

**ECONOMIC DEVELOPMENT COMMISSION
MEETING MINUTES**

December 15, 2023
8:30 a.m. – 11:00 a.m.

MEETING DATE

December 15, 2023
1600 Broadway, Suite 2500
Denver, CO 80202

MEETING PARTICIPANTS

A. Commission Members

Carrie Schiff, Ester Lee Leach, Chris Franz, Carl Young, Walker Stapleton, Andrew Sparn, David Drago, Simon Tafoya, Jay Seaton, Jesse Ogas, and Steven Paletz.

B. Guests

Rodney Project Hydrogen, Clemens Weisgram, Roger Corman, Lucas High, Analisa Romano, Aldo Svaldi, Jariah Walker, Brian Project Helium, Carlos Cruz-Gonzalez, Sherry Hoffman, Tony DeLaHunt, Jet Peterson, Bill Broydrick, Charles Garcia, Brad Buchanan, Courtney Meihls, Jocelyn Hittle, Scott Hergenrader, Janae Project Hydrogen, Paul Andrews, David Neville, Wayne Heilman, John Ellis, Tracy Huggins, Sara Lobato, John Cullen, Eric Smith, and Seth Pruett.

C. Staff

Eve Lieberman, Jeff Kraft, Sean Gould, Michelle Hadwiger, LeeAnn Morrill, Lindsay Finlayson, Sonya Guram, Tristan Watkins, Ashley Mount, Laura Rodriguez, Arielle Brachfeld, Che Sheehan, Keri Ungemah, Alissa Johson, Carly Claggett, Dana Bakshani, Trey Rogers, Katherine Cantillo, OneLuv Hull, and Virginia Davis.

DECISION/ACTION ITEMS

1. The Economic Development Commission approved the Minutes from the November 16th, 2023, EDC Meeting.
2. The Economic Development Commission approved the following projects/items:

JGITC: Project Octopus, Project Maple, Project Ladybug, Project Balloon, Project Hydrogen. And Project Helium.

SF: SSBCI Funds Move Request.

EZ: Montrose Economic Development Corporation 2024-2028, PEDCO Project, Creede Repertory Theater 2024-2028 Region 8 Economic Development of the San Luis Valley, RMBL Workforce Housing, Sam Brown Livestock Pavilion Concrete Coyote: Community Facility Capital Campaign, and Saguache Senior Center: Community Facility Capital Campaign.

AI: FY24 CU Boulder Allocation POC Grants, FY24 CSU Allocation POC Grants, and FY24 NJH Allocation POC Grants.

RTA: USAFA Final Completion Extension Request.

A. Meeting Called to Order

Schiff called the meeting to order.

B. Minutes

Schiff called for a motion to approve the minutes from the November 16th, 2023, EDC Meeting.

M/S/P – Leach, Franz – Minutes approved as presented.

C. Regional Tourism Act (RTA):

Cullen provided an update of the Stanley Film Center.

Schiff entertained a motion to enter executive session.

Franz moved, pursuant to Colorado Revised Statutes Section 24-6-402(3)(a)(III), I move that we go into executive session for the purpose of discussing documents that contain trade secrets and/or confidential commercial or financial information about the RTA Stanley Film Center Project, which are required to be kept confidential by Colorado Revised Statutes Section 24-72-204(3)(a)(IV). Leach seconded the motion. Motion passed unanimously.

The EDC is now in Executive Session.

With all items discussed, the Chair entertained a motion to exit executive session.

Ogas moved we exit executive session. Leach seconded the motion. Motion passed unanimously.

D. Job Growth Incentive Tax Credit (JGITC):

Project Octopus

Bakshani presented the Project Octopus request. The company behind Project Octopus is an innovation-driven company advancing space science, system engineering and legacy system sustainment & modernization. Their approach is guided by the team's focus on space acquisitions, mission operations, systems engineering, and cyber operations, including software development. Project Octopus represents the company's expansion in order to support US government contracts.

