City of Greeley, Colorado
CITY COUNCIL SPECIAL WORK SESSION
Wednesday, November 20, 2024

1. **Call to Order**
   Mayor Gates called the meeting to order at 9:08 a.m. in the City Council Chambers at 1001 11th Ave, Greeley, Colorado, with hybrid participation available via the City's Zoom platform.

2. **Pledge of Allegiance**
   Mayor Gates led the Pledge of Allegiance.

3. **Roll Call**
   City Clerk Heid Leatherwood called the roll.
   The following were present:

   Councilmember Tommy Butler
   Councilmember Deb DeBoutez
   Mayor Pro Tem Dale Hall
   Councilmember Melissa McDonald
   Mayor John Gates

   Absent:
   Councilmember Brett Payton (Excused)
   Councilmember Johnny Olson (arrived at 10:03 a.m.)

4. **West Greeley Project Update**
   Deputy City Manager Rachel Flynn introduced the presentation at 9:09 a.m.

   Ms. Flynn explained they would be conducting a deeper dive into the project, and several consultants would be available to answer questions. She explained the visual orientation of the development and revisited the timeline of coming to the Memorandum of Understanding.

   Director of Economic Development and Urban Revitalization John Hall spoke about the opportunity the project provides, driving economic growth, and representing an investment of over $1 billion. Mr. Hall explained it would create 4800 construction jobs over a two-year period and 850 permanent positions. He spoke on how the West Side Project could serve as a regional and state attraction for entertainment, retail, and social activity, as it will include the Eagles Arena, a youth hockey center, water park, hotel, and convention center.

   Mr. Hall further explained a project of this scale could only be accomplished through collaboration, and the Water Valley Company was a private sector partner willing to move a successful hockey franchise, act as a fee developer for the first phase of the project, and a potential master developer for future phases. He stated it was a big, expensive project with financial risk, requiring a unique financing approach, and a large commitment by the city, but it also represents an opportunity to change the trajectory of the City's economic future.

A brief video was shown from Water Valley Company and Martin Lind.

Ms. Flynn reviewed the site plan again including a mobility hub and new bridge, water features, and a new gateway to Greeley. The Eagles Arena would also host concerts and other events.

Water & Sewer Director Sean Chambers, Community Development Director Brian McBroom, Deputy Directors of Public Works Will Jones, and Bhooshan Karnik were all present to discuss mobility and infrastructure. Mr. Jones reviewed the intermodal mobility hub, a continuous flow intersection (CFI) and interchange at Highway 34 and County Road 17, internal street networks, and a central utilities plant.

Councilmember DeBoutez asked what the difference between the CFI and an interchange was. Mr. Jones explained that the CFI is a short-term, less expensive option that does not require Colorado Department of Transportation (CDOT) approval. Mr. Karnik added that they would be presenting the project to the Transportation Commission for the possibility of creating an interchange instead, but pursuing the CFI would make sure they would have infrastructure in place. Mr. Jones also thought the CFI would handle volume for the next 15 to 20 years.

Mr. Chambers spoke on the water supply, treated water transmission and treatment systems, that are already planned to be in place. He also noted non-potable water distribution and sewer collections have been budgeted for in 2025, including the ability to acquire capacity from Windsor. Mr. Chambers mentioned the City has adequate water supply, including the water features and future growth, as planned in the 2021 Master Plan.

Councilmember DeBoutez asked if there was an Intergovernmental Agreement (IGA) in place with Windsor. Mr. Chambers explained there were agreements in place from 2001 and 2008, in which Greeley provides high pressure interconnect to the town of Windsor and Windsor makes wastewater capacity available to Greeley for the West Greely area.

Mayor Gates stated that he was asked about the optics of rate increases on water and the proposed water features. Mr. Chambers noted that the cascades would be recirculating the water and were an obligation of the developer.

Mr. McBroom spoke on the IGA with Windsor and how it specifies land uses, and this use is consistent. However, the site is not zoned correctly and will need to be changed in the future. Planning these processes now will help to save time and money and enable construction to begin in Summer of 2025.

Councilmember DeBoutez asked if there was staffing to provide the 60-day timeline approval they were hoping to achieve. Mr. McBroom assured her they did.

Councilmember Butler asked if this would back up any other developments going through the planning process. Mr. McBroom replied it was possible. Councilmember Butler asked if they would have to bring additional consultants in to keep things moving if development applications increased. Mr. McBroom replied that they might have to add some additional capacity to make sure they could meet timelines without sacrificing other developers and their projects.

Ms. Flynn introduced Deputy City Manager Allena Portis, municipal advisor at Hilltop Securities Jason Simmons, attorneys at Butler Snow, LLP Dalton Kelley, and Dawn Bookhardt, as the financial and funding team. Ms. Flynn noted that this information could be complicated and encouraged Council to ask questions.

Ms. Portis referred to the Fee Developers Proposed Project Costs and reported that staff was still in the process of thoroughly vetting the information. Her goal was to highlight the key components of the financial proposal and introduce the decisions that would need to be made soon. The total cost of the project was estimated at $1.1 billion, although this was not the city's actual cost. There were three categories of costs; entertainment district buildings which will be the responsibility of the developer, public infrastructure, which will be the constructed by the city, and other expenses including the cost of issuance and reserves.

