

ECONOMIC DEVELOPMENT COMMISSION

MEETING MINUTES

September 21, 2023

8:30 a.m. – 11:45 a.m.

MEETING DATE

September 21, 2023

1600 Broadway, Suite 2500

Denver, CO 80202

MEETING PARTICIPANTS

A. Commission Members

Chris Franz, Walker Stapleton, Jay Seaton, David Dragoo, Andrew Sparn, Carl Young, Esther Lee Leach, Simon Tafoya, and Steven Paletz.

B. Guests

Connie Ealey, Adam Roy, Brandon Stam, Sara Lobato, Shawna Lippert, Aldo Svaldi, Ed Sealover, Lucas High, Analisa Romano, Sara Lobato, Candace Payne, Courtney Tribble, Trish Thibodo, Rachel Lyons, Sarah Stoeber, AJ Oscarson, Bonnie Watson, Scott Romano, and Grady Lenken.

C. Staff

Jeff Kraft, Sean Gould, Michelle Hadwiger, Donald Zuckerman., Arielle Brachfeld, Keri Ungemah, Alissa Johnson, Carly Clagget, Laura Rodriguez, Mike Landes, Dan Salvetti, Tad Johnson, Dana Bakshani, Ashley Mount, Makayla O'Malley, Che Sheehan, Leslie Hylton-Hinga, Sarah Harrison, Ruth Wilson, Josh Blanchard, and Virginia Davis.

DECISION/ACTION ITEMS

1. The Economic Development Commission approved the Minutes from the August 17th, and September 7th, 2023, EDC Meetings.
2. The Economic Development Commission approved the following projects/items:

TCP: Project Tortuga, and CHIPS Refundable Tax Credit Program Policies and Procedures.

SF: SBDC TA SLFRF, Federal Fast Forward, Cultural Presentation Program (new name Community Business Preservation Program).

EZ: GJEP 2024-2028, Peak Vista, Western Colorado Center for the Arts, Weld County Economic Development, National Western Stock Show Association, CWEE Hybrid-Model Career Readiness Program, FLCF - Sky Pavilion and Cultural Gardens, EFLCF - Nursing Collaborative, West End Economic Development Corporation, and Crow Canyon Archaeological Center.

COFTM: Project White.

Meeting Called to Order

Franz called the meeting to order.

A. Minutes

Franz called for a motion to approve the minutes from the September 7th, 2023, EDC Meeting.

M/S/P – Paletz, Sparn – Minutes approved as presented.

Franz called for a motion to approve the minutes from the August 17th, 2023, EDC Meeting.

M/S/P – Stapleton, Dragoo – Minutes approved as presented.

B. Tax Credit Programs (TCP)

Project Stronghold Correction

Hadwiger presented the Project Stronghold Correction notification. An earlier version of the Project Stronghold write-up was published in the August EDC Board Book. This is a notification to the commissioners and the public, that the amount approved for this project has been reduced with the knowledge from the company. The amounts on the website and delivered to the media prior to the meeting were correct.

Staff is requesting approval of the correction as outlined.

M/S/P – Paletz, Sparr -Project Stronghold correction approved as presented and recommended by staff.

Project Tortuga

Hadwiger presented Project Tortuga. The company behind Project Tortuga manufactures specialized electrical systems and modular data centers that enable the growth of climate-aligned power sourcing, modular infrastructure systems, and digital technologies. The company is a subsidiary of a larger company that repurposes otherwise wasted energy to fuel computational power. The company is evaluating multiple cities to locate an expansion to its manufacturing capabilities.

Staff is requesting approval of up to \$938,913 in performance-based Job Growth Incentive Tax Credits over an 8-year period for the creation of up to 78 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 – Paltez, Stapleton – Project Tortuga approved as presented and recommended by staff.

CHIPS Refundable Tax Credit Program Policies and Procedures

Hadwiger presented the CHIPS Refundable Tax Credit Program Policies and Procedures.

Strategy for \$15M, Annual Limits & Tax Credit Sizing

OEDIT staff will consider tax credit sizing and make recommendations to the EDC based on the strategic value and alignment with the legislative intent of the CHIPS refundable tax credit program, the potential for the drawdown of federal funds, and the demand for credits/current industry landscape.

OEDIT staff may recommend limits on the total refund amount that may be approved for a single taxpayer in a given year, multiple years, or all years and may provide a recommendation to limit a total refund amount for a specified semiconductor or advanced manufacturing activity and based on the economic impact anticipated for Colorado.

Additional Guardrail: The credit sizing process will generally follow a process that mirrors other existing tax credit programs, including JGITC, and any requests will be reviewed in consultation with Business Funding & Incentives and the Global Business Development divisions of OEDIT.

Project Commencement

Project Commencement reason means any one of the following (consistent with the JGITC definition):

- Company began hiring new jobs
- Company began spending capital (explain)

- Filing building plans, permits, etc.
- Company Signed a Lease
- Company Purchased Real Estate
- Other milestone date indicating project commenced (explained by applicant)

EZ ITC \$750k Annual Credit Max

This standard limit does not apply to any EZ ITC refundable tax credit per statute.

