

ECONOMIC DEVELOPMENT COMMISSION

MEETING MINUTES

February 18, 2021

8:30 a.m. – 12:30 p.m.

MEETING DATE

February 18, 2021

Virtual Meeting

MEETING PARTICIPANTS

A. Commission Members

Carrie Schiff, Becky Takeda-Tinker, Chris Franz, Wendell Pryor, Blake Jones, David Dragoo, Benita Duran, Alberto Garcia, Gretchen Wahl, Jay Seaton, and Jandel Allen-Davis.

B. Guests

Chase McCleary, Sam Bailey, Dylan Vox, Rebecca Gillis, Sara Lobato, Terri Eggert, Tim Martinez, Jennifer Pinsonneault, Yvette Bowden, John Allan, Eric Dantzler, Nathan Bishop, Corban with Project Quantum, Aldo Svaldi, Michael Lowe, Brian Corde, John Lenio, Bonnie Petersen, Lucas High, Ed Sealover, and Kylee McVaney.

C. Staff

Betsy Markey, Jeff Kraft, Sean Gould, Ken Jensen, Jill McGranahan, Tad Johnson, Andrea Blankenship, Andrew Wallace, Che Sheehan, Mike Landes, David Madsen, Michelle Hadwiger, Reid Aronstein, Andrew Trump, Donald Zuckerman, Kelly Baug, Rama Haris, Greg Thomason, Katharina Papenbrock, Glenn Plagens, and Virginia Davis.

DECISION/ACTION ITEMS

1. The Economic Development Commission approved the Minutes from the January 21, 2021 EDC Meeting.
2. The Economic Development Commission approved the following projects/items:

JGITC:	Project Quantum.
SF:	Project Saturn; Project Runway; Project Hong Kong; COVENTURE Accelerator; and EDC Marketing top up.
EZ:	PP – Crossfire Ministries, Inc.
AI:	CU Anschutz Allocation Projects.
COFTM:	Jealous Friendship; and Mother of All Evil.
RJS:	Garfield County; Pueblo County Zone; Program Manual Changes; and Annual Reports and Benefits.

A. Meeting Called to Order

Schiff called the meeting to order.

B. Minutes

Schiff called for a motion to approve the minutes from the January 21, 2021 EDC meeting.

Duran moved approval of the minutes. Dragoo seconded the motion. Motion passed unanimously.

M/S/P – Duran, Dragoo – Minutes approved as presented by staff.

**C. Job Growth Incentive Tax Credit (JGITC): Michelle Hadwiger
Project Quantum**

Hadwiger presented Project Quantum. Project Quantum is a high growth, early-stage tech manufacturing startup currently based in Colorado that is considering significant expansion in Colorado or in several other states. The company behind Project Quantum was launched in late 2020 and has generated significant interest from private investors as well as other states and locations in which the company could grow. The company manufactures the hardware that is at the foundation of quantum computing. The company has identified a significant market gap between supply and demand, and a significant need for domestic manufacturing and supply chain integration of quantum computing to serve US national security concerns. Quantum computing, more broadly, has significant potential in solving intractable problems in the healthcare, finance, AI, and other industries that will lead to significant economic growth across the economy.

Staff is requesting approval of \$2,939,641 in performance-based Job Growth Incentive Tax Credit over an 8 year period for the creation of up to 726 net new full-time jobs over the next 8 years at an average annual wage equal to or greater than the average annual wage of the county the project chooses to locate. The maintenance of net-new jobs in Colorado for one full year before any credits become vested. Before any credits are issued, the company must create and maintain at least 20 net new full-time jobs. OEDIT requires that the company raises \$6M of their expected Seed Series by January 1st, 2022 before OEDIT will execute this contract with the company. This is 75% of the low-end of the company's total planned funding round of \$8M- \$12M.

M/S/P – Allen-Davis, Franz – Project Quantum approved as presented and recommended by staff.

Update of Approved Projects

Hadwiger said the Colorado is seeing huge deal flow. We have over a billion dollars in capital investment on the table right now. We have four RFI/RFPs for very significant job creation and manufacturing projects in the pipeline for large multi-national companies. In spite of what's going on right now with the pandemic it's great to see that there are companies continuing to scale and grow and they are not just in the traditional tech/software space that we've been seeing a trajectory on in the past. Now we're seeing large, capital intensive job creation projects on the table as well. It's a great opportunity to round out the supply chains, the value chains, and the talent pool at all levels.

D. Strategic Fund (SF): Jeff Kraft, Sean Gould, Michelle Hadwiger

EDC Budget Update

Gould presented the EDC Budget update which shows a current balance of \$4,407,134 available for future projects.

Strategic Fund Balance Forecast

Gould provided the SF Balance Forecast which shows \$1,173,134 in projected available funds.

