ECONOMIC DEVELOPMENT COMMISSION
MEETING MINUTES
April 15, 2021
8:30 a.m. – 12:30 p.m.

MEETING DATE
April 15, 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
Ryan Rollon, Susan with the William Garroutte Pilot, Karen with the William Garroutte Pilot, Rebecca Gillis, Brian O’Leary, Ky Hacker, Samantha Dolat, Sarah Peterson, Dennis Huspeni, Nicholas Farber, Chris with Project Griffin, James Sampson, Adam Shake, Claire with Project Griffin, Arielle Project Extraction, Srinivasan with Project Minecraft, Srinivasan with Project Minecraft, Darrin with Project Module, Lucas High, Sally Chaffee, Vicky Lea, Shosana Lew, Thomas Cox, Jamie with Project Griffin, Tiffany Pehl, Shannon Scott, Peter Brixius, and Ed Sealover.

C. Staff
Pat Meyers, Jeff Kraft, Sean Gould, Michelle Hadwiger, Reid Aronstein, Tad Johnson, Ken Jensen, Jill McGranahan, Andrea Blankenship, Daniel Kim, Mike Landes, Andrew Trump, Dave Madsen, Kat Papenbrock, Glenn Plagens, Katie Woslager, Sonya Guram, and Virginia Davis.

DECISION/ACTION ITEMS

1. The Economic Development Commission approved the Minutes from the March 18, 2021 EDC Meeting.

2. The Economic Development Commission approved the following projects/items:

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<th>SF</th>
<th>EZ</th>
<th>COFTM</th>
<th>RJS</th>
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<tr>
<td>Project Griffin; Project Minecraft; Project Chevron; and Project Files.</td>
<td>Project Module; Policy Change Just Transition; Estes Park Incubator; SSBCI Funding; CRPS Program Manager Admin; and CDOT Burnham Yard.</td>
<td>NW Colorado Mountain College; and DEN Women’s Bean Project.</td>
<td>The Untitled William Jehu Garroutte Pilot; Project Extraction; and Simple Gift Season 3.</td>
<td>Colorado Herbs, LLC; Rifle and Parachute Zone Formation; and Annual Report Tax Exemptions.</td>
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A. Meeting Called to Order
Schiff called the meeting to order.

B. Minutes
Schiff called for a motion to approve the minutes from the March 18, 2021 EDC meeting.

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

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

C. Job Growth Incentive Tax Credit (JGITC): Michelle Hadwiger
**Project Griffin**
Hadwiger presented Project Griffin. Project Griffin is an early-stage aerospace company searching for a headquarters, R&D, and manufacturing location. The company behind Project Griffin was founded several years ago and has primarily operated as a technology enablement, consulting and product development service designed to make access to space easier for cubesat, smallsat, and other aerospace companies. Over the past year, in designing and launching several of the components involved with small-satellite launch systems for its clients, the company has shifted toward producing these systems themselves. To support this shift in operations the company has formed a subsidiary that will perform the R&D and manufacturing of these systems.

Staff is requesting approval of $844,130 in performance-based Job Growth Incentive Tax Credit over an 8 year period for the creation of up to 105 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.

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

**Project Minecraft**
Hadwiger presented Project Minecraft. Project Minecraft is a very early-stage, Indian technology company that is currently looking to establish its US Headquarters. The company behind Project Minecraft is a technology company that has developed a customizable virtual reality platform designed for manufacturing companies’ training purposes. The company provides its clients with a customized virtual reality training curriculum that immerses the company’s production-floor employees in an environment similar to that of the company’s actual production. In searching for locations, the company is looking for markets that have a dense tech ecosystem to support their talent and employment needs while also having a density of manufacturing companies to serve as the startup’s initial client-base.

Staff is requesting approval of $494,747 in performance-based Job Growth Incentive Tax Credit over an 8 year period for the creation of up to 54 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. Prior to contracting for this incentive, the Company will need to provide OEDIT evidence that they have obtained at least $375,000 (75%) for the Colorado operations of the expected US$500K in funding to be raised within the first six months of operating in Colorado (as determined by OEDIT staff), in a US bank account or equivalent.

M/S/P – Duran, Takeda-Tinker – Project Minecraft approved as presented and recommended by staff.

