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May 15, 2020

The Honorable Michael Bennet United States Senator

The Honorable Diana DeGette Member of Congress

The Honorable Scott Tipton Member of Congress

The Honorable Doug Lamborn Member of Congress

The Honorable Ed Perlmutter Member of Congress

Dear Colorado Congressional Delegation:

The Honorable Cory Gardner United States Senator

The Honorable Joe Neguse Member of Congress

The Honorable Ken Buck Member of Congress

The Honorable Jason Crow Member of Congress

Thank you all for your continued support, service, and partnership during this difficult time as we respond to the impacts of the novel coronavirus disease-2019 (COVID-19) pandemic. Together, our leadership has saved lives, connected individuals to financial assistance, and stabilized our economy. Because of our efforts to ensure social distancing, we have begun to slowly re-open our stores, offices, and services that Coloradans rely on each and every day. But, there is more work that must be done to help families and businesses during these times.

As you all know, the Governor's Council for Economic Stabilization and Growth (GCESG) was established in March, chaired by Secretary Frederico Pena. Their task was to explore the full scope of the economic impacts of COVID-19 in our state and make recommendations to mitigate the uncertainty faced by households and their communities. The GCESG has returned their second set of recommendations for actions the federal government can take to steady our economy and put us back on the path towards economic growth. We urge you to consider taking the following immediate action to secure the future for our tourism, outdoor recreation, energy, arts & culture industries, and small businesses.

### **Small Business**

We urge you to consider requiring commercial lenders to provide similar forbearance services or renegotiated terms on real estate, equipment, and working capital. Protections should be put in place to protect businesses from predatory lending practices or "balloon" payments at the end of forbearance. In addition, we urge you to allow for at least a six-month interest-free delay in payments to lenders for small businesses recovering from this economic downturn, as many are struggling to increase their cash flow.

We urge you to consider new investments in the Community Development Financial Institutions (CDFI) Fund. The CDFI had to share its proportion of PPP with smaller banks nationwide. This investment would ensure that more women and minority-led businesses would have high-quality lending options available to them during a time where capital is difficult to find. In addition, we encourage you to consider making these programs available to all state-legal businesses and industries in any relief packages, including marijuana or cannabis. We urge you to also consider new investments in broadband and wireless infrastructure. With many families still staying home, connecting businesses and school districts to fast and reliable internet is vital to sustaining our economic vitality and high-quality workforce.

Finally, we urge you to take action to remedy concerns around claims and payments from insurers for business interruption insurance, as many Colorado businesses are depending on these claims to restore their business.

#### **Tourism**

We urge you to make changes to the Paycheck Protection Program (PPP) to allow those businesses who have already received funds to also receive retroactive loan forgiveness. Early recipients should not be penalized for their efficiency, and we should reward their responsibility in trying to keep employees on their payrolls during these difficult times. In addition, we encourage you to consider an allowance for additional uses of forgivable funds through PPP like payment of sales tax, preventative maintenance contracts and expenses, and other business-related expenses. And in keeping with the goals of the PPP, any new allowances should be tied to new requirements to protect workers and wages.

For our restaurants and hospitality industries that have been disproportionately harmed by closures during the pandemic, we urge you to support the Restaurant Recovery Program under consideration in Congress. The proposed \$240 billion recovery fund will assist restaurants struggling financially and support their ability to pay their expenses and debt obligations, re-hire and retain employees, and assist locations readjusting to heightened health and safety standards. In addition to this effort, we encourage you to consider capping or waiving fees for the delivery of food from restaurants and capping or waiving fees for credit card transactions for the restaurant and hospitality businesses that have been closed or hours significantly reduced due to COVID-19. As a last resort, we also encourage you to consider a suspension or reduction of payroll taxes for both employers and employees through the end of calendar year 2020.

#### Outdoor Recreation

We urge you to take action to provide temporary fee waivers for our outdoor recreation industry that is the lifeblood of Colorado communities. Ski areas, outfitters and guides, marina operators, and others, many of whom are small businesses, depend on special use permits for federal lands. A temporary fee waiver will sustain these businesses who are struggling with cash flow at this time. Also, an expansion of the existing U.S. Forest Service pilot program that allows stewardship and clean-up hours to be applied to permit days will assist permit-holders. Finally, consistent with this pilot program, temporarily relaxing the "use it or lose it" policy for permit days will allow more flexibility for businesses struggling to find customers during the recovery.

