

## ECONOMIC DEVELOPMENT COMMISSION

### MEETING MINUTES

April 21, 2022

8:30 a.m. – 12:30 p.m.

#### MEETING DATE

April 21, 2022

Virtual Meeting

#### MEETING PARTICIPANTS

##### **A. Commission Members**

Jandel Allen-Davis, Steven Paletz, David Dragoo, Chris Franz, Carl Young, Andrew Sparn, Walker Stapleton, Simon Tafoya, and Jay Seaton.

##### **B. Guests**

Wendell Pryor, Nic Farber, Shoshana Lew, Mike O'Donnell, Donna Garnett, John Huggins, Monica Peterson, Connie Ealey, Alexis Haynes, Alisa Wilson, Ed Sealover, Madison Goering, Drew Kramer, Jeff Holwell, Shannon Hoffman, Candace Payne, Lucas High, Sara Lobato, Shawna Schultz, Toni Miceli, Kaitlin Darbey, Arielle Braxtan, and Courtney Rodwell.

##### **C. Staff**

Pat Meyers, Jeff Kraft, Sean Gould, Sonya Guram, Andrea Blankenship, Tad Johnson, Michelle Hadwiger, Keri Ungemah, Kelly Baug, Donald Zuckerman, Andrew Streight, Elise Hamann, Morgan Vankat, Sarah Harrison, Nikki Maloney, Conor Hall, Samantha Albert, Alissa Johnson, and Virginia Davis.

#### DECISION/ACTION ITEMS

1. The Economic Development Commission approved the Minutes from the March 17<sup>th</sup>, 2022, EDC Meeting.
2. The Economic Development Commission approved the following projects/items:

<b>JGITC:</b>	Project Salsa; and Project Cell.
<b>SF:</b>	Burnham Yard; Kiva Colorado; Freshlo; Quantum Earmark; and ORec Impact Fund.
<b>EZ:</b>	Colorado Springs Community Cultural Collective at the City Auditorium; Marillac Capital Clifton Old Town Hot Springs – Pool Reconstruction; World's Wonder View Tower of Genoa; Southern Colorado Women's Chamber of Commerce; The Master's Apprentice: Pre-Apprenticeship Program; Trinidad History Museum Heritage Tourism; and Gunnison Art Center Operations.
<b>COFTM:</b>	COFTM Reallocation Request; Project Phoenix; Project Dyno; Project Ravine; Keysight Project; and Just Jake.
<b>RJS:</b>	Automated Widget Systems; New Hires for SkyPeak Technologies; and Routt County sponsoring entity.
<b>AI:</b>	CU Denver POC Allocation Awards; and CSM POC Allocation Awards.

## Meeting Called to Order

Allen-Davis called the meeting to order.

The EDC thanked Commissioner Pryor for his years of service on the board and to the state of Colorado. The EDC welcomed our new Commissioner Carl Young from Huerfano County, Colorado.

### **A. Minutes**

Allen-Davis called for a motion to approve the minutes from the March 17<sup>th</sup>, 2022, EDC Meeting.

Seaton moved approval of the minutes. Franz seconded the motion. Motion passed unanimously.

M/S/P – Seaton, Franz – Minutes approved as presented by staff.

### **B. Job Growth Incentive Tax Credit (JGITC): Michelle Hadwiger**

#### **Project Salsa**

Hadwiger presented Project Salsa. The company behind Project Salsa is a prime semiconductor manufacturing company. This project represents the company considering expanding and creating jobs in El Paso County. They have purchased the land but need to start construction with \$1.5-2.5 billion investment; in 3-5 years they will run out of space with their current operations. The company is determining whether to expand on their Colorado property or if another location offers better facility rates or deeper discounts.

Staff is requesting approval of up to \$12,379,172 in performance-based Job Growth Incentive Tax Credits over an 8-year period for the creation of up to 644 net new full-time jobs at an average annual wage equal to or greater than the average annual wage of the county the project chooses to locate. The net-new jobs in Colorado must be maintained for one full year before any credits become vested and the Company must create a minimum of 20 net new full-time jobs before any tax credits are issued.

M/S/P – Franz, Young – Project Salsa approved as presented and recommended by staff.