**Project Chevron**
Hadwiger presented Project Chevron. Project Chevron is a healthcare company whose data-driven model aims to improve patient outcomes while decreasing costs to payers and providers. The company, based in Colorado but with employees in multiple other states, has experienced recent rapid growth that it expects to continue. The project would represent a commitment to the growth of the company’s headquarters in Colorado.

Staff is requesting approval of $7,460,596 in performance-based Job Growth Incentive Tax Credit over an 8 year period for the creation of up to 250 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.

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

**Project Files**
Hadwiger presented Project Files. Project Files is a foreign-owned software as a service (SaaS) technology company that provides its clients with document collection tools to streamline their operations. Due to the nature of the company, further identification would jeopardize the company’s confidentiality. The company currently has 30 employees, all outside of the US. Approximately half of its current customers are US companies and most of its projected growth will occur within the US. The company is seeking to create a headquarters in the US.

Staff is requesting approval of $1,691,400 in performance-based Job Growth Incentive Tax Credit over an 8 year period for the creation of up to 144 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. Prior to contracting for this incentive, the Company will provide OEDIT evidence that they have obtained $5,250,000 NZ (75%) of the lower estimate ($7M NZ) Series A funding or additional support from the parent holding company required to execute on this project, within one year of commencing the project.

M/S/P – Duran, Takeda-Tinker – Project Files approved as presented and recommended by staff.

Update of Approved Projects

Hadwiger said Nextworld, introduced as Project Saturn, did chose to stay in Colorado. We also recently heard from Vizio’s innovation lab and technology team announcing they will be hiring over 100 engineering and technology staff in Colorado to support their TV experience. Fidelity also announced they will be hiring an additional 375 people in the market. This is in addition to the 200 additional employees they announced as recent as 2020. Fidelity is really making an effort to increase their footprint in Colorado which is great to see. AirFrance will start service to France in the summer starting in July, three times a week. It’s an indication that they think the economy is rebounding and we’re excited to see that announcement.

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

EDC Budget Restructuring

Kraft said we do have some good news within OEDIT in terms of resources that are being provided to our office by both the State of Colorado and the Governor’s Stimulus and Colorado recovery plan but also the federal government and money that will come in through programs like the American Rescue Plan. We will have some new programs to administer and with that it will provide some new complexity to our budget over time. First as part of Governor’s Polis’ recovery plan, there is an extra $15M that will be coming into the SF. It has not hit our accounting funds yet so you will not see it on the yet but it has been approved into law. The intent is to provide our GBD team more resources to aggressively recruit new companies. This is a substantial boost to our resources. We will track the $15M separately from our annual $5M through the long bill.

Along with the extra $15M, the Disproportionately Impacted Small Business program that included a preference for businesses owned by racial and ethnic minorities. This is the program that our legal counsel, LeeAnn Morrill, briefed us on a few meetings ago, where there is some litigation pending. That will also go into the SF as well and be accounted for separately on the budget. The quick update on the litigation is plaintiff did ask for a preliminary injunction to stop the program. We did have a hearing in which I testified as well as other witnesses from the state. We are now waiting to hear from the judge.

There is also several other programs. A marijuana social equity license program that will administratively hit these funds as well which will also be separately accounted for on the budget. We are working closely with Glenn Plagens who is leading this program. There is also a bill that’s been introduced that is designed to enhance and supercharge the RJS program.
We will be looking to ramp up staffing associated with these. Finally, the state has been given a very large allocation of SSBCI funds. It will not necessarily go into the SF but will likely be applied for through the EDC. Sean will walk you through the budget but wanted to make you aware of the budget restructure to track these incoming funds.

**Introduction of Pat Meyers, OEDIT’s Executive Director**

Meyers introduced himself to the EDC and provided a brief background.

**EDC Budget Update**

Gould presented the EDC Budget update which shows a current balance of $1,768,255 available for future projects.

**Strategic Fund Balance Forecast**

Gould provided the SF Balance Forecast which shows $383,962 in projected available funds should today’s project be approved.

**Project Module**

Hadwiger presented Project Module. Project Module is a Colorado-based modular home manufacturer that is considering opening a new manufacturing facility. The company behind Project Module manufactures, distributes and installs single and multi-family modular homes. Founded and based in Colorado, the company began producing modular homes to address housing shortages in the local market. The company has experienced a large increase in demand for modular homes, and primarily serves customers in Colorado. The increase in demand for modular homes is driven in part by housing shortages, and Project Module’s prefab, manufactured homes help address this shortage by being significantly lower cost, faster to build and install, more energy efficient, and higher quality than traditional construction homes. Despite primarily serving Colorado customers, the company currently manufactures and distributes its products from a facility located in Utah, where most of the company’s employees are located. To meet the increasing demand for the company’s products, the company is considering building a new production facility in Colorado.