Staff is requesting approval of \$2,267,843 in performance-based Job Growth Incentive Tax Credits over an 8-year period for the creation of up to 427 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, Leach – Project Octopus was approved as presented and recommended by staff.

Project Maple

Bakshani presented the Project Maple request. The company behind Project Maple is an agriculture company that produces a variety of commodities from blueberries to tree nuts. Project Maple demonstrates the company's expansion into CBD and Hemp production. The company established a subsidiary to manufacture and refine CBD products and Hemp; their plans for the facility will be split between CBD gummy manufacturing and Hemp refinement.

Staff is requesting approval of \$208,616 in performance-based Job Growth Incentive Tax Credits over an 8-year period for the creation of up to 29 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 – Spurn, Young – Project Maple was approved as presented and recommended by staff.

Project Ladybug

Bakshani presented the Project Ladybug request. The company behind Project Ladybug offers in-space propulsion solutions for satellites and other spacecraft designed to simplify the user experience when integrating a spacecraft before launch. The company behind Project Ladybug is scouting for a permanent location in the US to assemble and deliver products to the customer and continue the development of the product pipeline for the years ahead. Once development is completed, the company behind Project Ladybug will scale up operations to deliver thousands of products per year.

Staff is requesting approval of \$1,332,528 in performance-based Job Growth Incentive Tax Credits over an 8-year period for the creation of up to 160 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. Additionally, the company must provide proof that they have raised \$1.875M in capital, by the end of 2024, this is 75% of the \$2.5MM in capital the company expects to raise in their seed funding round, prior to the execution of this JGITC award contract.

M/S/P – Tafoya, Leach – Project Ladybug was approved as presented and recommended by staff.

Project Balloon

Bakshani presented the Project Balloon request. The company behind Project Balloon develops transformative, affordable technology, platforms, and systems. The company has two segments the first is comprised of an aggregation of operating segments, including its microwave electronic products, space, training, and cybersecurity, modular systems, turbine technologies, and defense and rocket support services operating segments and The Unmanned Systems segment that consists of unmanned aerial, unmanned ground, unmanned seaborne and related command, control, and communications system businesses. Project Balloon represents the company's efforts to capture more DOD funding through contracts.

Staff is requesting approval of \$669,375 in performance-based Job Growth Incentive Tax Credits over an 8-year period for the creation of up to 200 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, Stapleton – Project Balloon was approved as presented and recommended by staff.

Project Hydrogen

Salvetti presented the Project Hydrogen request. The company behind Project Hydrogen is a US-HQed, public multinational that employs almost 1,000 workers in Colorado, with the vast majority at a substantial manufacturing location in Colorado Springs. The company produces semiconductor devices and is a leading embedded control solutions provider with a comprehensive product portfolio that supports over

125,000 customers across the industrial, automotive, consumer, aerospace and defense, communications, and computing markets. As such, it meets the definition of “semiconductor manufacturing” from HB23-1260. In total, the company expects the project to include:

- \$868,800,000 capital investment
- 371 net new jobs (NNJ)
- \$75,000 average annual wage (AAW; 109% of El Paso County)
- \$27,825,000 direct wage impact at full operation (equals NNJ x AAW)

Requested Refund: The company is not approved for a JGITC but expects to earn \$22,617,000 in eligible EZ credits over the next 8 years from the project. In its application, the company requests this total \$22,617,000 in CHIPS Refundable Credits from the Commission.

Recommended Offer: Given the eligible credits, the requested refund, and the project evaluation, OEDIT staff recommend a Refund Certificate value of \$10,000,000, with which the company may claim an 80% refund against the following types of income tax credits, after they have been earned:

- EZ Business Facility New Employee
- EZ Business Personal Property
- EZ Job Training
- EZ R&D Expenses

This total Refund Certificate offer has the following metrics:

- \$8,000,000 cash value
- 44% - approval share of total requested
- \$16 - max federal funding return on \$1 of RC cash value
- \$109 - capital investment return on \$1 of RC cash value
- \$3 - wage impact return on \$1 of RC cash value
- \$21,563 per job

M/S/P – Leach, Paletz – Project Hydrogen approved as presented and recommended by staff.