In addition, we urge you to consider new investments in our public lands, including recreational infrastructure for trails, roads, and other recreational related activities. This is important as agencies face likely losses in revenue, and could help offset valuable fee waivers for recreation. In

addition to direct investment in our federal public lands, measures including S.3422 and S.241 would provide significant investments in and value to the outdoor recreation economy and would benefit Colorado communities.

Finally, we encourage you all to sign on and support the Pandemic Response and Opportunity Through National Service Act. This bill empowers the AmeriCorps to help lead the recovery effort, makes changes to how grant regulations that include increases to weekly stipends for members, and increases education awards. This is in alignment with our efforts to support the 21st Century Civilian Conservation Corps and other public lands oriented national service efforts.

# Energy

As referenced in our letter submitted to the Colorado Congressional Delegation on May 6 of this year, we urge you to advocate for funding to support incentives or loans for clean energy projects. As you know, local solar installers, building contractors, energy design firms, and others would benefit from new incentives or low- or no-interest loans for families and businesses as they invest in their energy efficiency and clean energy production. We support funding and financing mechanisms for local and tribal governments to pursue these strategies. These could include, for example, new investments to the Energy Efficiency Community Block Grant program, Weatherization Assistance program, or Appliance and Insulation Rebate program.

Supporting efforts to promote the development of local distributed clean energy resources and other community resilience programs is also something that we urge you to consider taking action on. Federal funding or incentives for solar storage, building electrification, energy efficiency, demand response, electric vehicle charging, grid-connected buildings, microgrids, and carbonneutral and/or recovery will create jobs and reduce the risk of outages for key infrastructure. We encourage you to especially consider new enhancements to the State Energy Program, Energy Efficiency Community Block Grant program, and to encourage the Environmental Protection Agency to allow states to have more flexibility in the use of these funds.

Finally, we encourage you to consider directing federal stimulus funds to utility companies that would be used to offset the non-payment of customer energy bills resulting from this crisis. Reliable and affordable gas, electricity, sewer, and water is critical to our state's economic stabilization and growth, and to the well-being of our communities and businesses.

## Arts & Culture

We urge you to replenish the PPP and Economic Injury Disaster Loans and Advances (EIDL) to support Colorado's vibrant arts and culture community. As in a previous letter I sent, I encourage you to consider expanding eligibility for these programs to trade associations and certain nonprofits who are struggling to receive membership dues at this time. Other actions I encourage you to consider are eliminating the 500-employee cap for 501(c)(3) nonprofit organizations and the \$1,000 per employee cap and allowing volunteer-run nonprofits to apply for EID advances to cover overhead costs. Consideration should also be made to allow for forgivable emergency or loan assistance to nonprofits of all sizes or those who are self-employed, sole proprietors, small limited liability companies, and tribal governments. This assistance can be used to offset overhead costs like rent, utilities, insurance premiums, and debt service.

Extension of the duration of the Pandemic Unemployment Compensation (PUC) assistance for artists and art professionals whose income has been negatively impacted by the loss of sales or

performance venues is vitally important for the health of the industry. In addition, this benefit could be extended to 501(c)(3) organizations that depend on income from seasonal events such as festivals or conferences that were canceled due to social distancing measures. This change will also have a ripple effect on other industries as well, so we encourage you to consider taking action to help Colorado businesses and organizations.

Additional investments should also be made to the National Endowment for the Arts (NEA), National Endowment for the Humanities, and Institute of Museum and Library Services, as they uniquely address the operational needs of the cultural sector. Grant opportunities should be made fully available to all eligible organizations as defined by the NEA, enabling national nonprofit service organizations to subgrant federal arts funds and expand waivers for public/private matching requirements. We also encourage you to consider other investments in Community Development Block Grants or other infrastructure block grants to include eligibility for arts-related jobs, community-based programs, and facility development. And as investments are considered, cultural organizations with facilities should be eligible for funds to renovate, refurbish, and adapt so that they can continue to serve as the centerpiece of economic vitality in Colorado communities.

In conclusion, we hope that you will take these recommendations from the Governor's Council on Economic Stabilization and Growth and incorporate them into your next round of conversations for federal stimulus. Together, I know that we can build a stronger and more vibrant Colorado economy. Thank you in advance for your time and consideration.

Sincerely

Jared Polis Governor Frederico Pena, Chair

Governor's Council on Economic

Stabilization and Growth