This project supports the State’s economic goals for several reasons. As a modular home builder serving the Colorado market, the company behind Project Module would help to address the shortage of affordable housing that has limited the economic growth of many communities throughout the State. In addition, the creation of these 28 jobs in Craig would help to offset the job losses that the community anticipates over the coming decade as two coal-fired power plants and four coal mines close operations. If the company is successful, their operations could grow significantly and provide an economic buoy for the region as the economy diversifies. Moffat County is designated as a “Tier 1 Transition Community” in HB 19-1314, which directs the State’s Just Transition efforts. Tier 1 communities are those whose economies will be most drastically impacted by the transition away from coal. Craig is also on the border of two other Tier 1 Just Transition counties of Rio Blanco and Routt from which it is possible they could draw employment. Company is applying for the Rural Jump Start program as well.

The standard policy for this incentive would be to offer $4,000/Eligible Net New Job (NNJ) based on the Average Annual wage (AAW) as a percent of the county’s AAW (114%), using the company’s employment plan.

This project is very important to economic transition and diversification of the Moffat County economy and the economy of the broader Yampa Valley, as evidenced by their “over match” (total of $286,607 from the City of Craig) in incentives compared to the state’s offer, and that Moffat is a Tier 1 Just Transition county. Staff is recommending the incentive be based on the maximum $6,500/Eligible NNJ.
In addition to the above, staff is recommending this policy change of the Strategic Fund incentive due to:

1. Moffat County has not historically been able to take advantage of the Strategic Fund program.
2. The total project capital expenditure is expected to be $1.5M.
3. Given the unique and rare nature of the project, the state would like to ensure the project moves forward in Colorado in light of the counter incentives being developed from both Verna and Utah to expand the manufacturing in their state.

Additionally staff is requesting up to $182,000, $6,500 per eligible net new job, in performance-based Strategic Fund Job Creation Cash Incentives over a 5-year period, 60 months. For the creation of up to 28 net new full-time jobs at a minimum average annual wage equal to or greater than the average annual wage of Moffat County. The Just Transition Local Match “one-time waiver” for Moffat County will depend on whether the county/city approves, contracts for, and pays out of local matching incentives as described in the Cost Differential Analysis at a level of at least $1:$1. The Local Match amounts are the best estimates today of what the city will be able to provide.

Schiff called for a motion to waive the standard policy for the net new job amount and for the funding request of $182,000 at the $6,500 per eligible net new job as presented.

M/S/P – Wahl, Seaton – Project Module One-time waiver and incentive approved as presented and recommended by staff.

Just Transition Policy Change Request
Gould presented the Just Transition SF Policy change request. In November 2020, the EDC voted to add Rural Jump Start (RJS) and Just Transition counties to the Enterprise Zone tables for calculating per job incentive amounts. Below is current policy for determining incentive awards maximum payout.

Recently, the Colorado General Assembly, with bipartisan support, passed a supplemental, one-time infusion of $15M into the Strategic Fund as part of Governor Polis’ “Colorado Recovery Plan - Stimulus” (CRPS). This money is to be used primarily to stimulate accelerated job creation in the Colorado economy and recovery from the devastating effects of the COVID-19 pandemic. Combined with another change in policy at the November 2020 EDC meeting, that allows each county the option to forgo the Local Match required for one project, up to $1M, in calendar year 2021, these two policy changes increase the potential for the Strategic Fund to provide near term support the intent of the CRPS infusion and promote economic resiliency in JT counties.

Staff is requesting a motion on the policy change for the eligible net new jobs in the Just Transition counties be incentivized up to a maximum of $6,500 per net new job.

Schiff called for a motion to approve the policy change through December 31, 2021.


Estes Park Incubator
Plagens, Papenbrock, Cox, Dolat, and Shake presented the Estes Park Incubator year-two request. When the Estes Park Economic Development Corporation Entrepreneurial Center (E-Center) applied to the EDC for initial funding in 2019 their main impact goals were to:

- unlock the managerial and executive talent in the Estes Valley region for the benefit of Estes Valley area entrepreneurs (including the investment capacity of that talent and fostering connections to regional and national angel groups and investment syndications);
• help local entrepreneurs access the robust startup support services available in the Front Range and beyond;
• and, to communicate the value proposition of Estes Park to appropriate startups and technology professionals from outside of the Estes Valley region. ("Estes Valley" is defined as Estes Park, Drake, and Glenn Haven.)

