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COLORADO COMMISSION ON



# HIGHER EDUCATION

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ACCESS TO HIGH-QUALITY, AFFORDABLE EDUCATION FOR ALL COLORADANS

**RECOVERY ZONE ECONOMIC DEVELOPMENT  
&  
RECOVERY ZONE FACILITY BOND PROGRAM**

**REPORT TO DEPARTMENT OF LOCAL AFFAIRS**

JUNE 2010

This report is prepared pursuant to Colorado Revised Statute §11-59.7-108 (7) to provide an update to the Department of Local Affairs regarding the use of American Recovery and Reinvestment Act bonding programs by institutions of higher education.

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## **I. Purpose of Report**

The American Recovery and Reinvestment Act of 2009 and state enabling legislation HB09-1346 allow for the Colorado Commission on Higher Education (CCHE or Commission) to allocate \$99,018,000 in Recovery Zone Economic Development Bond (RZEDB) and \$148,527,000 in Recovery Zone Private Facility Bond (Facility Bond) volume cap to institutions of higher education until October 1, 2010. At that time, any unused volume cap automatically reverts to the Department of Local Affairs for distribution to counties and municipalities.

Colorado Revised Statute §11-59.7-108(7) requires the CCHE submit a report to the Department of Local Affairs 180 days prior to the expiration of the RZEDB's and Facility Bonds program which details the following information:

- 1) If bonds for an approved project have been issued;
- 2) If bonds for an approved project have not been issued, an estimate of when they might be; and
- 3) Actions required for bonds to be entered into, additional information on approved projects, and the Commission's analysis that the required actions will be taken and the bonds will be entered into.

## **II. RZEDB and Facility Bond Project Information**

Beginning in November of 2009 and through May of 2010, the CCHE has approved three RZEDB projects using the entire RZEDB bonding volume cap of \$99,018,000 and four Facility Bond projects using \$147,327,762 of the available \$148,527,000 volume cap. The remaining \$1,199,238 in Facility Bond volume cap was reverted to the Department of Local Affairs by the CCHE at its May 2010 meeting.

Chart 1. on the following page shows each eligible project that has received CCHE approval. Following the chart there is information regarding the bonding status for each approved project.

**Chart 1. CCHE Approved ARRA Bonding Projects**

Institution	Project Name	Program	Program Plan Approvals			Volume Cap Approval	Bonding Volume
			DHE	CDC	JBC	CCHE	
Metropolitan State	Student Success Building	Recovery Zone Economic Development Bond	Yes	Yes	Yes	Yes - November CCHE Mtg	\$55,190,000
Metropolitan State	Backfill Project	Recovery Zone Economic Development Bond	Pending	Pending	Pending	Yes - December CCHE Mtg	\$12,500,000
Colorado State University	Various Projects	Recovery Zone Economic Development Bond	Yes	Yes	Yes	Yes - May CCHE Mtg	\$31,328,000
		<b>Remaining Volume Cap</b>					<b>\$0.00</b>
Metropolitan State	Hotel Learning Center	Recovery Zone Facility Bond	Yes	Yes	Yes	Yes - November CCHE Mtg	\$39,327,762
University of Colorado at Denver	Fitzsimons Village Full-Service Hotel and Conference Center	Recovery Zone Facility Bond	NA	NA	NA	Yes - December CCHE Mtg	\$45,000,000
University of Colorado at Denver	Colorado Science + Technology Park at Fitzsimons, Hyatt Place Hotel	Recovery Zone Facility Bond	NA	NA	NA	Yes - December CCHE Mtg	\$34,000,000
University of Colorado at Denver	Denver Health and Hospital Authority Pavilion M Project	Recovery Zone Facility Bond	NA	NA	NA	Yes - December CCHE Mtg	\$29,000,000
		<b>Remaining Volume Cap</b>					<b>\$1,199,238</b>

Total Volume Cap	
Recovery Zone Economic Development Bond	\$99,018,000
Recovery Zone Facility Bond	\$148,527,000

**Recovery Zone Economic Development Bond Information:**

**1. Metropolitan State College of Denver – Student Success Building - \$55,190,000:**

1) *Have bonds for this approved project been issued?*

Bonds were issued on November 24, 2009.

**2. Metropolitan State College of Denver – Backfill Project - \$12,500,000:**

1) *Have bonds for this approved project been issued?*

No bonds have been issued.

