

ECONOMIC DEVELOPMENT COMMISSION

MEETING MINUTES

January 7, 2022

8:00 a.m. – 9:30 a.m.

MEETING DATE

January 7, 2022

Virtual Meeting

MEETING PARTICIPANTS

A. Commission Members

Carrie Schiff, Wendell Pryor, David Dragoo, Chris Franz, Jandel Allen-Davis, Andrew Sparn, Walker Stapleton, Steven Paletz, and Jay Seaton.

B. Guests

David Neville, Bob Cope, Don Hunt, Dennis Huspeni, Chhu Sun, and Jon Moellenberg.

C. Staff

Patrick Meyers, Jeff Kraft, Che Sheehan, Jill McGranahan, LeeAnn Morrill, Keri Ungemah, and Virginia Davis.

DECISION/ACTION ITEMS

1. The Economic Development Commission approved the USAFA Extension.

A. Meeting Called to Order

Schiff called the meeting to order.

Kraft announced Wendell's resignation from the board.

The Commission and Staff thanked Wendell for his dedication and hard work on behalf of the citizens of Colorado.

B. USAFA Bond Financing Extension Request

Kraft provided some background and history on the project.

Cope thanked the Commission for their time and introduced the members of his team, Jon Moellenberg, David Neville, and Don Hunt.

Moellenberg provided an update on the bond financing the progress they've made since December 16th, the last update to the Commission.

After hearing the update and request for extension, the chair entertained a motion to enter into executive session.

Dragoo moved, 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 Colorado Springs, United States Air Force RTA Project. Paletz seconded the motion. Motion passed unanimously.

The EDC is now in executive session.

With all items discussed Schiff entertained a motion to exit executive session.

Allen-Davis moved the EDC exit executive session and enter into open session. Franz seconded that motion. The motion passed unanimously.

The EDC is now in open session.

Schiff thanked everyone for their patience while the board was convened to executive session.

So we had a follow-up question that we were hoping that John could comment on. We'd like to understand what your thoughts are on how actually pricing the bonds will help you to finalize and fill the syndicate for the B bonds.

Moellenberg said normally in a non-rated deal, all the bonds would have investors. In this instance, you all know that we're short on one of the series of bonds, but it's our intent, after the pricing period on Wednesday to sign a bond purchase agreement. That is an agreement between RBC and two entities, the Phoenix Industrial Development Authority, which is the issuer for the hotel bonds. In addition, the borrower or owner of the hotel will sign that contract. That's Provident, the 501c3 of the hotel. And on the other hand, RBC will be signing a bond purchase agreement with the business improvement district.

That is an obligation on the part of RBC to provide funding at close on January 31st, regardless of whether there are orders in place for the Bonds or not. So once I sign on Wednesday or Thursday of next week, presumably Wednesday if the order period unfolds in the morning, a bond purchase agreement, which is the contract of RBC to provide funding at closing.

RBC is a double-A rated bank, one of the highest-rated banks in the world. And so our contract is our contract and so that eliminates the risk, I guess of us signing a BPA conditional upon filling out orders for all the bonds. Obviously if something happens between now and Wednesday where a significant number of orders don't materialize the plan may change. But I don't anticipate that all of the investors that we've been talking to who are now in the group have been involved with this financing for months and understand it completely. But it would be a BPA, which is in our industry, our firm's obligation to provide funding at close.

The time between the BPA and the close is to finalize all of the various Bond documents. So that they are legally enforceable, and that takes time. There are dozens, if not hundreds of documents underlying this financing related to the Air Force, the City, and the State, and the bond documents between Bond investors and those entities. So, it's the two weeks subsequent to pricing or when the lawyers finalize the documents. But the BPA is the operative document that allows us to reliably close.

Sheehan presented the Waiver and Release Agreement to the board for approval.

Schiff called for a motion directing Chair Schiff to execute the Waiver and Release Agreement on behalf of the Commission.

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

M/S/P – Dragoo, Franz – Execution of the Waiver and Release agreement approved as presented and recommended by staff.

Sheehan presented the request from the City of Colorado Springs to approve an extension to February 28th to issue the bonds. One of the conditions of extension for the site development lease for the Air Force is that the EDC extend the final completion date from December 16, 2023 to February 16, 2024 or later. You'll see the written Motion reflects that change as one of the pre-requisites for the Air Force granting their extension. Another thing to note about the motion is that it will also require a corresponding extension by the City of Colorado Springs, which will happen on the 11th.

Schiff called for a motion of the Resolutions as seen in the written motion provided to the board by staff.

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

M/S/P – Allen-Davis, Franz – Resolutions in the written motion are approved as presented and recommended by staff.

With all items discussed, the meeting was adjourned.