During the past two years they have refined their metrics to reflect direct impact from their programs into new jobs created and some capital formed for the businesses they serve. The E-Center has become a key component in promoting investments and job growth in our region, especially in the creation of new businesses, especially in outdoor gear and apparel.

The positive impact across both metrics is evident when you compare 2019 and 2020’s performance to 2018:
• 2019: 3 jobs created, $0 in capital formation
• 2020 (COVID-impacted year): 8 jobs created; $30,000 in capital formation

The E-Center has delivered impact and growth across their core programming objectives. Additionally, they have delivered on their expectation of financial support from both public and private sources. In reviewing the match requirements and actual contributions in 2019 and 2020, the majority of the original contributors identified were still engaged in long-term support of the program. Their contributors are diverse, representing all community partners and well-exceed the minimum 2:1 match requirements set by this grant, which we see as a key factor to their long-term sustainability. They are also pursuing new private, “sustaining supporter” sponsorships as well as programming rate structures for their sought-after incubator program. COVID did impact the timing of some of their annual sponsorships but were not noted as a concern for future funding. We recommend making part of their approval for their future EDC awards (year 3 and beyond) contingent on demonstrating this ongoing private and public funding growth to demonstrate future viability.

Staff recommends approval of the E-Center for the second tranche of their incubator funding in the amount of $50,000.

M/S/P – Pryor, Allen-Davis – Estes Park Second Tranche funding request approved as presented and recommended by staff.

SSBCI Funding Request
Gould presented the SSBCI Funding Request. In 2011, as part of the Obama Administration’s plan for recovery from the Great Recession $1.5 Billion was made available to States and Territories in the State Small Business Credit Initiative (SSBCI). Colorado ultimately received approximately $18M in funding from this program. The funds were applied for by OEDIT on behalf of the EDC. CHFA was hired as a contractor to implement the use of the funds via the Cash Collateral Support (CCS) support program which facilitated funding by banks and non-profit lenders for small businesses who do not have enough collateral to receive loans. The original funds have revolved and the amount of funds in the program has grown due to fees and interest income and because the program has not suffered any losses.

Staff is now requesting the use of a combination of up to $600,000 in strategic funds or the funds held by CHFA, on behalf of the EDC, currently being used for the CCS program to hire a contractor or contractors to support the State’s application for SSBCI and implementing this program. OEDIT and the EDC will decide at a later date if these funds should come from the Strategic Fund or the balance of funds held by CHFA as part of the CCS program. With the EDC’s approval, OEDIT plans to issue an RFP to hire a consultant or consultants to perform this work. The RFP process will take 3 months to complete so it is critical, given
the urgent SSBCI timeline that OEDIT begins that process as soon as possible. We note that $600,000 is less than 1% of $70,000,000 which is on the low end of OEDIT’s anticipated SSBCI award. OEDIT also notes that there may be additional expenses associated with SSBCI that we recommend down the road paying for with state funds, instead of federal funds, to simplify the administrative process.

M/S/P – Pryor, Duran – SSBCI Funding request approved as presented and recommended by staff.

Colorado Recovery Plan Stimulus Earmark
Kraft said as part of the $15M Stimulus, the General Assembly put a footnote and directed us to use $1.5M of that $15M to support economic development organizations around Colorado. Economic development organizations are OEDIT key partners that help implement our programs and direct people to our resources, along with the SBDCs. Many of those organizations had their budgets slashed during COVID. Programs like Energize Colorado Gap Fund gave grants to organizations that help small businesses particularly in rural communities. The $1.5M is to build a program to support grants. We want to deploy these funds as quickly as possible because it’s essentially COVID recovery and resiliency for our key economic partners.

Staff is requesting approval to earmark the $1.5M to support economic development organizations around Colorado.

M/S/P – Dragoo, Takeda-Tinker - $1.5M earmark approved as presented and recommended by staff. Pryor abstained from this vote.

Colorado Recovery Plan Stimulus Administration Support
Gould presented the CRPS Admin Support request. In order to deploy the $15M quickly, staff is requesting $275,000 for 2.5 years to support the CRPS Program Manager.