Nextworld (Project Saturn) – LONE and JGITC

Hadwiger presented Project Saturn. Project Saturn is a tech company headquartered in Denver, Colorado that is contemplating expansion of their headquarters operations in Greenwood Village or relocating and expanding the company outside of Colorado entirely. The company has developed a new software platform and is rapidly expanding due to market demand for their product. In anticipation of the company's growth, the company has determined that it will outgrow its existing office location and will need to lease a new office space in which to headquarter the company. If the company chooses to maintain the headquarters in Colorado, Project Saturn would lead to the creation of up to 306 net new full time jobs in Colorado. Of the 306 net new full time jobs created, the company anticipates that it may hire as many as 59 location neutral employees to work remotely from Colorado's LONE eligible counties over the next five years. Over eight years, the company anticipates that they could employ as many as

120 remote workers from LONE eligible counties. Outside of Colorado, the company is considering locations in Texas and Florida. If the company chose to locate in either Texas or Florida, the company would likely move some, or potentially all, of its existing Colorado headcount to the new location as well.

Staff is requesting \$2,552,664 in performance-based Job Growth Incentive Tax Credits over an 8-year period. This incentive is contingent upon the creation of up to 306 net new jobs over the next eight years at an average annual wage equal to or greater than the average annual wage of the county the project chooses to locate, the maintenance of net-new jobs in Colorado for one full year before any credits become vested, and before any credits are issued, the company must create and maintain at least 20 net new full-time jobs.

In addition, staff is also requesting \$295,000 in a performance-based Strategic Fund LONE incentive over a 5-year period, 60 months, at \$5,000/NNJ. This incentive is contingent upon the creation of up to 59 net new permanent full-time jobs, in the LONE-eligible communities, with similar corporate positions as the JGITC project. As long as the AAW requirement of the total JGITC project has been met, then these LONE net new jobs are eligible for this incentive. The Net New Jobs must be maintained in Colorado for one full year before any grant payments are made at the end of the 5 year period, based on the average number of LONE eligible employees over years 2 through 5. Per the LONE incentive, no local match is required for these Strategic Fund monies.

M/S/P – Duran, Takeda-Tinker – Nextworld (Project Saturn) approved as presented and recommended by staff.

Project Runway

Hadwiger presented Project Runway. Project Runway is an American company that is evaluating the state for an expansion project. This project would entail the first phase of a potentially multiphase competitive expansion project that could occur in whole, or in part, in Colorado. The project phase in question would entail nearly \$150 million in capital investment between construction costs and machinery and equipment purchases. Additionally, the project would generate approximately 300 net new jobs over 4 years.

Staff is requesting \$900,000 in performance-based Strategic Fund Job Creation Cash Incentives over a 5-year period, 60 months, is requested from the EDC. This incentive is contingent upon the creation of up to 300 net new full-time jobs at a minimum average annual wage (AAW) equal to or greater than the average annual wage of the Colorado county ultimately selected. The maintenance of net-new jobs in Colorado for one full year before any cash grants are paid. The approval and contracting for and/or pay out of local matching incentives by the local community, with the following standard stipulations: OEDIT will not pay out any Strategic Fund cash incentives if the City Council does not approve and commit local incentives. Because the local match letter included in this application does not specify the exact nature of the local match at this time, OEDIT and/or the EDC must determine if, once offered, the final local matching in kind contributions are dedicated specifically enough to the company's job creation project and are not serving a public purpose for the match to count under the EDC's Strategic Fund policy before the Strategic Fund Incentive contract will be finalized. The state maintains the right to reduce this incentive on a per job basis to only count the allowable match through approved incentive programs.

M/S/P – Duran, Wahl – Project Runway approved as presented and recommended by staff.

Project Hong Kong

Hadwiger presented Project Hong Kong. Project Hong Kong is a foreign-based non-profit that is evaluating locations for its US Headquarters. Project Hong Kong is a fast growing, innovative tech non-profit focused on funding education programs for disadvantaged populations. The company derives its profits through a

technology platform that significantly reduces the costs of consumer's purchases within its industry vertical in comparison to the private competitors' platforms in the market. The non-profit, in addition to dedicating its profits to education-related initiatives and projects, has sought to employ and train individuals from disadvantaged backgrounds who otherwise would not be able to secure employment in the technology industry. The non-profit, through its disruptive technology and social mission, has garnered significant attention, funding, and market-success from large technology companies, governments, and industry players. Project Hong Kong has identified the US as a key market for the expansion of its platform and generation of additional profits, and is considering several US locations in which to base its US HQ.

This non-profit comes from a country that GBD and OEDIT have interacted with significantly and identified as a key source of foreign direct investment. This company's mission and technology would also highlight Colorado's leadership and competitiveness in attracting companies and organizations with innovative technologies and a commitment to serving disadvantaged communities in the areas in which they operate.