#### **Project Cell**

Hadwiger presented Project Cell. The company behind Project Cell is a gene-editing biotech company that has created a platform for data analysis involved in cell therapy. The platform allows partners to build and deliver cells and precision engineering processes with multifaceted applications across the industry. The company is considering a two phased expansion. The first phase, with an estimated CAPEX of \$10M, would be an expansion of its research operations. This expansion would occur in the 2nd or 3rd quarter of 2022. For the second phase, the company estimates CAPEX of \$30-\$50M, for the establishment of its manufacturing operations. This expansion would occur in the 3rd or 4th quarter of 2022. The research and manufacturing expansions don't have to occur in the same location but there are efficiencies to doing so. In addition to Colorado, the company is considering Toronto, where the company has a team working out of a coworking space.

Staff is requesting approval of up to \$4,490,550 in performance-based Job Growth Incentive Tax Credits over an 8-year period for the creation of up to 340 net new full-time jobs at an average annual wage equal to or greater than the average annual wage of the county the project chooses to locate. The net-new jobs in Colorado must be maintained for one full year before any credits become vested and the Company must create a minimum of 20 net new full-time jobs before any tax credits are issued.

M/S/P – Young, Seaton – Project Cell approved as presented and recommended by staff.

### **Update of Approved Projects**

Hadwiger said Greenfield Holdings, approved in February, announced they will be moving forward in Colorado. The office is participating in the Space Symposium held in Colorado Springs. We had 40 companies from Australia, 15 Italian companies, and Metro Denver EDC announced and showcased a new brand called Aerospace Colorado at the symposium. Next week we will be attending the Biennial of the Americas program being held in Mexico City.

### **C. Strategic Fund**

#### **EDC Budget Update**

Gould provided the EDC Budget update which shows a Long Bill balance of \$4,400,710. These amounts need a reconciliation. Staff is working with accounting and should have an actual number soon. The ARPA funds have two buckets. When we were appropriated the \$40M it came with a long bill footnote that \$10M needed to be rural focused. You will see the balance is \$10.2M and the General is \$29.8M which makes up the \$40M. We can be oversubscribed to the rural using general funds for rural areas so are oversubscribed to make sure we hit that goal that the legislature put on these funds.

#### **SF Balance Forecast**

Gould presented the SF Balance Forecast that shows an approximate, current available balance of \$4,400,710 in annual Long Bill funds, \$6,936,000 in CRPS funds, and \$2,118,824 in RJS Grants.

#### **Freshlo Montbello**

At the January 20<sup>th</sup> EDC meeting, the EDC approved a \$20M earmark in ARPA funds for affordable housing development through the Community Revitalization Grant (CRG) that was authorized by SB 21-252 in the last session. SB 21-252 provided \$65M in gap funding for projects in creative districts, historic districts, main streets, or neighborhood commercial centers that advance the creative industries. At that time, Colorado Creative Industries staff presented 6 projects that had gone through a rigorous expert panel review process. CCI have panelists that represent financial institutions, state agencies, OEDIT's rural prosperity representatives and others like History Colorado. CCI noted that when the projects are close to being shovel ready, CCI would come back to the EDC with a specific project recommendation request. One of the ARPA-funded projects under the CRG allocation is Montbello Freshlo Hub.

Sarah Harrison, Donna Garnett, John Huggins, and Monica Peterson presented Freshlo Montbello.

Montbello FreshLo Hub is a community-driven and supported mixed-use project designed to address the critical housing deficit, missing healthy food and diet options, and arts and cultural heritage goals of the diverse Montbello neighborhood. The Hub will feature 97 affordable apartments: a grocery store and nutrition education center; small community retail spaces; offices for local non-profits; and a cultural arts center. The Hub will bring the first family Low Income Housing Tax Credit (LIHTC) development to the historically underserved Montbello neighborhood. Montbello has an average household size of 4.05 which is 58% larger than the metro Denver average. To best serve this family-oriented community, the Hub will offer a wide range of generously sized units and layout options. The LIHTC project will include 49 one bedroom apartments, 33 two-bedroom apartments, and 15 three-bedroom apartments for families earning at or below 30-70% of the Area Median Income (AMI). Of the 97 total units, seven will serve households earning at or below 30% AMI, 17 units will serve households at or below 50% AMI, 55 units will serve households at or below 60% AMI, and 18 units will serve households at or below 70% AMI.