M/S/P – Allen-Davis, Wahl – CRPS Administration Support approved as presented and recommended by staff.

Burnham Yard
Kraft, Lew, Chaffee, and Farber presented the Burnham Yard request.

Kraft said we have a generational opportunity as a state to acquire a unique property called Burnham Yard. From a transit perspective, it provides several key opportunities. The parcel was owned by the railroad before Colorado was a state. It was owned by the Union Pacific Railroad who abandoned it in 2016. They used it as a repair and switching yard for their trains. CDOT has been in negotiations to acquire this property since then and is working on closing those negotiations. CDOT is looking to work through the high performance transportation enterprise to acquire this property. They would like some help paying for the down payment because a large portion of this property won’t be used solely for transportation purposes, it will also be used for economic development purposes. If OEDIT and the EDC and help fund $7.5M of the initial down payment to buy this property, it also gets OEDIT and some of our partners a seat at the table to help plan how this property is used for economic development purposes. We can’t let this asset slip out of public control. This generational opportunity will help cement our region’s economic competitiveness for years to come.

Our goal is to use the SF dollars which are flexible and can be granted or loaned to non-profits, businesses or even other agencies. We would establish an intergovernmental agency agreement to provide these funds to CDOT which would help them to close on the loan. We would look to have OEDIT’s funding repaid through federal funding that will be coming down the pipeline. These funds are sort of temporary allowing
CDOT to close on the loan. If we are not able to recover the funds in the short term, we would look to structure it to get some recovery of the funds as parcels are sold off over time. Staff will work out the details and come back to the EDC with a more specific plan.

Lew said CDOT has been working on this for the better part of two years. This is not solely a transportation endeavor. In order to do this right it needs not just to have the conversation about multimodal transportation but also to have it be a conversation about economic development about how it fits into the urban landscape. While there is very clear public interest, it’s not totally our public interest. One of the constraints we’ve had is that our jurisdiction is somewhat limited. Many of the conversations we’ve had with our Commission have revolved around how we get this to be an interdisciplinary conversation with skin in the game across many disciplines to reflect different equities that have a seat at the table to have a holistic conversation about the future vision for this area of the City and connection point for the front range. Our Commission is pleased with the way we are thinking to work with you on the collective investment in this parcel. They are pleased with the work that has happened between the agencies and by the real reflection of the interagency cooperation that is going into thinking about how we plan this corridor.

Farber provided information on what has occurred for this project to date. CDOT was prepared to buy the property before COVID but the resulting budget cuts eliminated the funding. CDOT must close on the property by May 27, 2021 or it will be sold to a private developer. They have explored various federal loans and grants to purchase the property but they do not qualify. The High Performance Transportation Enterprise (HPTE), a TABOR enterprise arm of CDOT that enters into public private partnerships to construct transportation infrastructure has developed a plan to purchase ~60 acres of Burnham Yards from the Union Pacific Railroad (UPRR) for $50M. Total short-term deal cost is $55 to $60M including environmental remediation and land use planning costs. Here is the current plan for funding the acquisition of the property:

- To fund HPTE’s payment to UPRR, CDOT, and/or its partners will make a $10M prepaid lease payment to HPTE allowing CDOT to lease transportation right of way from HPTE.
- HPTE applies $10 million to the purchase price; retains $5 million for additional investment in the property
- The $5M will be spent on planning efforts, entitlements, VCUP/further remediation, and establishment of URA.
- The Transportation Commission which is the CDOT governing board has numerous shovel ready priority projects which were stopped when the COVID budget cuts occurred. Therefore, the Transportation Commission is concerned about fully funding the down payment and tying up its limited short term cash position with a significant property purchase. This is a key concern particularly given that the property will support some non-transportation uses like commercial development, place-making and housing.
- The Transportation Commission is seeking support from another state agency to help provide funding for the down payment.
- The Governor’s Office convened key cabinet agencies to identify potential sources of support.
- In addition to the Economic Development Commission/OEDIT providing funds, other agencies like DOLA are also considering providing funding.
- With the pending availability of multi-billion dollars of federal American Rescue Plan Act funds to the State of Colorado, it is anticipated, but not confirmed, that the EDC’s funding will be paid back by these stimulus monies allowing the strategic fund money to return to the EDC.
Chaffee said some conversations have occurred with the JBC and they seem fairly supportive of this. We wanted to make sure our legislators didn’t have any immediate concerns before it was potentially brought to them and it sounds like everyone is excited about the opportunity.

