

**ECONOMIC DEVELOPMENT COMMISSION  
MEETING MINUTES**

March 1, 2022  
8:00 a.m. – 9:30 a.m.

**MEETING DATE**

March 1, 2022  
Virtual Meeting

**MEETING PARTICIPANTS**

**A. Commission Members**

Jandel Allen-Davis, Wendell Pryor, Chris Franz, Andrew Sparn, Walker Stapleton, Steven Paletz, and Jay Seaton.

**B. Guests**

Laura Rodriguez, Alan Rudolph, Mary Austin, Mike Freeman, Rafael Rivera, Elyse Blazeovich, Raymond Goodrich, Lorena Zimmer, Richard Scharf, Gary Luckasen, Barbara Walz, Duane Highley, Raymond Gonzalez, Ed Sealover, Lu Cordova, Walter Copan, Jim McGibney, Michelle Slovensky, and, Emily Wilson.

**C. Staff**

Patrick Meyers, Jeff Kraft, Sean Gould, Keri Ungemah, Samantha Albert, Conor Hall, Andrew Streight, Tim Wolfe, Michelle Hadwiger, and Virginia Davis.

**DECISION/ACTION ITEMS**

1. The Economic Development Commission approved the Colorado Coalition Build Back Better funding request and the Outdoor Retailer Shows extension.

**A. Meeting Called to Order**

Allen-Davis called the meeting to order.

**B. Strategic Fund Balance Forecast**

Gould presented the SF Balance Forecast which shows \$4,168,475 in projected available funds.

**C. Colorado Coalition Build Back Better Funding Request**

Kraft provided some background of the project and introduced Mike Freeman with the Colorado Coalition to introduce his group and present the project.

The \$1 billion Build Back Better (BBB) Regional Challenge is the marquee piece of EDA's (Economic Development Administration) American Rescue Plan programs that aims to boost economic recovery from the pandemic and rebuild American communities, including those grappling with decades of disinvestment. 60 finalists across the US were selected out of 529 applicants for Phase I, including one in CO from the Colorado Coalition, led by Innosphere Ventures.

Colorado Coalition members include: Innosphere Ventures, Prosper CO/Denver Chamber/EDC Lead, University of Colorado Boulder, Colorado State University, Colorado School of Mines, National Renewable Energy Lab (the Global Energy Park being championed by Lu Cordova). See table at the end of this memo for a description of each project.

The Governor and OEDIT officially endorsed the Colorado Coalition application and 11 other Colorado based applications (including El Paso, rural, and Just Transition focused coalitions).

The Colorado Coalition is now applying for one of thirty Phase II awards (due on March 15th). If selected to win, the EDA grant would provide up to \$100M for this project (project total cost is \$510M). The Colorado Coalition believes it needs \$20M in cash matching funds (including a significant portion from the state) to have a competitive chance to win the grant and is seeking approval from the Economic Development Commission (EDC) for \$6.2M funds to include as part of that match.

OEDIT recommends that the state provide \$6.2M in funding to Innosphere Ventures, a nonprofit corporation, for the Build Back Better application's matching funds request. Of the amount, Innosphere Ventures shall make \$1.2M available as matching funds for the Global Energy Park and \$5M may be distributed among the other coalition partners as best suits the coalition's needs. Once the Global Energy Park selects and executes its lease with the private developer, if the matching funds are no longer needed or required by the EDA, they may be unencumbered and decommitted from the project.

The \$6.2M would be funded by the following sources within the EDC's Strategic Fund:

- \$2M from ARPA SLFRF (\$40M OEDIT allocation) funding\*\*\*\*
- \$4.2M from OEDIT state stimulus funding (\$15M one-time 2021 infusion)
  - Of which \$1.5M may be backfilled or replaced at a later date with Advanced Industries Accelerator Grant funding after the AI Infrastructure application/diligence process is completed.