Residents will enjoy multiple amenities including a full appliance package with microwaves and ovens; in unit washers and dryers; covered parking; and access to common areas.

Today's request is to authorize \$5,000,000 plus an estimated administrative fee for Impact Development Fund of \$100,000 (~2%) from the Strategic Fund's ARPA dollars in grant support is requested from the EDC for the Community Revitalization Grant Program's contribution to the development of the Freshlo Montbello project.

The board requested a bullet point quarterly report of the Community Revitalization Grant Program projects.

M/S/P – Young, Seaton – Project Freshlo Montbello approved as presented and recommended by staff.

### **Burnham Yard Update and Request**

Meyers said we are asking for an extension of the loan today. As you recall CDOT purchased Burnham Yard and the EDC approved \$7.5M to help with the \$15M down payment of the property. Part of the loan is if it is not paid back in a specific time, it converts to equity, and I anticipate that's what is going to happen. Right now, there is a bill running that would establish a P3 office in the Department of Administration (DPA). That office would then hire a person who would be a project manager. In the meantime, CDOT is going to do a study to determine what they will do with the rail lines at Burnham. The study will take some time but once it is complete, we will then know how much of Burnham CDOT needs to keep the rest we will develop or sell. This will be a two-to-three-year process, which goes beyond the time our loan needs to be repaid. I think it will convert to equity. As we're parceling it off, we will get our money back. Assuming the P3 office is established the project manager will reside in the DPA office. If that bill fails, the project manager will likely be within OEDIT and paid for by CDOT.

Kraft introduced Nick Farber with the Colorado Transportation Investment Office (CTIO) to elaborate.

Farber said we purchased Burnham Yard last year from the Union Pacific Railroad for \$50M we borrowed \$40M to acquire the property through two bank loans and CDOT and the EDC contributed \$7.5M each. We set aside \$5M to cover environmental, land use planning and other costs over the next five years. We are starting to use that money toward a transportation planning study. The Federal Railroad Administration's (FRA) calls it a pre-NEP, National Environmental Policy Act (NEPA) work to determine what type of NEPA study we will have to do to move the railroad from I-25 into the property. That study will look at track alignment, noise and vibration, historic analysis, environmental conditions, and public input must be completed before moving into NEPA. Internally we are doing a lot of work with the Historic Preservation office. We think the transportation planning work will take between eight months to a year.

The loan that the EDC granted us last year allows CDOT to request a year extension at a reasonable or no interest rate. We are asking for a one-year interest free extension to complete the work needed. I imagine we will be back here in a year with another request because of how long the planning will take. We plan to start working with the City and County of Denver towards their entitlement process in the coming year as well.

M/S/P – Seaton, Franz – CDOT Loan Extension for one year approved as presented and recommended by staff.

### **Kiva Colorado Initiative**

O'Donnell presented the Kiva Colorado request. Kiva is an international nonprofit, founded in 2005 in San Francisco, with the mission of expanding financial access to help underserved small business communities thrive. They do this by crowdfunding small business loans of between \$1,000 to \$15,000 in the United States and thereby unlocking capital for the underserved, improving the quality and cost of financial services, and addressing underlying systemic barriers to financial access. Kiva U.S. operates through a nationwide network of locally funded 'Hubs' operated by multilingual Capital Access Managers who provide prospective small business borrowers with education and local resources while facilitating access to the Kiva lending platform.

The cost of operating a Kiva Hub is reasonably straightforward: Kiva charges a "license fee" of \$20,000 per metropolitan community or \$50,000 for the entire state to the Hub sponsor which helps cover Kiva's cost of operating their programs. The Hub sponsor, Prairie Rose Development in the case of Colorado, hires full or part-time Capital Access Managers (CAMs) to facilitate technical assistance and provide access to the Kiva platform. Since many of the Kiva Colorado applicants lack the capacity and/or technical knowledge needed to optimize their return on the loans offered through Kiva, Capital Access Managers provide needed technical assistance support to applicants during the application and loan processes.