Kraft said one of the reasons the SF is an attractive tool to use is because it has some broad language that allows you to grant to non-profits and even mentions other state agencies. One of the things it says in relation to other state agencies is that if you’re going to use it for something that could arguably could have gone before the JBC for a normal annual appropriation, you have to give the JBC information about the project and they need to give their approval or agreement with that project. They have done that, for example, when we funded the Film incentives. Because $7.5M is a substantial amount, we are going through a formal and informal process with the JBC. Our legislative liaison, Leslie Hylton, is engaged and those conversations have already started to happen. It is our obligation to do that with the JBC and be transparent with them.

Staff is requesting that the EDC earmark $7.5M from the $9.5M Strategic Reserve to support the $15M subsequent down payment on the property. This would be a preliminary allocation. Before the funds are legally encumbered with specific conditions, OEDIT would bring a more fully developed proposal to the EDC for further approval in May. If this is necessary, OEDIT with help from the EDC and the AG will negotiate the specific deal points of an interagency agreement (IGA) with CDOT/HPTE subject to the statutory limitations.

M/S/P – Duran, Pryor – Burnham Yard $7.5M earmark approved as presented and recommended by staff.

E. Enterprise Zone (EZ): Sonya Guram, Daniel Kim

Guram introduced Daniel Kim, Program Analyst for BF&I. Daniel will be working on the EZ program.

EZ Contribution Projects

Guram presented the following EZ Contribution Project Proposals for approval.

<table>
<thead>
<tr>
<th>EZ</th>
<th>Project Name</th>
<th>Type</th>
<th>Category</th>
<th>Completion Date</th>
<th>Budget</th>
<th>1 yr. Proj. Credits</th>
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<tbody>
<tr>
<td>Northwest EZ</td>
<td>Colorado Mountain College - Simulation Lab Capital Campaign &amp; Operations</td>
<td>Capital Campaign</td>
<td>Community Facility</td>
<td>12/31/2026</td>
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<td>$125,000</td>
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<td>Denver EZ</td>
<td>Women’s Bean Project - Capital Campaign</td>
<td>Capital Campaign</td>
<td>Community Facility</td>
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<td>$7,662,594</td>
<td>$875,000</td>
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M/S/P – Pryor, Takeda-Tinker – EZ Contribution projects approved as presented and recommended by staff.

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

COFTM Budget

Baug presented the COFTM budget update which $805,555 in remaining funds if today’s projects are approved.

The Untitled William Jehu Garroutte Pilot

Baug presented the The Untitled William Jehu Garroutte Pilot project. NBC Universal is one of the world’s leading media and entertainment companies in the development, production, and marketing of entertainment, news, and information to a global audience.
The Untitled William Jehu Garrouette Pilot is the pilot episode of a network drama that follows the story of Alex Irving, a passionate Indigenous woman and her unconventional journey into politics. As Alex reckons with her own troubled past, she juggles obligations to her family, to her culture, and to a political system that has never seen somebody quite like her. The proposed project is being self-financed by NBC Universal. Production is slated to take place in summer 2021. Producers are scouting locations in Denver and in southwest Colorado. If the pilot is picked up by the studio, it is the hope of the production team to film the rest of the season in Colorado.

Per the applicant’s estimations, the Office of Film, Television & Media is anticipating a total of $7,874,550 in qualified local expenditures and with the multiplier effect, the economic impact could reach up to $14,160,409.

The project has a total preliminary Colorado budget of $7,874,550:
- Payroll spend: $5,602,179
- Vendor spend: $2,272,371
- CO Crew hires: 178
- CO Cast hires: 12
- Total CO hires: 190, which equals 78% of the workforce for this project

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

M/S/P – Wahl, Jones – The Untitled William Jehu Garrouette Pilot project approved as presented and recommended by staff.

Project Extraction
Baug presented the Project Extraction. WS Beast Mode is a Colorado limited liability company created for the purpose of filming Project Extraction.

Project Extraction is an action-driven horror film with creature effects about an elite squad of soldiers who must extract a vaccine from a quarantine zone inhabited by deadly creatures. Production is slated to take place throughout June 2021 in Grand Junction and the surrounding areas. Producers are planning to hire student filmmakers and veterans as cast and crew members. The production team plans to engage in their relationships with Lionsgate and other studios to pursue distribution options upon completion of the film.