Ms. Portis explained the financing stages of initial pre-development from early 2025 through early 2026, and the first stage of issuance in early 2026. There are three elements to the project-arena, ice rink, hotel and water park, other infrastructure, and water and sewer, each to be funded separately with varying repayment sources. The use of a 501c3 conduit issuance is one proposed tool for financing the project.

Councilmember DeBoutez asked for an explanation on how the 501c3 would be created. Ms. Portis said this would be forthcoming. She further explained the issuance of bonds by a conduit issuer to the 501c3 and the repayment sources. The fee developer, Water Valley Company, would be contracted to manage and oversee the project for a fee rather than taking on ownership or equity in the project. The flow of funds was presented in a "waterfall" structure of multiple levels.

Councilmember Butler asked about the economic development payment (EDP) and if the City would get the full amount back at some point. Ms. Portis explained the EDP was an additional security to provide a revenue stream that is not dependent on project performance and is needed as a credit enhancement. The city would expect to see returns starting 2030.

Councilmember Olson joined the session at 10:03 a.m.

Ms. Portis spoke about a negotiable investment of approximately $550 million, but also budgeting for a larger return. Ms. Flynn asked her to explain the "waterfall" term. Ms.

Portis said revenues from the project would essentially flow to a trustee. Mr. Simmons with Hilltop Securities further explained that after expenses, the net operating income would go to operating reserves for asset maintenance. At the end of the year, excess revenue would be returned to the City. He said this was a very standard flow of funds for projects like this.

Ms. Portis and Mr. Simmons elaborated on the different types of non-profit options and how they might be structured. Discussion ensued on a variety of options.

Ms. Flynn said they were introducing the tools to council, and further review and discussion will come later.

Councilmember Butler wanted to know what other projects besides the Polaris Hotel the non-profit structure was being used for. Several projects were given – Union Station in Denver and the Air Force Hotel in Colorado Springs were included.

Ms. Portis discussed how a conduit issuer was a public entity that issues bonds, and how the city could contract a conduit issuer or be the conduit issuer itself. She presented pros and cons to both options for councils' future consideration. She also introduced the idea of moral obligation credit enhancements and debt service reserve funds.

Mayor Gates recessed at 10:30 a.m. The session resumed at 10:46 a.m.

Ms. Portis moved onto infrastructure and water and sewer financing, explaining they were proposing the City create a General Improvement District (GID) to fund the $235 million in infrastructure costs for the project.

The total proposed debt issuance for the utilities was $62 million. Debt would be issued from the water and sewer enterprises with repayment from user fees.

There would be two stages of financing. The first was the predevelopment line of credit in 2025 which included design costs and procurement costs of up to $115 million. It was anticipated that the line of credit would be paid off with proceeds from the financing in the first quarter of 2026.

Councilmember Olson asked about financing versus payback. Mr. Simmons explained that the GID would fund it, and it would have to go to the voters due to TABOR.

Mayor Pro Tem Hall asked about the timeline. Ms. Flynn talked about key milestones and future meetings with councilmembers to ensure they understood the details. They expect a market study and review to be completed by December 2, and a final economic and fiscal impact study on December 16. Ms. Flynn expected negotiations to move forward from there.

The Water Valley CO team was available to answer questions.

Councilmember McDonald asked about the Denver Union Station example. She would like a one-page summary of the financials so they can see how that is coming along. Ms.

Bookhart said they paid it off 27 years early and Mr. Simmons said they could provide a summary to council.

Mr. Lind and Ryan Bach, president of the Colorado Eagles joined the discussion. Mr. Lind stated that the project has been in the works for 5 years although it was for a different area.

Mr. Lind introduced Steve Hicks via zoom in case there were questions. Mr. Lind said he had no interest in failing and was excited about the project. The water used in the Cascadia was more than aesthetics. Mr. Lind thought his project would celebrate the water history of Greeley. Furthermore, Mr. Lind commented on the need for more youth hockey options and how current facilities can't accommodate these regional needs.

Councilmember DeBoutez asked about the market of the region. Ms. Snow noted that they were studying the demographics. Mr. Lind provided an example of Palm Springs and the AHL hockey team. He noted that no matter the age of persons, the Eagles games are sold out.

Mr. Bach spoke about the AHL affiliate with the NHL Colorado Avalanche. He said young and old come to Blue Arena and they are nearing the 25th anniversary of the Eagles. He explained that youth outreach is important, and the biggest constraint is lack of ice. Mr. Lind said the Eagles were the number one marketing sport in Northern Colorado.

Councilmember Butler asked when sales tax revenue would be realized. Mr. Lind stated that retail would come once the infrastructure was in place. Mr. Hall said there was no shortage of what the future could look like. Ms. Snow added that retailers were waiting to see what the city does on initial investments for infrastructure.

Ms. Flynn wrapped up the presentation after asking Mr. Bach to comment about the tourism opportunities created by the Eagles and Avalanche partnership, the potential for development camps and the expansion of youth hockey.

Mayor Gates thanked staff and the consultants for the information.

5. **Adjournment**
With no further business to come before the Council, Mayor Gates adjourned the meeting at 11:39 a.m.

Approved

X

John Gates
Mayor

Attest

X

Heidi Leatherwood
City Clerk