

### Staff Notes Vineyards:

Vince updated the board at our last meeting and is thankfully scheduled to close on his deal in October. Before that can occur, the URA board needs to approve his updated assignment agreement to Falcon Data Centers. The history of past board actions and plan area is outlined below.

In December of 2022 the board voted for approval of an assignment agreement to transfer our agreement with Vince Colarelli to Falcon Data Centers for the completion of the Vineyards URA (Vince will still be building out the project). This same process was approved in 2021 by the CSURA, but the deal couldn't be completed within the required timeline. Vince is on hand to give the board a presentation and project update.

Below is a recap of the vineyard project as well as a review of the last presentation we had on the project area.

#### 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 22<sup>nd</sup>, 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**

15-Aug-12

Cost Estimate

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

1	Demolition of Blighted Structures	\$100,000
2	Telecom Extension: Total = \$8,000,000, District Eligible =	\$4,800,000
3	Authority Administrative Fees	\$180,000
4	Authority Consultant Fees	\$75,000
5	Public Arco Landscaping	\$1,500,000
6	Open Space Infrastructure	\$3,000,000
7	Public Art	\$1,000,000
8	Sanitary Outfall Trunk Line	\$350,000
9	Land Cost for Roadways	\$4,181,760
10	Roadway/Utility Construction	\$3,600,000
11	Grey Water Pumping System	\$250,000
12	Signage	\$250,000
13	Berms & Fencing	\$500,000
14	Sidewalks & Medians	\$500,000
15	Janitell Road Widening	\$500,000
16	Additional Off-Site Infrastructure	\$500,000
17	Stormwater Temporary Discharge System	\$500,000
18	Environmental Remediation	\$31,000
19	Project Management	\$1,330,420
20	Soft Costs• Public Improvements	\$1,432,500
21	Fees	\$25,100
	Sub-Total =	\$24,605,780

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

		\$8,000,000
22	Electrical Power Extension	\$3,200,000
23	Telecom Extension: Total= \$8,000,000 minus District Eligible of \$4,800,000 =	\$2,336,558
24	CSU Facility Site Purchase	\$12,000,000
25	Remote Generators	\$200,000
26	Harrison School District	\$4,500,000
27	<b>UCCS</b>	\$1,000,000
28	Endowment for Maintenance of Open Space	\$285,000
29	Water Loop - Western Property	\$25,000
30	Gas Line Dead End Extension	\$4,100,000
31	Initial Grading and Utilities	\$1,500,000
32	Stormwater Project	\$385,000
33	Initial Entitlement Expenses	\$73,000
34	Project Office• Public Improvements	
		\$62,210,338

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

\$54,220,000

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

\$29,614,220

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

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.

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