Given the unique considerations of economic and social benefit that OEDIT believes this project would bring, staff is requesting that the EDC consider a Strategic Fund grant in support of the project that would include the following waivers:

- Waiver of the local matching requirement.
 - However, the Denver Economic Development and Opportunity office has offered dedicated desk and office space, human resource support, and connections to key local foundations and partners. In total, these commitments are valued at \$10,000. [This token gesture will not be tracked as a formal Local Match.]
- Reduction of the 100% Average Annual Wage requirement to 66% of the Denver County Average Annual Wage.
 - The non-profit would be required to achieve a minimum average annual wage of \$47,435, which is 90% of their employment plan's projected average annual wage of \$52,706, and 66% of Denver County's \$71,734 AAW in 2020, when this project began discussions with the State.
- Annual reporting of the disbursement and allocation of profits to education initiatives.
- Annual reporting of individuals hired from Low and Moderate Income (LMI) backgrounds
 - Using the US Department of Housing and Urban Development's (HUD) wage thresholds for Low and Moderate Income individuals and households, OEDIT would require Project Hong Kong to report individuals that were hired from LMI backgrounds.
 - All other eligibility requirements withstanding, Individuals hired from LMI background would qualify for the maximum Strategic Fund benefit of \$6,500 per job, while individuals not hired from LMI backgrounds would qualify for a payment of \$1,000 per job.

Including the waivers in policy listed above, OEDIT is requesting that the EDC approve a Strategic Fund grant of \$884,000. This would be achieved only if all 136 net new jobs are hired from LMI backgrounds, paid at \$6,500 per job. If the company does not hire employees from LMI background, OEDIT will pay out a grant of \$1,000 per job.

- This incentive is contingent upon the creation of up to 136 net new full-time jobs at a minimum average annual wage (AAW) equal to 66% or greater than the average annual wage of the Denver Metro County in which the project chooses to locate:
 - Denver County: \$71,734 AAW. 66% of this wage is \$47,435 and will be the minimum AAW if Denver is chosen for this project. (The company's projected AAW of the jobs to be created by this project is \$52,706.)

- This is a performance-based Strategic Fund job creation cash grants over a 5-year, 60 month period.
- The maintenance of net-new jobs in Colorado for one full year before any grants are paid.
- The company obtains and maintains their non-profit 501c3 status during the term of this incentive.

M/S/P – Pryor, Jones – Project Hong Kong approved as presented and recommended by staff.

COVENTURE

Plagens, Papenbrock, Lowe presented the COVENTURE request providing some history of the program. From 2004 to 2017 we operated with Business Incubator Grant Version 1 providing \$150,000 over 3 years. During that time, the outlined incubators/accelerators complete the 3 year cycle with the required 2:1 match. Many closed after the state funding expired. This was the primary driver behind the modification made to the program for 2019.

From 2018-2019 we operated under the approved Business Incubator Grant Version 2 which provided \$250,000 over 5 years at \$50,000 each year if approved. Each year of the state's investment is looked at separately. Incubators under this program may not be eligible for the full \$250,000. Those that have received funds (COVENTURE and Estes Park EDC Entrepreneur Center), may come back and look at the difference of funding levels to max at the \$250,000. The reason for the update to the program was to help the incubator with community support for a longer period of time and help improve its chances of self-sufficiency.

The Rural Opportunity Office (ROO) are well versed in the opportunities that incubators provide as well as the challenges they face. At this time the Incubator Grant Program is not open for applicants. The ROO is evaluating the overall program and reformulating a new program moving forward based on the current business climate and changes in the ecosystem. The ROO is working closely with both Incubator Grant Version 2 Awardees and recommends future funding based on the merits of their individual success. Each of the 2 Awardees has received one of five tranches of funding or \$50,000.

When COVENTURE applied to the EDC for initial funding in 2019 their main impact goal was to show a 3.5% positive impact on the Carbondale economy through the growth of their incubator and co-working space, with anticipated growth in co-working members, visitors and incubating businesses contributing jobs, diversity and additional income to the Carbondale economy. During the past two years they have refined their metrics to reflect direct impact from their programs into new jobs created and capital formed for the businesses they serve. The positive impact across both metrics is evident when you compare 2019 and 2020's performance to 2018:

- 2018: 4 jobs created, \$1.1 million in capital formation
- 2019: 60 jobs created, \$13.5 million in capital formation
- 2020 (COVID-impacted year): 50 jobs created, \$3.9 million in capital formation

Additionally, they have delivered significant impact and growth across the 9 core objectives they identified in their original application.

Staff recommends that the EDC continue their support of COVENTURE for the second tranche of their incubator funding. While we continue to consider what Version 3 of the incubator program will look like, we feel strongly that supporting our existing incubators is important for their future success and that of their local entrepreneurial and business communities.

M/S/P – Dragoo, Franz – COVENTURE Year-Two Funding approved as presented and recommended by staff.

EDC Marketing Top Up Request

Gould presented the EDC Marketing request. The EDC Statewide Marketing Initiative supports small-scale marketing, promotional, and business development initiatives (as allowed by EDC’s statute) in Colorado. This is an internal project, with funds being used to reimburse purchase orders for marketing expenses which are submitted to OEDIT for payment.

