**Staff Notes Vineyards Amendments:**

In front of the board today are two amendments to the Vectra loan that the CSURA pledged increment to in late 2020. To date, a little over 4 million has been drawn from these funds to help reimburse the developer for past improvement costs. The developer has stated that they need to secure another 3.5 million to finalize their exit with Iron Point (private equity firm) and to move forward with added data center development. The current increment from SAP (existing on site data center) does not throw off enough increment to secure another 3.5 million (in todays dollars) but Vectra can get provide 1.9 million of that amount with the rest needing to be secured through bridge funding. While we know bridge funding is being secured we do not have a copy of that financing or the terms as of the writing of this document. However, that will be a something both David and I will need to review as a condition of the existing developer agreement. The board should also be aware that Vectra has made the request that the board subordinate its fee moving forward. The developer has agreed to guarantee our fee should the increment not be enough to cover it moving forward. Below is a summary of the URA and David, Carrie and I will walk us through the documents and answer any questions.

The Vision:

The vision for the Vineyard URA was “to develop one of the nation’s only sustainable data center / industrial campuses which leverage the broad resources of the community to provide an environment that is sustainable, resilient and economically efficient enough to brand Colorado Springs on a national level.”

The formation and goals of the URA:

The Vineyards Urban Renewal Plan was approved by the URA and the Colorado Springs City Council on March 22nd, 2011. The site was originally developed as a golf course with a clubhouse, restaurant, vineyard and homes. Over the years those uses proved not to be very economically feasible and the property fell into disrepair. Existing environmental issues made redevelopment difficult and expensive under normal market conditions. The URA plan was designed to create a data center/industrial park on 61 acres while dedicating approximately 48 acres to open space for park and trail uses. The long range plan of the area was bold in saying that it sought development of an “Energy from Waste” power plant that would operate on renewable energy as well as reduce the trash deposited in landfills. Throughout the plan formation process, the development team, headed up by Vince Colarelli, spoke of the desire to cure blight, create jobs and increase local tax revenues.

Current Status:

SAP closed on land at the site in 2015 and occupied the first data center facility in 2019. There are 3 additional sites being designed and marketed within the URA boundaries and the developer expects to make more announcements soon. The economic growth within the project area has been vast considering this area had a zero tax base; the SAP project alone has generated 88 million in construction revenue.

Recent URA actions/business:

In September of 2019, Vincent Colarelli presented an update to the project area and asked for consideration for a URA property tax pledge to Vectra bank in exchange for a loan. Due to final documentation not being in place, the board assigned administrative approval to be put in place once all documents were on hand and reviewed by internal legal and accounting teams. Ultimately, this deal has taken longer than initially expected to finalize and it is now in the board’s hand today for formal approval due to some structures changing and the need for URA council to give a legal opinion on the documentation. All external costs to the URA will be paid out of proceeds and the pledge is for 15,000,000. The development team is on hand for presentation and to answer any added questions the board may have.

# EXHIBIT C

**ELIGIBLE PUBLIC IMPROVEMENTS**

**District (and Urban Renewal) Eligible Public Improvements:**

1. Demolition of Blighted Structures
2. Telecom Extension: Total = $8,000,000, District Eligible =
3. Authority Administrative Fees
4. Authority Consultant Fees
5. Public Arco Landscaping
6. Open Space Infrastructure
7. PublicArt
8. Sanitary Outfall Trunk Linc
9. Land Cost for Roadways
10. Roadway/Utility Construction
11. Grey Water Pumping System
12. Signage
13. Berms & Fencing
14. Sidewalks & Medians
15. Janitell Road Widening
16. Additional Off-Site Infrastructure
17. Stormwatcr Temporary Discharge System
18. Environmental Remediation
19. Project Management
20. Soft Costs• Public Improvements
21. Fees

Sub-Total =

**Urban Renewal (but not District) Eligible Public Improvements:**

1. Electrical Power Extension
2. Telecom Extension: Total= $8,000,000 minus District Eligible of $4,800,000 =
3. CSU Facility Site Purchase
4. Remote Generators
5. Harrison School District
6. uccs
7. Endowment for Maintenance of Open Space
8. Water Loop - Western Property
9. Gas Line Dead End Extension
10. Initial Grading and Utilities
11. Stormwater Project
12. Initial Entitlement Expenses
13. Project Office• Public Improvements

**Total District and** Urban **Renewal Eligible Public Improvements=**

**Maximum Reimbursement for Eligible Public Improvements Estimated Potential Urban Renewal Eligible Public Improvements**

**Total** $54,220,000 minus District $24,605,780 =

15-Aug-12

Cost Estimate

$100,000

$4,800,000

$180,000

$75,000

$1,500,000

$3,000,000

$1,000,000

$350,000

$4,181,760

$3,600,000

$250,000

$250,000

$500,000

$500,000

$500,000

$500,000

$500,000

$31,000

$1,330,420

$1,432,500

$25,100

$24,605,780

$8,000,000

$3,200,000

$2,336,558

$12,000,000

$200,000

$4,500,000

$1,000,000

$285,000

$25,000

$4,100,000

$1,500,000

$385,000

$73,000

$62,210,338

$54,220,000

$29,614,220

**Regardless of the overall cost of the above Eligible Public Improvements, the maximum reimbursement from the District and CSURA shall not exceed $54,220,000, plus bond requirements and accrued interest. Cost savings in any line item on the list of**

**Eligible Public Improvements may be applied to cost overruns in any other line item.**

**In order to be eligible for reimbursement from either the District or CSURA, Eligible**

Costs must be certified in accordance with Exhibit E.

As much as possible of the reimbursement shall be funded via the Metropolitan District, with the balance funded via the CSURA **(i.e.** Maximum Eligible Reimbursement

minus the District Reimbursement= CSURA Eligible Reimbursement).

Actual TIF Revenue is dependent on future property tax assessments, but is estimated that It will fund approximately 25% of the Eligible Costs based on the information that has been provided by the El Paso County Assessor's Office.