

A Presentation to the

City Council Budget Committee



ENHANCED USE LEASING PROJECT

UNITED STATES
AIR FORCE ACADEMY
(USAFA)



January 12, 2021

BLUE & SILVER
DEVELOPMENT PARTNERS, LLC

Matrix
DESIGN GROUP

Development Plan



Land Use	Site Area (acres)	GFA (sf)
Visitors Center	7.0	32,000
Hotel	10.0	300,000
Commercial Retail	6.0	25,000
Office	8.0	180,000
Public Infrastructure	4.0	
Future Development	16.0	
Site Totals	51.0	537,000

Air Force Academy Visitors Center



Hotel at the US Air Force Academy — 375 Rooms 30,000 SF Conference Center



Hotel Plaza View – US Air Force Academy



Hotel View from the Visitors Center



Class A Office



Kahler Slater

RENDERING

USAFA COLORADO SPRINGS OFFICE BUILDING | CONCEPT DESIGN | 12-19-2019

Food Service Retail Building



Visitors Center – TrueNorth Commons Project Update

COVID-19 caused a collapse in the Financial Markets

- \$80 Million Offering Memorandum to the Bond Market on February 6, 2020
- >\$200 Million in Indications of Interest by March 10, 2020
- Vanguard, Northern Trust, Nuveen, Invesco, MFS
- Buyers Pulled Back Offers March 11, 2020

Negotiated Bond Sales Between RBC Capital Markets & Bond Purchasers

- Between now and March 2021

RBC to Bring the Bonds Back to the Retail Bond Market

- In 1st or 2nd Quarter 2021

Project Extensions

- State Economic Development Commission Board - December 31, 2021
- Air Force Academy SDL - December 31, 2021
- City of Colorado Springs - October 2021

All Project Development Elements Continue to be Advanced

- Project is Shovel Ready

Public Finance Update and Request

Reasons for Increased Capacity Request

- Bond issuance approved by city council at \$80M in October 2019
- February 2020 BID bond offering was right at \$80MM
- New bond offering will take place in 2021, 18-24 months after original issuance amount was approved
- Request increase of issuance amount to \$90MM to accommodate up to two years of project cost escalation
- Cost escalation items include construction, legal fees, design fees and supporting study updates
- The project team is working to control costs and minimize project cost escalation

Increase BID Bond Capacity to \$90MM Aggregate

- \$30MM – Series 2021A Tax Exempt Public Improvements
- \$60MM – Series 2021B Taxable Visitors Center
- \$30MM – Series 2021C Tax Exempt Public Improvements

Request Bond Authorization Extension To December 31, 2021

Other Project Finance Elements

- LART Contribution
- BID Operating Plan Amendment

Status and Schedule – Assumes Project Funding in June 2021

Sitewide Infrastructure

- *Commence Construction – June 2021*
- *Pad Delivery to Sub-area Developers – September 2021*

Visitor Center

- *Design and Permitting – June 2021 to February 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

- *Design and Permitting – April 2021 to September 2021*
- *Commence Construction – October 2021*
- *Certificate of Occupancy – August 2023*
- *Grand Opening – September 2023*

Office

- *Design and Permitting – April 2021 to September 2021*
- *Commence Construction – October 2021*
- *Certificate of Occupancy – October 2022*
- *Opening – October 2022*

Retail

- *Design and Permitting – October 2021 to March 2022*
- *Commence Construction – April 2022*
- *Certificate of Occupancy – November 2022*
- *Opening – November 2022*

Dan Schnepf, Eric Smith & Don Hunt

Blue & Silver Development Partners, LLC

(719) 238-4888

Dan_Schnepf@matrixdesigngroup.com

Eric_Smith@matrixdesigngroup.com



Jon Moellenberg

Managing Director
RBC Capital Markets