Staff is requesting up to \$120,000 in reimbursement grant funding support over three years (\$40,000 per year) from the EDC.

This grant is contingent upon:

- Prairie Rose Development must obtain commitment letters or contracts from other matching funds providers in the amount of \$2 for every \$1 of EDC funding for calendar years 2022 through 2024 prior to each annual disbursement.
- Payment to Prairie Rose Development on a reimbursement basis.
- The contract will include provisions that the grantee shall adhere to state law related to political campaigns, such as not leveraging this funding for political campaigns in any way or linking to political campaign sites on the Kiva or Prairie Rose websites.
- By February 15, 2023, and each year through 2025, Prairie Rose will provide a report on their operations and achievement of the goals to OEDIT. If requested by OEDIT or the EDC, Prairie Rose will provide annual updates on their performance.

M/S/P – Seaton, Dragoo – Kiva Colorado approved as presented and recommended by staff.

### **CUbit Quantum Initiative**

Hadwiger introduced Philip Makotyn, PhD who presented the Cubit Quantum Initiative CUbit. Quantum Information Science and Technologies (QIST) represent a fundamental and revolutionary shift in our daily lives and work with wide-ranging applications from pharmaceuticals to autonomous systems to advanced materials. QIST is a national priority and is anticipated to have significant impact on the trajectory of both national and regional economies. Alignment and fueling of public and private QIST R&D efforts is a critical step in enabling the quantum revolution and creating an ecosystem where our companies and our workforce are quantum ready.

The CUbit Quantum Initiative focuses on regional university/industry/government partnerships with impact on national QIST goals, including US leadership in QIST R&D, advancing the US QIST economy, and a broad range of QIST training. CUbit, with world class quantum research at CU, JILA and NIST, is creating a community with local and regional industries. The timing of investment by the State of Colorado into QIST and CUbit now is critical. Over the last three years, CUbit has done the yeoman's work of identifying

and harnessing our state's QIST expertise into an effective and increasingly recognized national and international presence.

We could 'corner the market' nationally in the QIST space, outcompeting other areas of regional strength. We can accelerate our ability to build and support new companies from research spinouts, as well as attract new companies to Colorado who will rightly see that we have built an effective ecosystem to spur innovation and growth. As a result, Colorado industries will be at the center of the quantum revolution that will bring broad benefits to a wide range of industries, advancing our existing strengths in aerospace, bio- and health sciences, autonomous systems, and computing. Without the investment from the State, we run the risk of losing our competitiveness.

Staff is requesting an earmark of \$1,500,000 from the Strategic Fund's CRPS dollars to support future projects related to developing, expanding, and supporting the Quantum industry in Colorado. By sending this signal to the industry, the EDC is signaling the importance of Quantum to the economy of Colorado and creating a ready and available pool of state funds to leverage federal and philanthropic funds for future projects.

To access these earmarked funds, future requesters will need to bring specific projects for review and approval to the EDC before the funds can be encumbered and spent. These future requests are contingent upon applicants demonstrating the following types of economic development metrics:

- Economic impact to the state
- Number of jobs created in the Quantum industry
- Number of businesses supported
- A detailed budget of Sources and Uses
- How much of federal or matching funds are being leveraged
- Defined metrics and/or incremental impact of funds or other success metrics.
- And other items as needed to evaluate the efficacy of the defined project.

M/S/P - Seaton, Young – CUBit Quantum Initiative approved as presented and recommended by staff.

### **Employee Ownership**

Maloney provided a brief EO office update. EDC funding of this program started in the spring of 2019. Commissioner Franz has been the EDC liaison for the EO Commission for the past year. Today we are seeking another Commissioner to take up that role. We meet the first Tuesday of the month at noon. Most of the meetings have been virtual. The next meeting will be on May 3 and will be held in-person at OEDIT, followed by a tour of local employee-owned businesses. We will visit with 5 companies throughout the afternoon, culminating with a networking event with the Employee Ownership Peer Network members. We will be taking a bus to all locations and would like to invite interested EDC members to attend.

We will be back next month for a more in-depth program update.