Project Helium

Salvetti presented the Project Helium request. The company behind Project Helium is a US-HQed, public multinational that has operated in Colorado Springs for over three decades and currently employs over 300 workers there. It is a leading manufacturer of equipment, products, advanced materials, and solutions critical for the semiconductor, life sciences, and other high-technology industries. Its broad range of products are essential to the semiconductor fabrication process. As such, it meets the definition of “semiconductor manufacturing” from HB23-1260.

The company behind Project Hydrogen is a US-HQed, public multinational that employs almost 1,000 workers in Colorado, with the vast majority at a substantial manufacturing location in Colorado Springs. The company produces semiconductor devices and is a leading embedded control solutions provider with a comprehensive product portfolio that supports over 125,000 customers across the industrial, automotive, consumer, aerospace and defense, communications, and computing markets. As such, it meets the definition of “semiconductor manufacturing” from HB23-1260. In total, the company expects the project to include:

- \$724,000,000 capital investment
- 600 net new jobs (NNJ)

- \$69,100 average annual wage (AAW; 109% of El Paso County)
- \$41,460,000 direct wage impact at full operation (equals NNJ x AAW)

Requested Refund: The company is not approved for a JGITC but expects to earn \$10,752,000 in eligible EZ credits over the next 8 years from the project. In its application, the company requests this total \$10,752,000 in CHIPS Refundable Credits from the Commission.

Recommended Offer: Given the eligible credits, the requested refund, and the project evaluation, OEDIT staff recommend a Refund Certificate value of \$3,300,000, with which the company may claim an 80% refund against the following types of income tax credits, after they have been earned:

- EZ Business Facility New Employee
- EZ Business Personal Property
- EZ Job Training
- EZ R&D Expenses

This total Refund Certificate offer has the following metrics:

- \$2,6400,000 cash value
- \$6,520,500 total cash incentives for the project (SF + RC)
- 31% - approval share of total requested
- \$17 - max federal funding return on \$1 of total cash incentives (SF + RC)
- \$111 - capital investment return on \$1 of total cash incentives (SF + RC)
- \$6 - wage impact return on \$1 of total cash incentives (SF + RC)
- \$10,868 per job (SF + RC)

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

E. Strategic Fund (SF):

EDC Budget Update

Gould provided the EDC Budget update which shows a Long Bill balance of \$2,781,222.

SF Balance Forecast

Gould presented the SF Balance Forecast that shows an approximate, total current available balance of \$12,389,548 in annual Long Bill, CRPS, CHIPS Act, Just Transition & EDO, and RJS Grants funds.

Strategic Fund Red Yellow Green Report

Gould provided the SF RYG update which shows progress on approved programs/projects.

Salesforce Rebuild Update

Finlayson provided an update on the status of the rebuild. After months working with OIT and procurement on vendor selection and negotiations, we selected Slalom as the vendor to build and implement the new Salesforce system. The contract was executed on November 3, 2023. The final quote came in at \$926,588.14. The remaining \$3,412 will be preserved in the event that we need to amend the contract for change orders. All funds are expected to be spent by March/April 2024.

Colorado Startup Loan Fund Outreach and Technical Assistance

Guram and Watkins provided the CSULF progress report. The original proposal was to contract with a number of Technical Assistance and Outreach providers that were familiar and engaged with communities that the loan program providers are not already working with, to expand program reach. Staff had conducted outreach and designed a compensation structure where the provider would receive an incentive once a borrower received a loan from a CSLF lender. With the loss of program staff at OEDIT and a near-term focus on deploying capital through the selected lenders, implementation of additional technical assistance and outreach has been delayed. OEDIT is currently procuring vendors.