Other Credits

OEDIT staff will evaluate the taxpayer's past and present performance on any obligations related to credits the taxpayer is receiving/has received before recommendation to the EDC.

Staff is requesting a motion approve the OEDIT Staff Recommended CHIPS Refundable Tax Credit Policies and Guidelines with the understanding that the EDC may add additional requirements and recommendations in the future. The EDC may see applications from this program to review and approve as soon as the next EDC meeting.

M/S/P – Seaton, Stapleton – CHIPS Refundable Tax Credit Program Policies and Procedures approved as presented and recommended by staff.

Project Updates

Hadwiger provided an update of recent GBD activities, previously approved projects and pending announcements.

C. Strategic Fund (SF):

EDC Budget Update

Gould provided the EDC Budget update which shows a Long Bill balance of \$23,895,595.

SF Balance Forecast

Gould presented the SF Balance Forecast that shows an approximate, current available balance of \$23,895,595 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.

Recovery Office Biannual Update

Sayed, Streight, and Gould presented the Recovery Office update providing an update of the Recovery Office and highlighting the resources related to ARPA, the overall OEDIT recovery spend, and compliance progress to date.

M/S/P – Dragoo, Sparn – Project Innovate approved as presented and recommended by staff.

SBDC SLFRF Update

Krieger, Hudson, and Maloney provided the SBDC SLFRF update. The update focused on the SLFRF purpose within the SBDC network and sharing success stories of the programming.

ARPA SLFRF Update and Request for The Terminal Grand Junction Project

Healey provided an update on Artspace Colorado Springs, Montbello Organizing Committee/Freshlo, and Urban Land Conservancy. The CCI Council has approved grant capital of \$63,300,000 under funding from SB 21-252 and \$19,075,000 under funding from SB22-1409 for a total of \$82,375,000 for 55 CRG projects.

Many of the projects are in rural areas of Colorado. The APRA/SLFRF grant application being review by the EDC today for The Terminal Grand Junction will be the only project in the Grand Junction area.

The Terminal Grand Junction Project

Healey, Stam, and Roy presented The Terminal Grand Junction Project. This is a rural project request for the new construction of a mixed-use, 6-story building to include artist studios, gallery, flex community space and 90 units of multi-family housing.

The Downtown Development Authority purchased the blighted building and site in 2021. The existing building will be demolished. The Terminal project meets the criteria for a CRG project and an ARPA/SLFRF project. Funding is categorized under ARPA as Revenue Replacement for a CRG project benefiting the community in a rural area. Thirty of the housing units will be affordable workforce housing serving AMI's between 80% and 120% with an artist preference. If The Terminal project is approved today, the ARPA/SLFRF grant funds, the APRA/SLFRF grants for CRG projects will be fully committed.

The EDC expressed concerns over the Area Median Income (AMIs) for the project and requested the approval today be contingent upon staff discussing with the project representatives the window of AMI affordability that applies to the housing units.

Young requested an update from staff on their discussions with the project representatives regarding the AMIs.

M/S/P – Seaton, Dragoo – The Terminal Grand Junction Project was approved at \$3,206,471 contingent upon the AMI affordability for the housing units.

Federal Fast Forward

Kraft, and Rodriguez presented the Federal Fast Forward (FFF) request. The proposed program seeks to capitalize on and leverage the strategic work of coalitions applying for these economic developed focused federal programs by providing the opportunity to apply for state funds to continue their work, accelerate efforts, and to potentially draw down Federal funding.

Summary of Proposed EDC Awards

Name	Est. # of awards	Max EDC \$s per Award	Amount	Key Guardrails/Policies
Recompete - Planning	approx 8	\$50,000	\$400,000	Automatic but conditional award for EDA designee.
Recompete - Implementation	1	\$600,00	\$600,000	Automatic but conditional award for EDA recipient -Amount goes through review process -Federal match
TechHubs Designated	up to 1	\$3,000,000	\$3,000,000	-Detailed reporting requirements
TechHubs Non-Designated	up to 4	\$750,000	\$2,000,000	Subject to review process for receiving and amount Requirement to seek matching funds
Build to Scale	multiple	\$2,000,000	\$2,000,000	-Amount goes through review process -Award to contribute to required 1:1 cash match (EDA awards range from \$300k - \$2M) -Detailed reporting requirements
NSF Engines	1	\$2,000,000	\$2,000,000	Automatic award if selected by NSF

Guardrails

- Standard Review Process & Selection Committee
 - Larger awards targeted towards entities that successfully achieve federal funding.
 - Sustainability plan - Industry-led or significant involvement.
 - Detailed Program Budget.
 - Funds specifically for the benefit and use of Colorado (if part of a multi-state consortium).
 - Application to include sources & uses of all funds.