### **Outdoor Recreation Office**

Hall and Albert presented the ORec request. The Colorado Outdoor Recreation Industry Office (OREC) provides a central point of contact, advocacy, and resources at the state level for the diverse constituents, businesses, and communities that rely on the continued health of the outdoor recreation economy. According to the US Census Bureau, which has been measuring COVID-19 impacts on small businesses, at the height of the pandemic in 2020, 75 percent of small businesses in the category that includes recreation reported large and negative effects of the pandemic.

Through a new program aimed at supporting businesses and nonprofits in the outdoor recreation industry with recovery from the impacts of the pandemic, OEDIT proposes \$2 million to distribute funding through grants. The desire is to provide grants to at least 30 businesses/nonprofits with the goal of creating/retaining at least 50 jobs. This program would focus on businesses and nonprofits that have endured a negative economic impact of the pandemic and need assistance to return to pre-pandemic levels of production and revenue. Outdoor recreation businesses are facing lagging hardships due to pandemic impacts on supply chains, availability of labor, and warehousing needs. Providing direct-to-business grants would help alleviate some of these pandemic impacts.

Staff is requesting to encumber \$2 million of ARPA funds for small business and nonprofit support through the Colorado Outdoor Industry Impact Fund.

- Small businesses/nonprofits and/or their owners will need to attest to economic harm endured because of the pandemic, including adopting safer operating procedures, weathering periods of closure, and mitigating financial hardships.
- OREC will provide quarterly and annual (beginning July 2022) project status updates, as per the reporting guidelines of ARPA.

M/S/P – Dragoo, Paletz - \$2M Earmark approved as presented and recommended by staff.

**D. Enterprise Zone (EZ): Sonya Guram**

**Contribution Project Proposals**

Guram presented the following EZ Contribution Project Proposals for approval.

EZ	Project Name	Type	Category	Completion Date	Budget	1 yr. Proj. Credits
PP	Colorado Springs Community Cultural Collective at the City Auditorium	Capital Campaign	Community Facility	12/31/2027	\$60,000,000	\$750,000
MESA	Marillac Capital Clifton	Capital Campaign	Community Facility	12/31/2027	\$12,227,273	\$750,000
NW	Old Town Hot Springs – Pool Reconstruction	Capital Campaign	Tourist Attraction	12/31/2027	\$6,000,000	\$230,000
EC	World’s Wonder View Tower of Genoa	Capital Campaign	Tourist Attraction	12/31/2027	\$4,500,000	\$750,000
PP	Southern Colorado Women’s Chamber of Commerce	Operations	Economic Development	12/31/2027	\$347,000	\$60,000
DEN	The Master’s Apprentice: Pre-Apprenticeship Program	Operations	Job Training Program	12/31/2027	\$333,890	\$25,000
SC	Trinidad History Museum Heritage Tourism	Operations	Visitor Event/Attraction	12/31/2027	\$60,000	\$7,500
REG10	Gunnison Art Center Operations	Operations	Visitor Event/Attraction	12/31/2027	\$350,000	\$65,000
Total					\$83,818,163	\$2,572,500

M/S/P – Franz, Paletz – EZ Contribution projects approved as presented and recommended by staff.

**E. Colorado Office of Film, Television, and Media (COFTM): Kelly Baug, Donald Zuckerman**

**COFTM Budget**

Baug presented the COFTM budget which has a total FY22 COFTM Incentive Funds of \$3,540,385 remaining if the pending projects today are approved.

### **Strategic Fund Reallocation Request**

Baug presented the COFTM Strategic Fund reallocation request. In the past ten years since the inception of the Film Office, the division's legislative allocation for operating funds of approximately \$520,000 annually have remained stagnant. Meanwhile, costs have consistently increased year after year, including office overhead, salaries, and substantial programmatic additions, which have coincided with an estimated 23% inflation since January 2013 according to the U.S. Bureau of Labor Statistics.

To maintain current programming, support timely pilot initiatives, and provide matching dollars for new private-public partnerships we are requesting an operations budget supplement for the remainder of FY22 and through FY23. With support and approval of OEDIT leadership, COFTM will seek a more permanent operating budget increase during the 2022-23 legislative cycle through the FY24 gaming funds budget from which our operating expenses typically flow.