This project will be administered by OEDIT Business Funding & Incentives with project approvals provided by OEDIT Executive Director Betsy Markey. Individual projects could be initiated in multiple divisions in OEDIT. The intention is that individual uses of the funds will be for \$20,000 or less with larger requests being taken to the EDC for specific individual approval as a separate strategic initiative. Having these funds available allows OEDIT leadership to respond quickly and flexibly to small dollar amount, but strategically beneficial, sponsorship opportunities which often arise on short notice.

These funds are intended to be used sparingly and factors considered include project benefit, availability of matching funds, industry and/or community support, and others.

Staff is requesting an additional \$50,000 in discretionary marketing initiatives available for Calendar Year (CY) 2021 and beyond. This, combined with the remaining \$50,000 balance from CY 2020 will give the OEDIT Executive Director a total of \$100,000 to spend for remainder of CY 2021 following the same rules as before.

M/S/P – Wahl, Takeda-Tinker – EDC Marketing Top Up request approved as presented and recommended by staff.

E. Enterprise Zone (EZ): Andrew Wallace

EZ Contribution Projects

Wallace presented the following EZ Contribution Project Proposals for approval.

EZ	Project Name	Type	Category	Completion Date	Budget	1 yr. Proj. Credits
Pikes Peak EZ	Crossfire Ministries	Capital Campaign	Community Facility	12/31/2026	\$550,000	\$131,250

M/S/P – Takeda-Tinker, Garcia – EZ Contribution project approved as presented and recommended by staff.

F. Advanced Industries (AI): Rama Haris

CU Anschutz Allocation Projects

Haris presented the following CU Anschutz Allocation Projects for final approval.

AI Sector	TTO – Project Name	Principal Investigator	Funding Request	Matching Funds
Bioscience	A Dedicated Radio-TLC System for Alpha Emitters in Targeted Radionuclide Therapy Drug Development and Quality Assurance	Brian Miller	\$128,874	\$42,958 NIH REACH Funding
Bioscience	Arthroscopic Instruments to Support New Surgical Methods in Hip Arthroscopy	Omar Mei-Dan	\$56,250	\$18,750 NIH REACH Funding
Bioscience	A novel diagnostic to drive therapeutic decision making in breast cancer	Traci Lyons	\$150,000	\$50,000 NIH REACH Funding
Bioscience	Induction of Regulatory B Cells for the Treatment of Immune-Mediated Diseases	Susan Boackle	\$150,000	\$50,000 NIH REACH Funding

Bioscience	Gene Therapy for Glaucoma	Ram Nagaraj	\$150,000	\$50,000 NIH REACH Funding
Bioscience	Non-Invasive Detection of Tissue Inflammation Using Molecular Imaging	Joshua Thurman	\$150,000	\$50,000 NIH REACH Funding
Bioscience	A novel therapeutic approach to genitourinary syndrome of menopause	Michael Wempe	\$150,000	\$50,000 NIH REACH Funding
	TOTAL		\$ 935,124	\$311,708

M/S/P – Takeda-Tinker, Franz – CU Anschutz Allocation Projects approved as presented and recommended by staff.

AI Budget

Haris presented the AI Budget Update which shows \$5,315,718 in total funds remaining.

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

COFTM Budget

Baug presented the COFTM Budget which shows \$1,877,855 in remaining funds if today's projects are approved.

Jealous Friendship

Baug presented Jealous Friendship. Jealous Films LLC, a Colorado limited liability company, is managed by award-winning producer Tyler Martin. Jealous Friendship is a psychological thriller about a reporter who finds herself at the center of a controversy while working on an exposé of a corrupt doctor. After the death of her sister, Mackenzie returns to Denver from her high-profile job as an investigative journalist to be closer to her family. As “Mac” goes deeper into her investigation, more connections begin to clarify and the mystery starts to take an even darker turn. Will Mac be able to expose the doctor and uncover the true circumstances behind her death, or will she herself fall victim to her own story?

Production for Jealous Friendship is slated to take place in March 2021. Producers are scouting locations in the Front Range, including Denver, Boulder, Fort Collins and Colorado Springs. MarVista Entertainment, a global independent studio that produces and distributes a variety of content around the world, is financing this project. MarVista is a market leader in selling multi-platform content across 125 territories to more than 1,000 licensees with an expertise in distributing all content genres and formats.

Per the applicant's estimations, COFTM is anticipating a total of \$325,000 in qualified local expenditures and with the multiplier effect, the economic impact could reach up to \$584,431.

Staff is requesting a rebate of up to \$65,000 (20% rebate) in support of this project with the noted conditions of approval for this program.

Mother of All Evil

Baug presented Mother of All Evil. Jealous Films LLC, a Colorado limited liability company, is managed by award-winning producer Tyler Martin. Mother of All Evil will be directed by Sylvia Saether, an award-winning filmmaker who first began honing her distinct narrative style by directing, shooting, and editing music videos.