2) *If bonds have not yet been issued, when are they estimated to be issued?*

Metropolitan State College of Denver anticipates issuing bonds by June 30, 2010. It is estimated that the pricing date will be June 9th, with a closing date of approximately June 23rd.

- 3) *Actions required for bonds to be entered into, additional information on approved projects, and the Commission's analysis that the required actions will be taken and the bonds will be entered into.*

The Commission is confident that Metro State College is on schedule to issue these bonds by the end of June 2010. The institution has taken the appropriate steps and received the necessary internal and external approvals for this project to move forward.

**3. Colorado State University System – Various Projects - \$31,328,000:**

- 1) *Have bonds for this approved project been issued?*

No bonds have been issued.

- 2) *If bonds have not yet been issued, when are they estimated to be issued?*

It is anticipated the bonds will be issued in late summer or early fall of 2010.

- 3) *Actions required for bonds to be entered into, additional information on approved projects, and the Commission's analysis that the required actions will be taken and the bonds will be entered into.*

The CSU System is planning a major bond issuance of approximately \$88.8 million by this fall. CSU has received full approval by the Commission/Department, the Capital Development Committee, and the Joint Budget Committee (where applicable), for all projects.

In May of 2010, the Commission approved the use of the remaining RZEDB volume cap, \$31,328,000, to be used on up to four projects at the CSU System that will be part of their major bond issuance. The costs for all four projects will exceed the allocation and there is no indication that the projects will not move forward.

The Commission is confident that Colorado State University is on schedule to issue bonds by early fall 2010. The institution has taken the appropriate steps and received the necessary internal and external approvals for these projects to move forward.

**Recovery Zone Facility Bond Project Information:**

**1. Metropolitan State College of Denver – Hotel Learning Center - \$39,327,762:**

- 1) *Have bonds for this approved project been issued?*

No bonds have been issued.

- 2) *If bonds have not yet been issued, when are they estimated to be issued?*

It is anticipated the bonds will be issued in late summer or early fall of 2010.

- 3) *Actions required for bonds to be entered into, additional information on approved projects, and the Commission's analysis that the required actions will be taken and the bonds will be entered into.*

The Commission is confident that Metro State College is on schedule to issue these bonds by the end of summer or early fall 2010. The institution has taken the appropriate steps and received the necessary internal and external approvals for this project to move forward.

**2. CU System - Fitzsimons Village Full Service Hotel - \$45,000,000:**

- 1) *Have bonds for this approved project been issued?*

No bonds have been issued.

- 2) *If bonds have not yet been issued, when are they estimated to be issued?*

It is anticipated the bonds will be issued in early fall of 2010.

- 3) *Actions required for bonds to be entered into, additional information on approved projects, and the Commission's analysis that the required actions will be taken and the bonds will be entered into.*

The Commission is confident that this project will move forward and issue bonds by fall of 2010, due to the significant work that has already occurred on the project and the other sources of financing that have been issued for this project. The Metropolitan Improvement District bonds which finance the infrastructure to support the project have been issued and infrastructure development is underway. The developer is spending significant time and money on getting this project ready and to issue the bonds.

**3. CU System - Gateway Hospitality Group Hyatt Place in the Colorado Science + Technology Park - \$34,000,000:**

- 1) *Have bonds for this approved project been issued?*

No bonds have been issued.

- 2) *If bonds have not yet been issued, when are they estimated to be issued?*

It is anticipated that these bonds will be issued in the early fall of 2010. It is possible that this developer will identify other funding sources or will be unable to complete the project, so it is possible they will not issue bonds.

3) *Actions required for bonds to be entered into, additional information on approved projects, and the Commission's analysis that the required actions will be taken and the bonds will be entered into.*

The Commission is unsure whether or not this project will move forward. Department staff is closely following this project and should learn within the next 30 days if the developer will identify another source of funding for this project.

**4. CU System- Denver Health and Hospital Authority Pavilion M Project - \$29,000,000:**

1) *Have bonds for this approved project been issued?*

No bonds have been issued.

2) *If bonds have not yet been issued, when are they estimated to be issued?*

The bonds were priced on May 20, 2010, and closing will occur on or about June 10, 2010.

3) *Actions required for bonds to be entered into, additional information on approved projects, and the Commission's analysis that the required actions will be taken and the bonds will be entered into.*

The Commission is confident that this project is on schedule to issue bonds by June 10, 2010.