We are requesting that the EDC approve a reallocation of \$200,000 from COFTM's current \$3.25M Strategic Fund allocation for film incentives to a new appropriation specific to programmatic expenses. Prior to this request, the EDC approved \$3.25M for incentives only, not program funds.

M/S/P – Franz, Seaton – Reallocation approved as presented and recommended by staff.

### **Project Phoenix**

Baug presented Phoenix. Project Phoenix is managed by a Canadian company formed for producing the second season of a home renovation show that will take place in a rural Colorado town. The show will film over the course of the summer from July through October 2022.

Per the applicant's estimations, the Office of Film, Television & Media is anticipating a total of \$2,450,864 in qualified local expenditures and with the multiplier effect, the economic impact could reach up to \$4,407,266.

The project has a total preliminary Colorado budget of \$2,450,864:

- Payroll spend: \$887,564
- Vendor spend: \$1,563,300
- CO Crew hires: 19
- CO Cast hires: 0
- Total CO hires: 19, which equals 61% of the workforce for this project

The estimated qualified local expenditures of the application would result in a rebate of \$490,173 which is a 20% rebate.

Staff recommends approval of this project with the noted project conditions.

M/S/P – Franz, Tafoya – Project Phoenix approved as presented and recommended by staff.

### **Project Dyno**

Baug presented Project Dyno. Reel Rock 17 is an annual touring film exhibition featuring short documentaries depicting the world of climbing and adventure and will premiere in the spring 2023 before heading to 800+ screens on all seven continents (yes, there is an annual show in Antarctica!). For Reel Rock 17, the filmmakers anticipate highlighting talent in some of Colorado's most picturesque locations including the Ophir Wall and Cracked Canyon, Black Canyon of the Gunnison, Mt. Evans, Rifle Mountain



Park and Eldorado Canyon State Park. Filming is set to take place from July through November 2022. Additional content will be filmed in Pakistan, the Austrian Alps, the Greenland fjords, and Brazil. The resulting footage will be edited in Boulder, Colorado.

Per the applicant's estimations, the Office of Film, Television & Media is anticipating a total of \$545,262 in qualified local expenditures and with the multiplier effect, the economic impact could reach up to \$980,517.

The project has a total preliminary Colorado budget of \$545,262:

- Payroll spend: \$457,632
- Vendor spend: \$87,630
- CO Crew hires: 86
- CO Cast hires: 0
- Total CO hires: 86, which equals 79% of the workforce for this project

The estimated qualified local expenditures of the application would result in a rebate of \$109,052.

Staff recommends approval of this project with the noted project conditions.

M/S/P – Seaton, Young – Project Dyno approved as presented and recommended by staff.

### **Project Ravine**

Baug presented Ravine. Project Ravine is a comedy about a zombie apocalypse, an alien invasion, and the end of the world. Production is slated to begin in Fall 2022 around Mesa County. The production will utilize military veterans in front of and behind the camera, as well as film students and recent film graduates in various departments. Practical effects and claymation will be a key element for this production. The production team plans to engage in their relationships with Lionsgate and other studios to pursue distribution options upon completion of the film.

Per the applicant's estimations, the Office of Film, Television & Media is anticipating a total of \$494,625 in qualified local expenditures and with the multiplier effect, the economic impact could reach up to \$889,459.

The project has a total preliminary Colorado budget of \$494,625:

- Payroll spend: \$295,042
- Vendor spend: \$199,583
- CO Crew hires: 21
- CO Cast hires: 9
- Total CO hires: 30, which equals 71% of the workforce for this project

The estimated qualified local expenditures of the application would result in a rebate of \$98,925 which is a 20% rebate.

Staff recommends approval of this project with the noted project conditions.

M/S/P – Franz, Seaton – Project Ravine approved as presented and recommended by staff.

### **Keysight Project**

Baug presented the Keysight Project. The Keysight Project is a branded pilot project for Keysight, a test and measurement equipment provider for electronic design, e-mobility, network monitoring, 5G, LTE, IoT (internet of things), and connected cars. Keysight is currently re-positioning their brand to become a thought leader in these verticals and do more with the innovation workflow than just being a test equipment provider, in part by producing this web series to provide inspiration for the innovators in the future of technology. The series will be publicly distributed via a web platform and available to the general public to interact with and view.