Mother of All Evil is a psychological thriller about the power of the family we choose. When teenager Caitlin gets jealous of her adoptive mother's new boyfriend, she goes on a summer adventure to bond with her birth mother, Betsey. Things aren't as straightforward as they seem during the summer retreat, and it soon becomes clear that Betsey has been manipulating her daughter the whole time. As the film races to its climax, Caitlin and her mother's lives are on the line, and the audience will be on the edge of their seat to see whose motherly love will win.

Production for Mother of All Evil is slated to take place in April 2021. Producers are scouting locations in the Front Range, including Denver, Boulder, Fort Collins and Colorado Springs. MarVista Entertainment, a global independent studio that produces and distributes a variety of content around the world, is financing this project. MarVista is a market leader in selling multi-platform content across 125 territories to more than 1,000 licensees with an expertise in distributing all content genres and formats.

Per the applicant's estimations, COFTM is anticipating a total of \$380,000 in qualified local expenditures and with the multiplier effect, the economic impact could reach up to \$683,335.

Staff is requesting a rebate of up to \$76,000 (20% rebate) in support of this project with the noted conditions of approval for this program.

M/S/P - Duran, Pryor – Jealous Friendship and Mother of All Evil approved as presented and recommended by staff.

H. Rural Jump-Start (RJS): Andrea Blankenship 2021 County Analysis

Blankenship presented the 2021 County Analysis. OEDIT has performed the annual analysis of economic distress for all 64 Colorado counties. The EDC must designate a county as economically distressed in order for that county to form a RJS zone and participate in the RJS program. Staff has concluded its annual review of all 64 Colorado counties. Garfield is not currently designated as economically distressed, and OEDIT recommends designation of economic distress with some geographic exclusions.

An economically distressed county is defined by the statute as a county with a population of less than 250,000 that shows certain indicators of economic distress. New economically distressed counties are designated every year by the EDC, but once a county is designated as economically distressed, it retains that designation for three years, regardless of any changes in economic conditions during those three years, and regardless of whether the county passes a resolution or is approved by the EDC.

Counties that have formed Rural Jump-Start Zones

Archuleta, Clear Creek, Delta, Dolores, Fremont, Las Animas, Logan, Mesa, Moffat, Montezuma, Montrose, Otero, Prowers, Rio Blanco, Routt, San Juan

Counties Designated as Economically Distressed (Eligible for the RJS program) that have Not Formed a Rural Jump-Start Zone

Alamosa, Baca, Bent, Cheyenne, Conejos, Costilla, Crowley, Custer, Hinsdale, Huerfano, Jackson, Kiowa, Kit Carson, Lake, Lincoln, Mineral, Morgan, Phillips, Pueblo, Rio Grande, Saguache, Sedgwick, Washington, Yuma

Counties Not Designated as Economically Distressed (Ineligible for the RJS program)

Broomfield, Chaffee, Eagle, Elbert, Garfield, Gilpin, Grand, Gunnison, La Plata, Ouray, Park, Pitkin, San Miguel, Summit, Teller

Counties Ineligible for the RJS program because they have a Population over 250,000 People

Adams, Arapahoe, Boulder, Denver, Douglas, El Paso, Jefferson, Larimer, Weld

By statute, these nine counties are ineligible to participate in this program because they have a population above 250,000 people. Any county with a population below 250,000 people that is not designated as economically distressed will be reviewed annually for eligibility.

Three counties need to be reviewed for exceptions for Economic Distress by the EDC. Two counties, Clear Creek and Routt, are currently Rural Jump-Start Zones, last designated as economically distressed in 2016 and 2017 under special request. However, we are still working with local economic developers to bring together a proposal and will make our recommendations at the March EDC Meeting.

Garfield County has also approached OEDIT for consideration to receive economic distress designation for portions of their county based on economic factors. If approved, Garfield County will maintain this designation through 2023. Garfield County wishes to become an eligible county in the Rural Jump-Start program. OEDIT staff has reviewed the submission, and based on our review, OEDIT recommends including all of Garfield County with the exception of the municipalities of Glenwood Springs and Carbondale.

Garfield County meets only one of the metrics required for inclusion (A county must meet three of the metrics of economic distress to be included in the program.) The county mirrors the state's metrics, with approximately the same rates of unemployment and percentage of students eligible for free lunch, however lags the state in personal income growth. Garfield County is truly a tale of two counties - local officials point out that the economic powerhouse of the county is concentrated in the eastern part of the county, the corridor of Glenwood Springs and Carbondale, while areas outside of that corridor face high amounts of economic distress. Aggregated county-level data often masks intra-county regional variation in economic conditions and economic distress.

Several factors lead to OEDIT's recommendation.

