



May 14, 2014

The Honorable John Hickenlooper
Governor, State of Colorado
200 East Colfax Avenue
Denver, Colorado 80203

Dear Governor Hickenlooper,

We are writing to day to ask for your Veto on two bills, SB14- 197 and HB14-1375. We feel strongly that these bills if allowed to take effect with negatively impact Colorado's economic activity and growth as we continue our frail recovery from the recession.

SB 14-197, Concerning High-Performance Transportation Enterprise Transparency

This bill was filed in reaction to the concerns raised during the final stages of the US 36 Public Private Partnership [P3] approval process. While the title addresses transparency for the process, this bill is more than a bill to increase public engagement on P3s. We have no objection to the provisions in this bill that would formalize the communications between CDOT, HPTE and the public regarding projects that would utilize this innovative funding mechanism for transportation projects.

However, we strongly object to the provisions in the bill that would constrain HPTE's flexibility and degrees of freedom necessary to negotiate the terms of a P3. Specifically, the limit to no more than 35 years for a term, the inability to negotiate competitive items and the inability to

negotiate revenue commitments will have a chilling impact on potential investors in Colorado's infrastructure.

We are just beginning to see the potential of partnering with private investors for public projects of all kinds. The reality is that the only way Colorado will be able to build our significant infrastructure projects, such as roads, water storage, transportation systems and public buildings, for the foreseeable future will be through the use of P3s. While the bill provides the ability to negotiate terms outside these constraints after obtaining a Joint Resolution of the General Assembly, will not provide comfort to potential investors and, in fact, complicates the negotiation process. By establishing these negotiating boundaries in statute, investors can reasonably be expected to look elsewhere for potential opportunities.

While the impact of SB14-197 is specific to the High Performance Transportation Enterprise, putting negotiation constraints in statute has obvious implications for any other P3 projects opportunities and will have a chilling effect on Colorado as a potential partner.

HB14-1375, Modifications to the provisions governing Urban Redevelopment

This bill, similarly, places in statute certain boundaries to the negotiations involved in Urban Redevelopment and the use of Tax Increment Financing. We do not object to the provision in the bill would require the inclusion of a representative from the affected county on an Urban Renewal Authority (URA). This would increase the communication between a city and county during the negotiation of an Urban Redevelopment project.

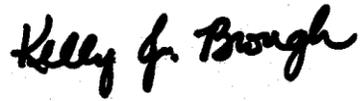
We do oppose the imposition of specific terms in statute that would have a constraining impact on the negotiation of an Urban Redevelopment project and the Tax Increment Financing needed to make a prospective project financially viable for the city and the developer.

There is no dispute regarding the value of a URA and TIF as tools for re-vitalizing, re-energizing and redeveloping our communities. Each URA, however, has unique terms that are carefully negotiated over months, in order to find the right path forward for a city and a redevelopment in its community. The value brought to a community by a redevelopment goes beyond the project itself and the benefits go beyond the tax increment used to help finance the project's infrastructure needs. Successful projects produce a "rising the tide" and thereby "raise all ships" in a community. That "rising tide" provides the tax increment to finance the URA infrastructure, but also provides incremental gains outside the URA, that benefit the city and county.

The bill, by placing a tax sharing requirement in statute, will have the effect of limiting the flexibility and negotiating degrees of freedom necessary to find the right terms to attract development of an urban blight area. This will limit and constrain the possibilities for redevelopment projects and thereby harm our communities and preclude the tax increment available to produce the rising tide in those communities.

We respectfully ask for your Veto on these bills.

Sincerely,



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President and CEO
Denver Metro Chamber of Commerce

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Associated General Contractors of Colorado



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