- Match required for awards over \$100,000 and may vary depending on size of award (from 1:1 to 3:1).
- Admin and overhead are not eligible uses of state dollars for grants that are already receiving admin via the federal award.
- State dollars will not exceed the total operating budget of the entity accepting the funds.
- Quarterly & Annual In-Person EDC Updates on dollars dispersed and activities conducted.
- Material Changes require EDC approval.

Staff requests approval of a \$10M earmark from the Strategic Fund and conceptual approval of the proposed program as presented with the understanding that OEDIT staff will return to the EDC for final program approval and allow the EDC to weigh in on more granular program guidelines and final award decisions before they are made. I authorize OEDIT to establish selection criteria, review committees, publish high level award guidelines, and bring forward time sensitive applications for this program as needed.

Tafoya wanted staff to include in the motion an emphasis on opportunities that have statewide impact on job creation as a result of this investment in the specific area.

M/S/P – Dragoo, Young – Federal Fast Forward approved with the noted addition from Tafoya.

Additionally, staff requests a conditional approval of \$2M of the \$10M FFF earmark for the CO-WY NSF Engine Semifinalist with the following conditions:

- Win federal NSF Engine designation and federal funds.
- Formally apply to the EDC and meet the criteria set forth in the proposed program (with project specific milestones, success metrics, detailed project-driven budget, other sources of funding, sustainability plan, etc.)
- The EDC will have authority to provide input, additional project-specific guardrails, & recommendations.

M/S/P – Leach, Stapleton – \$2M of the \$10M FFF earmark for the CO-WY NSF Engine Semifinalist approved as presented and recommended by staff.

Cultural Preservation Program (renamed to the Community Business Preservation Program)

Hyltaon-Hinga presented the updated budget request for the program. OEDIT Cultural Preservation Program, which has been renamed to the Community Business Preservation Program (CBPP), provides grants, as well as training and consultation support, to groups of geographically proximate and culturally similar businesses that are facing displacement pressures and that hold cultural, social, or historical significance in Colorado. OEDIT proposes adding \$50,000 to the CBPP budget to work with Energize Colorado in administering the program.

M/S/P – Leach, Paletz – Additional \$50,000 to the Community Business Preservation Program approved as presented and recommended by staff.

D. Enterprise Zone (EZ): Che Sheehan

Contribution Project Proposals

Sheehan presented the following EZ Contribution Project Proposals for approval.

EZ	Project Name	Category	Completion Date	Budget	1 yr. Proj. Credits
MESA	GJEP 2024-2028	Business Assistance	12/31/2028	\$750,000	\$89,375
PP	Peak Vista Mental Health Expansion	Healthcare	12/31/2028	\$2,500,000	\$131,250

MESA	Western Colorado Center for the Arts	Visitor Event/Attraction	12/31/2028	\$837,620.00	\$8,125
WELD	Weld County Economic Development	Economic Development	12/31/2028	\$166,753	\$75,000
DEN	National Western Stock Show Association	Tourist Attraction	12/31/2028	\$8,300,000	\$750,000
DEN	CWEE Hybrid-Model Career Readiness	Job Training Program	12/31/2028	\$750,000	\$18,937.50
SW	FLCF - Sky Pavilion and Cultural Gardens	Community Facility	12/31/2028	\$5,600,000	\$81,250
SW	FLCF - Nursing Collaborative	Job Training Program	12/31/2028	\$3,584,872	\$18,750
REG10	West End ED Corporation	Economic Development	12/31/2028	\$2,790,000	\$5,625
SW	Crow Canyon Archaeological Center	Job Training Program	12/31/2028	\$3,800,000	\$25,000
TOTAL				\$29,079,245	\$1,203,312.50

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

E. COFTM

COFTM Budget Update

Brachfeld provided the COFTM Budget update which shows a current available balance of \$360,294 if today's pending projects are approved.

Project White

Brachfeld presented the Project White. Project White is a sports documentary project that tells the story of a championship-winning athlete and their ongoing recovery from a career-threatening injury. Through personal home video, verite footage, and interviews with some of the biggest names in sports, this documentary provides an introspective look into how this athlete handles one of the most pivotal moments of their lifetime.

Per the applicant's estimations, the Office of Film, Television & Media is anticipating a total of \$105,657 in qualified local expenditures and with the multiplier effect, the economic impact could reach up to \$189,997.70.

The project has a total preliminary Colorado budget of \$105,657:

- Payroll spend: \$95,657
- Vendor spend: \$20,000
- CO Crew hires: 5
- CO Cast hires: 1
- Total CO hires: 6, which equals 100% of the total cast and crew hired for this project

The estimated qualified local expenditures of the application would result in a rebate of \$21,131.40 which is a 20% rebate.

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

M/S/P – Paletz, Dragoo – Project White was approved as presented and recommended by staff.

F. Other

Next EDC Meeting

The next EDC meeting will be October 19, 2023.

With all items discussed, the meeting was adjourned.