- Many communities in western Garfield County are working in other counties, making the need greater for local job opportunities within the communities.
- Oil and gas values in Garfield County have declined significantly over the last five years, creating job losses and bankruptcies related to these declines. These losses are not reflected in the unemployment numbers, as employees move out of state for other opportunities.
- The regional Comprehensive Economic Development Strategy (CEDS) developed in 2018 noted that Garfield County had not yet regained peak employment after the 2008 recession even though there had been positive job growth. The jobs replacing lost jobs in construction and oil and gas are primarily accommodations/food service and retain which are the lowest earnings jobs in the county.

Based on the above factors, OEDIT recommends Garfield County for economically distressed designation.

Schiff asked staff to comment on our authority to make this exception to the rules for how we've designated counties in the past. I want to make sure the Commission understands that we are operating within the bounds of our permitted authority.

Jensen said, we don't view this as an exception. The Commission is given statutory guidance to use certain factors in determining whether a county is economically distressed or not. The statutory language says the Commission shall consider these factors. They are not dispositive factors. They are not definitive. The statute only provides five factors. The analysis that we used uses seven factors. OEDIT added two more factors to our analysis as we thought it would give us a better picture of which counties are truly economically distressed. We do a great deal of work around these metrics and which counties do and do not meet these metrics but ultimately those metrics are guidance for the EDC to determine which counties are economically distressed.

Kraft said there is a hard rule that no county with more than 250,000 people. You do have a precedence here and I know we're going to talk about Routt County next week for its' own designation. Just a reminder, Routt County is as a whole county, currently designated as economically distressed but the history there was the EDC initially decided that Routt County, excluding Steamboat Springs, would be designated distressed based on similar arguments we're making for Garfield here today. Later, the Commission added Steamboat Springs to the distressed eligibility because of the potentially devastating loss of the Smartwool jobs that happened after the fact. So you have a precedence where you have designated a county as distressed but excluded certain communities that were doing really well. The perspective of OEDIT is that fits the spirit and intent of the statute which is to help distressed counties and as we've eluded to counties don't always have identical economic conditions. So you don't want to not give truly distressed communities the chance to participate in RJS because there are a couple of successful communities.

Schiff thanked staff for providing the board with that context and background.

Schiff called for a motion to approve Garfield County as economically distressed with the geographic exclusion of the municipalities of Glenwood Springs and Carbondale as economically distressed.

M/S/P – Seaton, Dragoo – Garfield County approval as presented and recommended by staff.

Program Manual Changes

Blankenship said we are asking for approval to some changes to the Program Manual. As we were reviewing and going through our economic analysis we wanted to make it clear in the Manual that all of the counties are reviewed annually. Once a county is designated as economically distressed, it will retain its designation for three years regardless of any changes in economic conditions during those three years. Any county which is not economically distressed but meets the criteria during the annual review process, would be new and we would bring them forward for approval. These are just some minor language changes to the better define this designation process.

M/S/P – Wahl, Takeda-Tinker – RJS Program Manual changes approved as presented and recommended by staff.

Pueblo County

Blankenship presented the Pueblo County request to form a zone. Pueblo County has submitted an application to form a Rural Jump-Start zone, which is endorsed by Pueblo Community College. Pueblo County Commissioners passed the resolution to form a Zone unanimously. This zone would include all of the unincorporated county, no municipalities at this time. This application was submitted by Nancy Zimmer at Pueblo Community College, which is working with Pueblo County Economic Development. The town of Pueblo is a potential addition to this RJS zone but is not part of this application.

OEDIT endorses this application and recommends approving Pueblo County for inclusion in the Rural Jump-Start program.

M/S/P – Duran, Dragoo – Pueblo County RJS Zone Formation approved as presented and recommended by staff.

Annual Reports and Benefits

Blankenship presented the Annual Reports and Benefits request. RoHo Enterprises, LLC aka DocuPots, FHE USA, LLC, and ProStar GeoCorp have submitted their annual report for 2020. Mancos has passed a

resolution to become a Rural Jump-Start Zone. Montezuma County has been an RJS Zone since September 21, 2017.

Company	Employee Name	Wages Exempted
RoHo Enterprises LLC (DocuPots)	No Employees (owners unable to hire new employees in 2020)	\$0
FHE USA LLC	5 Employees	\$404,835
ProStar GeoCorp	10 Employees	\$600,350
Total		\$1,005,185

Staff request approval to issue tax credit certificates to these new businesses and new hires.

M/S/P – Takeda-Tinker, Pryor – Tax Credit Certificate issuance approved as presented and recommended by staff.

**I. Regional Tourism Act (RTA): Ken Jensen, Jeff Kraft, Che Sheehan
RTA Program Update**

Jensen provided the RTA program update saying Aurora/Gaylord and Pueblo/PBR are both commenced and operating with nothing to report at this time. Colorado Springs/C4C has four project elements that have all commenced and two that are operating. The AFA Visitor Center still has not been able to bond which is one of the additional requirements by the Commission. OEDIT continues to work with the project principles on that and we hope to have something to report on that soon but nothing at this meeting. Denver/NWC has commenced and moving along with nothing to report at this meeting.

