be at council for this.

Schiff encouraged the group to reach out to Jeff and team to understand what Commencement might look like so that OEDIT staff can make a recommendation to the Commission when appropriate. It is a complicated project and dealing with Commencement is complicated. The development clock is ticking towards when we need to get to Commencement so I would not delay in reaching out and working with OEDIT staff to think through and figure out how you are going to make the argument for Commencement.
Fogle thanked the City of Loveland staff, P3 Partners, and the EDC for the work that has been done.

Kraft said staff will send Steve, John and the team to work that we did with Colorado Springs. I thing that will provide an analog to how we structure the facts that would drive Commencement.

The EDC thanked the NCRTA team for the update.

H. Other

New Strategic Fund Budget Structure
Kraft and Gould provided the Fund Summary which shows an available balance of $61,266,522 which includes the federal funding for the Colorado Recovery Plan Stimulus (CRPS), the Rural Federal funds, Federal Funds, Rural Jump-Start Grant funds, and Disproportionately Impacted Businesses (DIB) funds.

Schiff said with all the new funds coming through, I want to make sure we have adequate support for the OEDIT staff as we enter into this period of what is going to be an intense development and management of programs. I know that using funds for administrative purposes can be challenging but I want to make sure we don’t drown this team and that there is some thought being given towards making sure you are adequately resourced.

Kraft said we appreciate the support. We will definitely be coming to you with some strategic hiring thoughts.

AI Budget
Staff included the AI budget which shows no update this month.

Next EDC Meeting
The next EDC meeting will be the July 15, 2021. This meeting will be virtual.

With all items discussed, the meeting was adjourned.