OEDIT and lending partners have done a great job with outreach to a large percentage of Colorado. Specifically, they have done a great job reaching borrowers within their established communication channels. This includes urban/metro, rural, frontier, SEDI. As a result, we are engaging in a somewhat novel approach to outreach. The novelty is in the procurement process used and the way we allow applicants to bring their best ideas to us. OEDIT published an Invitation to Negotiate (ITN) solicitation on 10/30/2023. This ITN was announced ahead of publication and received continual marketing support by our wonderful OEDIT MarComm team. The ITN asks local groups with strong roots within communities to conduct outreach on OEDIT offerings and provide basic TA support. Having the message originate from trusted community leaders is expected to increase engagement and new participation.

Selected applicants will have strong ties to communities with the following characteristics:

- Underserved metro areas
- Rural areas (including Western Slope, San Luis Valley, and Eastern Plains)
- Frontier areas
- Banking and lending institutions not already aware of OEDIT capital programs
- Socially and/or economically disadvantaged individuals (SEDI)

OEDIT is seeking 7-15 vendors, depending on cost, proposed businesses reached, coverage of the state, etc. This is in flux due to the more collaborative nature of the ITN solicitation process. Applications were accepted from 10/30/2023 to 11/30/2023. The first round of reviews are to be completed by early January 2024. Negotiations are estimated to be completed by mid-February 2024.

\$1,000,000 is currently dedicated to this project, with the possibility of adding more funds in subsequent SSBCI tranches. Applicants are asked to submit a 12-page pitch deck. Applicants propose their own KPIs and must meet at least 80% of those KPIs every 6 months. Failure to meet this goal may result in revocation of the contract. The budget must correlate with the proposed KPIs. This is how we measure cost.

SSBCI Funds Request

Guram provided background of SSBCI, the timeline, a summary of the total allocation, and the EDCs role, which is to apply for and receive the allocation into the SF, contract with program entities, review progress and approve any allocation changes, and provide policy direction to OEDIT as applicable.

Staff is requesting authorization to amend CLIMBER and VCA Contracts to reallocate Tranche 1 funds such that \$2MM of Tranche 1 Funds are moved from the CLIMBER program to the VCA program.

Once the VCA has received the additional \$2MM it can fully obligate those funds and CO will have deployed 80% of Tranche 1 funding while meeting the SEDI and VSB goals, thus earning the SEDI and VSB bonuses along with Tranche 2 funds.

The overall SSBCI allocations to the 3 approved programs will not change.

VCA: \$59,773,554
CCS: \$35,000,000
CLIMBER: \$10,000,000

OEDIT Staff will present a proposal for the allocation of Tranche 2 funds to the EDC at a later date.

Franz noted that on page 10 of the presentation, the allocation for CHFA-CLIMBER should be \$10M.

Guram said that is correct and staff will update the slide to show \$10M and provide an updated presentation after the meeting. The request, page 16 of the presentation does show the correct amount.

M/S/P – Leach, Dragoo – SSBCI Funds request approved as presented and recommended by staff.

TechHubNow! Initiative Final Report

Mount provided the final report. Following the announcement of the NOFO 1 winners, TechHubNow! submitted their final report and the EDC grant has officially closed out. OEDIT staff have verified that Colorado TechHubNow! completed all compliance and monitoring requirements. The full report was inadvertently left out of the board book. Staff will email the final report to the board after this meeting.

F. Enterprise Zone (EZ):

Contribution Project Proposals

Sheehan presented the following EZ Contribution Project Proposals for approval.

EZ	Project Name	Category	Completion Date	Budget	1 yr. Proj. Credits
REG 10	Montrose ED Corporation 2024-2028	Economic Development	12/31/2028	\$211,000.00	\$22,750.00
PUE	PEDCO Project	Economic Development	12/31/2028	\$430,000.00	\$25,000.00
SLV	Creede Repertory Theater 2024-2028	Tourist Attraction	12/31/2028	\$461,500.00	\$28,875.00
SLV	Region 8 ED of the San Luis Valley	Economic Development	12/31/2028	\$75,000.00	\$2,500.00
REG 10	RMBL Workforce Housing	Workforce Housing	12/31/2028	\$ 8,000,000.00	\$531,250.00
PUE	Sam Brown Livestock Pavilion	Tourist Attraction	12/31/2028	\$37,002,654.00	\$750,000.00
PP	Concrete Coyote	Community Facility	12/31/2028	\$450,000.00	\$62,500.00
SLV	Saguache Senior Center	Community Facility	12/31/2028	\$1,500,000.00	\$12,500.00
Total				\$48,130,154.00	\$1,435,375.00

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

G. Advanced Industries (AI):

FY24 CU Boulder Allocation POC Grants

Adair presented the FY24 CU Boulder Allocation POC Grants for final approval.