Duran asked staff to comment on the recent media attention to the NWC and their changing course as it relates to public/private partnerships.

Kraft said we will have NWC representatives come to provide their semi-annual update in the next month or so. They haven't announced or made us aware of any changes that directly affect the project elements the RTA is premised on and that the RTA is paying for. They have told us they are looking at ways to develop some strategies to complete the whole campus and this is part of that, but I think it's also part of adjusting to some things that have happened over the past year. We did hear from them recently at their quarterly update and at this point there is no delay to completing the project elements the RTA is financing. We will keep our ears open and we'll get a full update from them in the coming months.

Sales Tax Holiday

Jensen said the State of Colorado is in the midst of a four month sales tax holiday specifically targeted towards restaurants and bars. Speaking broadly, this means that businesses will fill out their sales tax forms as before but then they would be given an exemption of up to approximately \$70k. That would be sales tax revenue that the business does not have to send in. It's a form of stimulus the State of Colorado offered to the bar and restaurant industry. This also reduces the amount of sales tax revenue that flows into the Department of Revenue (DOR). Therefore it affects the amount of RTA revenue that flows out to the five RTA projects. Currently, this is only affecting four of the RTA projects. The statute that I am referring to specifically is addressed to businesses that are primarily bars and restaurants. Even though Gaylord has bars and restaurants they are classified as a hotel. They are not eligible to take advantage of this statute. Below is OEDITs forecast of impact of the Sales Tax Holiday.

Basic Data					
	Colorado				
	Springs	Denver	Go NoCO	Pueblo	Gaylord
TIF Year End Date	Nov 30	Nov 30	Oct 31	April 30	Jan 31
Baseline	\$169,503,178	\$214,866,527	\$7,420,661	\$38,823,332	\$0
TIF Percentage	13.08%	1.83%	20.48%	24.70%	65.80%

Historical Actual Sales Tax Collections for 2020 (11 months of data)					
Reporting Month	Colorado				
	Springs	Denver	Go NoCO	Pueblo	Gaylord
Reporting Month: Feb 2020 / Sales Month: Jan 2020	\$14,861,520	\$14,839,305	\$530,606	\$3,841,300	\$637,132
Reporting Month: March 2020 / Sales Month: Feb 2020	\$14,586,986	\$12,774,698	\$628,523	\$3,886,071	\$661,845
Reporting Month: April 2020 / Sales Month: March 2020	\$13,246,934	\$3,899,766	\$359,848	\$3,747,576	\$215,618
Reporting Month: May 2020 / Sales Month: April 2020	\$14,263,604	\$10,133,660	\$264,596	\$3,872,621	\$22,863
Reporting Month: June 2020 / Sales Month: May 2020	\$16,558,581	\$8,915,440	\$426,027	\$4,794,010	\$10,637
Reporting Month: July 2020 / Sales Month: June 2020	\$18,772,691	\$11,519,711	\$574,090	\$5,023,696	\$15,513
Reporting Month: Aug 2020 / Sales Month: July 2020	\$18,400,410	\$11,974,844	\$646,438	\$4,720,276	\$97,670
Reporting Month: Sept 2020 / Sales Month: Aug 2020	\$18,157,143	\$12,491,036	\$651,080	\$4,587,034	\$103,710
Reporting Month: Oct 2020 / Sales Month: Sept 2020	\$18,877,033	\$12,966,232	\$684,258	\$4,802,542	\$104,978
Reporting Month: Nov 2020 / Sales Month: Oct 2020	\$18,240,385	\$12,407,281	\$564,184	\$4,435,083	\$97,044
Reporting Month: Dec 2020 / Sales Month: Nov 2020 (first month of Sales Tax Holiday)	\$15,981,833	\$10,146,238	\$525,696	\$4,427,486	\$99,081
Monthly Average	\$16,540,647	\$11,097,110	\$532,304	\$4,376,154	\$187,827

OEDIT Estimate of Annual Growth in Sales Tax Collections in Next Year					
	Colorado				
	Springs	Denver	Go NoCO	Pueblo	Gaylord
Growth Rate	3.0%	3.0%	3.0%	3.0%	3.0%

OEDIT Estimate Without Sales Tax Holiday					
	Colorado				
	Springs	Denver	Go NoCO	Pueblo	Gaylord
Number of Months of actual data in TIF Year	1	1	2	8	11
Actual Collections in Current TIF Year	\$15,981,833	\$10,146,238	\$1,089,880	\$36,662,748	\$2,066,092
OEDIT Estimate of Remaining S/T Collections in Current TIF Year Without S/T Holiday (includes Estimated Growth Rate)	\$187,405,534	\$125,730,256	\$5,482,733	\$18,029,755	\$193,461