\*\*\*\**These ARPA funds would come from the provision of government services eligible use category.*

The rationale for offering \$6.2M in state funding includes the following:

- These investments are strategically aligned with OEDIT's long-term multi-decade advanced industry economic development strategy with a focus on bioscience and the energy, natural resources and clean tech (climate tech) sectors.
- The Colorado Coalition, a group of diverse and highly impressive research institutions and non-profits who are capable of achieving large scale economic development projects, was selected by the EDA among a dozen other Colorado-based applications and more than 500 national applications as one of 60 Phase I winners across the nation and as the sole Colorado-based Phase I winner. Selection by the EDA is based on a high degree of vetting and assessment by the federal government.
- Providing this substantial cash match from state funding sources will demonstrate alignment with OEDIT and the Governor's office thereby improving the project's competitiveness and increasing Colorado's chance to win the Federal EDA BBB award in Phase II. This was validated by informal discussions with knowledgeable officials and is consistent with prior federal grant programs.
- Providing societal benefits in the areas of disease prevention and climate change.
- The proposal has the potential to provide a significant and long-term economic benefit to the state of Colorado through leveraging \$100M of federal funds, increasing state competitiveness.
- The proposal will provide substantial investments in the industries of bioscience and cleantech. The Colorado Coalition program intends to grow the Front Range region's intensive R&D and commercialization in these sectors with the goals of:
  - 8,000 new jobs in biosciences and cleantech with high average wages;
  - 75% increase in R&D output and in total investments in the sector;

- and 25% representation of historically underserved populations and 50% women in jobs in the cluster
- Catalyzing more than \$500M in total in project investments

OEDIT notes that its recommendation to the EDC to provide a \$6.2M match to the Colorado Coalition was the result of a productive and open dialogue between OEDIT and the Colorado Coalition. The amount recommended is based on all the rationale and benefits of the project described above but also based on the fact that there are competing priorities for ARPA and state strategic funds and that this project will focus a large amount of resources on the northern front range of Colorado and balances the demand for economic development and recovery needs extend state-wide.

**Written Proposed Motion:** I move approval of encumbering \$6.2M for matching funds, from sources described below, for Innosphere Ventures, a nonprofit corporation, to be used by the COLORADO COALITION's Build Back Better application. Of the total, Innosphere Ventures shall make \$1.2M in state Strategic Funds available as matching funds for the Global Energy Park. The remaining \$5M may be distributed among the other coalition partners as best suits the coalition's needs.

The \$6.2M would be funded from the following sources within the EDC's Strategic Fund:

- \$2M from ARPA SLFRF (\$40M OEDIT allocation) funding\*\*\*\*
- \$4.2M from OEDIT state stimulus funding (\$15M one-time 2021 infusion)
  - Of which some portions may be backfilled or replaced at a later date with Advanced Industries Accelerator Grant funding after the AI Infrastructure application/diligence process is completed. If there is an AI backfill of these funds, a corresponding amount of these state Strategic Fund dollars would be unencumbered. We request the coalition work with the Advanced Industry Program staff to complete the infrastructure application process as soon as possible.
  - Once the Global Energy Park selects and executes its lease with the private developer (and obtains matching funds from the developer), if the state matching funds for the Global Energy Park are no longer needed or required by the EDA, these state Strategic Fund dollars may be unencumbered and returned to the Strategic Fund for other uses.

\*\*\*\*These ARPA funds would come from the provision of government services eligible use category.

**Additional direction from the EDC:**

All projects will:

- Endeavor to provide economic development benefits across the State of Colorado, not just across the Northern Front Range, including rural Colorado.
- Work to align with strategies and initiatives funded by OEDIT's Advanced Industries programs.
- Ensure sustained focus on the EDI (Equity Diversity and Inclusion) of the project as presented by the coalition.
- Focus on economic development activities such as; business startup and development, private capital formation to support technology commercialization, and job creation, instead of academically oriented activities.

**Reporting requirements from the COLORADO COALITION and its members:**

- Follow all ARPA and State reporting requirements.
- Until the projects are finished at least a detailed annual written and verbal status report to the EDC

- The reporting shall include an explanation of how the project partners are leveraging the benefits of the investments in rural communities.
- The progress on achieving the metrics proposed to the EDA in the project application. Including but not limited to those related to historically underserved populations and women, job creation, and R&D investments.
- Tracking the number of operating businesses supported annually by the various projects.