M/S/P – Leach, Ogas - FY24 CU Boulder Allocation POC Grants approved as presented and recommended by staff.

FY24 CSU Allocation POC Grants

Adair presented the FY24 CSU Allocation POC Grants for final approval.

M/S/P – Franz, Leach - FY24 CSU Allocation POC Grants approved as presented and recommended by staff.

FY24 NJH Allocation POC Grants

Adair presented the FY24 NJH Allocation POC Grants for final approval.

M/S/P – Leach, Stapleton - FY24 NJH Allocation POC Grants approved as presented and recommended by staff.

H. Regional Tourism Act (RTA):

Denver/NWC Semi Annual Update

The Denver contingent provided a semi-annual report on the projects and its components.

Colorado Springs/C4C Semi Annual Update

Walker provided an update of the C4C projects and its components.

USAFA

Cruz-Gonzales and Smith gave an update on the USAFA Visitor Center project outlining today's request which is delaying the building shell delivery to the AFA and the overall final opening date of the Visitor's Center to 2025.

Shiff directed the board to the USAFA request and proposed staff motion.

Ogas made the motion. Stapleton seconded the motion.

Franz said he was disappointed in the timeline and surprised at how far it's moved out in the proposal. And how long it continues to take. When was the core and shell supposed to be complete? I don't like the hedging bets in there that we might open the first floor and the retail shop by the completion, but not the whole thing. We are very adamant back in the approval of all this, and all the changes about making sure you add enough capital stack to do this, and that the foundation was supposed to cover any shortfall. You couldn't just have a core and shell, and the exhibits had to be there, etc. And so, I'm just surprised that how long it continues to take. Yes, I understand government contract overhead, but it shouldn't change again. Why can we not just say December 2025 and be done is my question.

Smith said as far as the core and shell, we are a few months late from the delivery schedule that we had anticipated. A lot of that had to do with going through the final design process, and we also had to go through a process with the State Historic Preservation Office and National Park Service, so that really drove the schedule out a bit, something that was unforeseen. We knew it would take some time, but it took longer than what we had initially thought. So that's the purpose behind that.

Cruz-Gonzales said the direction I have from my superintendent is to open December of 2025. I addressed some of the risks in today's presentation. Like any project there's always the possibility that something will come up during the development fabrication and installation. And so, we wanted to be upfront about it. We've gone through a risk assessment process. We have the funding in hand. Now we have a contractor on board. They are working the project. We are expediting the management review on our end to ensure that we can meet December 2025. But there are things that outside of our control. The one that concerns me the most is our supply chain issues. Some of the exhibits that we want to include in this center are things that must be manufactured and purposely built for the for the setting. We are planning to have a ribbon cutting in early December 2025 so that we can start.

Franz said I strongly encourage you to push the plan and try and beat it. I'm betting the hotel will be open before then. I hesitate to even ask. But I'm sure that's a priority because its revenue generating and that's kind of what I'm disappointed about.

Schiff said I will point out that our resolution says that the Visitor Center needs to be complete by December 31, 2025. So that would mean that the Visitor Center, which includes all of the elements/exhibits need to be complete. So that's what we're approving. It's not the suggestion that only part of its approved, we're asking for all of them with this approval.

M/S/P – Ogas, Stapleton – USAFA Final Completion Extension request approved as presented and recommended by staff.

I. Other

Next EDC Meeting

The next EDC meeting will be January 18, 2024.

With all items discussed, the meeting was adjourned.