OEDIT estimate of Total S/T Collections in Current TIF Year without S/T Holiday	\$203,387,367	\$135,876,493	\$6,572,612	\$54,692,504	\$2,259,553
Baseline	\$169,503,178	\$214,866,527	\$7,420,661	\$38,823,332	\$0
OEDIT estimate of S/T Collections Above Baseline in Current TIF Year without S/T Holiday	\$33,884,189	(\$78,990,034)	(\$848,048)	\$15,869,171	\$2,259,553
OEDIT Estimate of TIF Revenue to RTA Project in Current TIF Year without S/T Holiday	\$4,432,052	\$0	\$0	\$3,919,685	\$1,486,786

OEDIT Estimate of Impact of Sales Tax Holiday						
	Colorado					
	Springs	Denver	Go NoCO	Pueblo	Gaylord	
DOR Estimate of 1 Month of S/T Holiday	\$1,062,525	\$1,173,416	\$38,359	\$231,666	\$0	
DOR Estimate of 4 Months of S/T Holiday	\$4,250,100	\$4,693,664	\$153,436	\$926,664	\$0	
OEDIT Estimate of Total S/T Collections in Current TIF Year with S/T Holiday (includes Estimated Growth Rate)	\$199,137,267	\$131,182,829	\$6,419,176	\$53,765,840	\$2,259,553	
Baseline	\$169,503,178	\$214,866,527	\$7,420,661	\$38,823,332	\$0	
OEDIT Estimate of S/T Collections Above Baseline in Current TIF Year With S/T Holiday	\$29,634,089	(\$83,683,698)	(\$1,001,484)	\$14,942,507	\$2,259,553	
OEDIT Estimate of TIF Revenue in Current TIF Year With S/T Holiday	\$3,876,139	\$0	\$0	\$3,690,799	\$1,486,786	

Effect of Sales Tax Holiday on TIF Revenue						
	Colorado					Total
	Springs	Denver	Go NoCO	Pueblo	Gaylord	
OEDIT Estimate of TIF Revenue in Current TIF Year without S/T Holiday	\$4,432,052	\$0	\$0	\$3,919,685	\$1,486,786	\$9,838,523
OEDIT Estimate of TIF Revenue in Current TIF Year With S/T Holiday	\$3,876,139	\$0	\$0	\$3,690,799	\$1,486,786	\$9,053,724
Dollar Reduction	\$555,913	\$0	\$0	\$228,886	\$0	\$784,799
Percentage Reduction	13%	#N/A	#N/A	6%	#N/A	8%

Schiff asked if any of the applicants have raised concerns about the Sales Tax Holiday and its impact of delayed revenue.

Jensen said staff has discussed this with the RTA project representatives. It's fair to say they are at this time monitoring this. None of them are making a specific request. They are all monitoring and waiting to see what the impact might be.

NCRTA/Go NoCO

Kraft said at the last meeting the EDC formally extended the Commencement of Substantial Work deadline requesting that OEDIT provide you with a draft motion and a final draft for March which we are working toward. Additionally you asked for short bulleted updates providing status of the two remaining project elements. We've provide a few brief emails from the project representatives with updates.

We are continuing to work with Aurora to see if they are willing to take on the financing authority duties for the Stanley Hotel. Those conversations have been positive and productive.

You also asked staff to send letters to the applicants that would give them some indication on what Commencement would be. Staff is working on those letters. They have not gone out yet. In this case the two applicants feel confident if they do their financing of the RTA revenue stream they will have commenced. The applicants haven't asked for those letters, but we do want to make sure they get them for the record and we hope to have that done in the next few weeks.

We have a draft working motion with revisions that have been made over the last few weeks by staff. They don't include LeeAnn's opinions yet. They do include some stakeholder feedback but we have additional meetings scheduled over the coming weeks with the stakeholders so we anticipate including more feedback. That being said, staff has provided the EDC with the current drafts.

Sheehan walked the Commission through the current drafts which include the incorporated from the Motion from the February meeting and the August 31st special meeting. Staff anticipates bringing this draft with additional changes to the EDC at the March meeting.

CSU Beam Signing Update

Commissioners Takeda-Tinker, Wahl, Pryor, and Duran were all able to attend one of the CSU Beam Signings and were impressed with the project and programming information.

J. Board Training: Sean Gould, Jeff Kraft, Reid Aronstein

Gould and Aronstein, and Kraft provided JGITC Program training for the board in compliance with HB 18-1198 C.R.S. 24-3.7-102.

K. SB21-001 Update: Jeff Kraft

Kraft said SB21-001 is still subject to litigation. There are no further updates at this time. Any follow up conversations will likely be held in executive session with LeeAnn.

L. Other

Transferrable Tax Credit (TTC): Ken Jensen

Jensen said the EDC recently approved the VF Corporation for the strategic capital investment. Staff continues to work with them and have nothing to report at this time. Evraz will be at the March EDC meeting to present a status report of the project.

Startup Colorado Annual Report

Kraft noted the Startup Colorado Annual report supplied to us by Delaney Keating. If there are any questions, please reach out to staff.

Next EDC Meeting

The next EDC meeting will be on March 18, 2021. This meeting will be virtual.

With all items discussed, the meeting was adjourned.