Per the applicant's estimations, the Office of Film, Television & Media is anticipating a total of \$200,000 in qualified local expenditures and with the multiplier effect, the economic impact could reach up to \$359,650.

The project has a total preliminary Colorado budget of \$200,000:

- Payroll spend: \$137,280
- Vendor spend: \$62,720
- CO Crew hires: 26
- CO Cast hires: 2
- Total CO hires: 28, which equals 100% of the workforce for this project

The estimated qualified local expenditures of the application would result in a rebate of \$40,000 which is a 20% rebate.

Staff recommends approval of this project with the noted project conditions.

M/S/P – Young, Franz – The Keysight Project approved as presented and recommended by staff.

### **Just Jake**

Baug presented Just Jake. Just Jake is a faith-based, family-friendly romantic comedy about Jake Collins, a country music star whose career becomes unclear when his tour gets put on hiatus. Jake's manager suggests he visit his hometown where they're naming a theater after him. Back home, Amber Gibson runs the diner her late father used to run, a future destined to her after her high school boyfriend abruptly left town for a music career. Jake's return home is more than a celebration of his fame, it's a chance to rectify his past.

Per the applicant's estimations, the Office of Film, Television & Media is anticipating a total of \$1,021,586 in qualified local expenditures and with the multiplier effect, the economic impact could reach up to \$1,837,069.

The project has a total preliminary Colorado budget of \$1,021,586:

- Payroll spend: \$689,089
- Vendor spend: \$332,497
- CO Crew hires: 47
- CO Cast hires: 15
- Total CO hires: 62, which equals 93% of the workforce for this project

The estimated qualified local expenditures of the application would result in a rebate of \$204,317 which is a 20% rebate.

Staff recommends approval of this project with the noted project conditions.

M/S/P – Seaton, Franz – Just Jake approved as presented and recommended by staff.

## **F. Rural Jump-Start (RJS): Andrea Blankenship**

### **Automated Widget Systems**

Vankat presented the Automated Widget Systems RJS application. Automated Widget Systems, LLC is an irrigation valve manufacturing company located in Delta County. The valves are specifically designed to fit gated pipes and will advance the technology of flood irrigation systems.

Compared to other irrigation techniques such as drip irrigation and center pivots, flood irrigation has been slow to adapt to new technologies. Currently, flood irrigation utilizes gated pipes to run water from ditches to agricultural fields, with relatively little control. This process results in overwatering and run off into the Colorado River, when used on the western slope of the state. Additionally, current flood irrigation techniques require large amounts of manpower and time to mitigate the water.

The start-up has already developed relationships with Technical College of the Rockies and Colorado Mesa University. Automated Widget Systems, LLC does not have any competitors in the valve technology space for flood irrigation.

#### Overview of Eligibility Criteria:

- Metric
  - Pass on this metric. At the time of application, Automated Widget Systems, LLC was not operating as defined by the RJS program.
- Operation Clause
  - Pass on this metric. At the time of application, Automated Widget Systems, LLC was not operating as defined by the RJS program.
- Not Moving Jobs
  - Pass on this metric. Automated Widget Systems, LLC is not moving jobs within Colorado.
- Hires at least 5 new hires
  - Pass on this metric. Automated Widget Systems, LLC expects to hire 19 New Hires.
- Competition Clause
  - Pass on this metric. OEDIT has not identified a Colorado company that directly competes with Automated Widget Systems, LLC in an adjacent economically distressed county.
- Adds to Economic Base and Export Outside the County
  - Pass on this metric. Automated Widget Systems, LLC would add to the economic base and export outside of Delta County.
- Endorsed by Sponsoring Entity
  - Pass on this metric. Automated Widget Systems, LLC would add to the economic base and export outside of Delta County.

OEDIT has concluded that Automated Widget Systems, LLC passes all metrics for participation in the Rural Jump-Start program, and therefore recommends approving Automated Widget Systems, LLC for participation in the Rural Jump-Start program with 19 New Hires.

Automated Widget Systems, LLC will qualify for \$30,000 in grant funding: \$20,000 for new operations and \$10,000 for 4 New Hires in 2022 and 2023.