If this motion is approved, the OEDIT Executive Director and/or the EDC Chairperson or acting Chairperson will issue a formal matching letter, or other document per EDA requirements, stating the above commitment of state funds for use by the COLORADO COALITION, via in their application for Phase II of the EDA Build Back Better grant. If the coalition wins the final award, OEDIT will move forward with execution of the contract with Innosphere Ventures.

M/S/P – Franz, Paletz – Written Motion for the Colorado Coalition Build Back Better Application approved as presented and recommended by staff.

#### **D. Outdoor Retailer Shows Extension**

Kraft provided some background and introduced Conor Hall to present the project request.

In 2017, the Colorado Office of Economic Development & International Trade and the Economic Development Commission (EDC) offered VISIT DENVER \$1.7M from the State's Strategic Fund, to be matched on at least a 1:1 basis, to recruit the Outdoor Retailer Show to Denver from Salt Lake City, UT. Outdoor Retailer decided to leave Utah due to state leadership opposition to the new Bears Ears National Monument and other public land policies. Colorado was chosen due to its long-term commitment to protecting public lands and its strong outdoor recreation economy.

The initial 5 year contract between VISIT DENVER and Emerald X is set to expire after the final Outdoor Retailer Summer Show in June 2022. In early 2021 and most recently in January 2022, Emerald X sent out two surveys to past and current show exhibitors asking about show locations (options included Denver, Salt Lake City, Anaheim, Orlando, and Las Vegas) and timing. Many outdoor industry members have connected with Emerald X and Outdoor Retailer leadership to discuss the future of the show in Denver. Emerald X is seriously considering these other locations for the show, most notably Salt Lake City. Many in the outdoor industry have reinforced that they will not go back to Utah due to leadership's continued opposition to public lands protection, and would prefer the show to remain in Denver.

OEDIT/OREC recommends using up to, but no more than, \$400,000 of the remaining \$441,005 from the original \$1.7M incentives package from the 2017 EDC agreement as incentive for Emerald X to keep the OR Show in Denver. This package should be tied to a number of performance benchmarks and will be repackaged into a new contract to be matched by more than 1:1 by VISIT DENVER. This funding option was recommended to VISIT DENVER and they recommended splitting the amount per show. Using the previously encumbered funding is a good display of fiscal responsibility (versus offering an entirely new incentives package or alternative funding sources), as the EDC has already approved the funding, and \$400k remains unspent. The State will in effect secure an additional three years of OR Shows, plus an option for another 2-years, for the price of the original allotment.

Approval for the use of the funds is contingent on VISIT DENVER providing at least a 1.:1 match of EDC funds as described below and VISIT DENVER and its partners and stakeholders signing a 3-year contract,

with an option for an additional 2-year contract, to host two shows: January Snow Show and June/July Summer Outdoor Retailer.

This is a performance based incentive. State funds will be paid to VISIT DENVER, annually in arrears after the shows are held, upto 2 shows in each of the next three years and proof of matching funds have been disbursed. Matching funds authorized are incentives, subsidies and concessions expenditures made to Emerald or on Emerald's behalf, to include by not limited to, payments to the Colorado Convention Center directly for WiFi services on behalf of Emerald X, at \$90,000 for each show, or \$180,000/year for two shows. If the shows for any reason are not held, OEDIT would not make any payments to VISIT DENVER for those shows.

After 3 years, any unspent portion of the \$400,000 in state funds can be utilized for the additional 2-year option with the same matching criteria.

OEDIT staff recommends that the EDC approve \$400,000 in performance-based incentives to VISIT DENVER, a non-profit, to incorporate in their bid to secure the OR Show in Colorado for the next 5 years, with at least a \$1:\$1 match from VISIT DENVER.

- This is a reimbursement grant for 44% of Wifi fees at the Colorado Convention Center. State funds will be paid once a year to VISIT DENVER, in arrears, at the rate of \$40,000 per show held, for upto 2 shows in each of the next five years per the table above.
- New contract will not be executed until the previous award funds are balanced and contract is closed.

M/S/P – Pryor, Paletz – Outdoor Retailer Shows Extension approved as presented and recommended by staff.

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