To qualify to be a New Hire in Delta County, the employee will make at least \$36,998 annually, based on 2021 Average Annual Wage calculations.

M/S/P – Seaton, Dragoo – Automated Widget Systems approved for the RJS program with 19 new hires and \$30,000 in grant funding.

### **Annual Reports**

Blankenship provided some background on the annual reports process of the program. 16 out of 25 companies have submitted their Annual Reports. In the interest of time, staff will provide a more in-depth update at the next meeting.

The following New Business has submitted their Annual Report for 2021 since the March EDC Meeting: Sky Peak Technologies. Approved for Rural Jump-Start on 12/16/21, no New Hires.

Staff requests approval to issues tax credit certificates to Sky Peak Technologies for tax year 2021.

M/S/P – Seaton, Young – Tax Credit Certificates issuance to Sky Peak Technologies approved as presented and recommended by staff.

### **Program Manual Update**

Blankenship said that currently the program manual language for utilizing grants says: New Businesses: 75% of the grant (\$15,000 in Rural Jump-Start Zones and \$30,000 in Rural Jump-Start Zones that are Tier 1 Just Transition Communities) will be reimbursed as a 3:1 match on business expenditures. The New Business will be required to send OEDIT receipt of business expenditures, and it will be matched at one-quarter of the spend.

Not less than \$5,000 per invoice up to 75% of the grant. The remaining 25% of the grant (\$5,000 in Rural Jump-Start Zones and \$10,000 in a Tier 1 Just Transition Community) or remaining amount left on the grant will be paid out upon receipt of the Annual Report due in February the year following start of operation.

Staff is requesting to update that language to read as follows: The remaining 25% of the grant (\$5,000 in Rural Jump-Start Zones and \$10,000 in a Tier 1 Just Transition Community) will be paid out once the 75% has been reimbursed for business expenditures and upon receipt of the Annual Report due in February the year following.

Staff requests approval to update the Program Manual to require business expenditures to be reimbursed before Annual Report amount paid on the Rural Jump-Start Grant funding.

M/S/P – Seaton, Dragoo – Program manual update approved as presented and recommended by staff.

### **Routt County Sponsoring Entity**

Blankenship presented the Routt Count Sponsoring Entity request. Routt County Economic Development Partnership has submitted an application as a Sponsoring Entity in the Rural Jump-Start Program.

Per current statute, a Sponsoring Entity can be either a designated Institute of Higher Education or an Economic Development Organization. The application certifies that the Sponsoring Entity has read the Program Manual, has the resources available to launch and administer the program quickly and vigorously, has a single point of contact, and has the capacity to qualify and review applications for the program.

The Economic Development Organization for Routt County was previously under the Steamboat Springs Chamber and Resort Association. The Routt County Economic Development Partnership was recently formed as a new Economic Development Organization.

If the Routt County Economic Development Partnership is approved, they have one company pending for Rural Jump-Start and have been very active in sponsoring New Businesses into the program.

Staff recommends the approval of Routt County Economic Development Partnership as a Sponsoring Entity in the Rural Jump-Start program.

M/S/P – Young, Paletz – Routt County approved as a sponsoring entity in the RJS program.

#### **G. Regional Tourism Act (RTA): Jeff Kraft, Che Sheehan**

##### **RTA Program Update**

Kraft said we will have a more in-depth debrief from the Stanley Film Center team at the next meeting. We are working on scheduling a post EDC meeting at the National Western Center in June.

#### **H. Other**

##### **Transferrable Tax Credit Program Update**

Kraft introduced Emily Buckley and Andy Frohardt with the Attorney General's Office.

Seaton moved, pursuant to Colorado Revised Statutes Section 24-6-402(3)(a)(II), I move that we go into executive session with our attorney for the purpose of receiving legal advice about the Transferrable Tax Credit program. Young seconded the motion. Motion passed unanimously.

The EDC is now in executive session.

With all items discussed the EDC exited executive session.

The EDC is now in open session.

Allen-Davis thanked everyone for their patience while the board was convened to executive session.

##### **AI Budget**

No AI budget update.

##### **Next EDC Meeting**

The next EDC meeting will be May 19, 2022.

**With all items discussed, the meeting was adjourned.**