Per the applicant’s estimations, the Office of Film, Television & Media is anticipating a total of $455,000 in qualified local expenditures and with the multiplier effect, the economic impact could reach up to $818,203.

The project has a total preliminary Colorado budget of $455,000.
- Payroll spend: $295,000
- Vendor spend: $160,000
- CO Crew hires: 23
- CO Cast hires: 4
- Total CO hires: 27 (this equals 77% of the total crew hired for this project)

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

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

Simple Gift Season 3
Baug presented Simple Gift Season 3. Vortici LLC produces live events as well as the Simple Gift series, and is dedicated to recognizing and forging opportunities in culture, the arts, and arts education.

Born out of COVID-19 necessity, the Simple Gift Series (SGS) is an in-house produced program based on the original curriculum of the Colorado Springs Conservatory by the creative team working alongside Founding CEO, Linda Weise. Season 1 began airing on Rocky Mountain PBS (RMPBS) in Summer 2020. Season 2 will begin airing in April 2021 and run through mid-summer. Simple Gift Series is a platform that provides a creative way to nurture cognitive, motor, and language skills all while bringing families together through music and reading.

The thirteen episodes of the third season will feature community partners like the US Olympic Training Center, the Pike’s Peak Cog Railway, Central City Opera House, and many other recognizable cultural institutions. The season will be filmed in July 2021 with a goal of airing in January 2022 on RMPBS and national PBS.

Per the applicant’s estimations, the Office of Film, Television & Media is anticipating a total of $286,500 in qualified local expenditures and with the multiplier effect, the economic impact could reach up to $515,199.

The project has a total preliminary Colorado budget of $286,500.
- Payroll spend: $189,000
- Vendor spend: $97,500
- CO Crew hires: 9
- CO Cast hires: 3
- Total CO hires: 12 (this equals 100% of the total crew hired for this project)

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

M/S/P – Franz, Pryor – Simple Gift Season 3 approved as presented and recommended by staff.

G. Rural Jump-Start (RJS): Andrea Blankenship

RJS Grant Program Legislation Update
Blankenship said a bill has been introduced in the legislature that would create a Rural Jump-Start grant program. If passed, this would create a $3M fund for the EDC to use for grants to new Rural Jump-Start businesses, for starting operation in a Rural Jump-Start Zone and for New Hires. There would be a scale for additional grant money for New Businesses located in Tier 1 Just Transition Counties. If passed, it will be the responsibility of the EDC to establish and approve the grant amounts and determine which companies receive the program benefits. All grants would be payable upon receipt of the Annual Report.

Colorado Herbs, LLC Business Application
Blankenship presented the Colorado Herbs Application. Colorado Herbs LLC is a new subsidiary in Delta County of The Grow Network (TGN), which is a Texas-based company. Colorado Herbs LLC will receive, store, and package bulk medicinal herbs grown in the North Fork Valley that will be sold through TGNs marketing and sales channels, while Colorado Herbs will be the wholesale purchaser and packager.

The use of herbal medicines has been and is projected to continue growing by 7.5% per year as people look for alternatives to pharmaceuticals. The United States is a large consumer of medicinal herbs, yet 80% of the herbs used to make herbal products are imported from foreign markets.
TGN has been in business for 9 years, with an existing online community of approximately 150,000 baby boomers, which is the largest market segment purchasing supplements and using herbal medicine. TGN intends to focus on kits for beginning herbalists and producing high quality bulk herbs.

The North Fork Valley and surrounding areas has the highest concentration of organic farmers in Colorado, but there are currently no commercial farmers producing medicinal herbs in quantity the valley. Delta County is clean water source, considered a clean area to grow medicines.

OEDIT has concluded that Colorado Herbs LLC passes all metrics for participation in the Rural Jump-Start program, and therefore recommends approving Colorado Herbs LLC for participation in the Rural Jump-Start program with five New Hires.

M/S/P – Seaton, Dragoo – Colorado Herbs, LLC approved as presented and recommended by staff.

Rifle and Parachute Zone Formation
Blankenship presented the Rifle and Parachute Zone Formation application to form a Zone. Rifle and Parachute in Garfield County have both passed resolutions to become Rural Jump-Start Zones. Garfield County is the newest RJS Zone, approved on March 18, 2021.

The application does not include a pipeline of potential companies, and there are no companies currently identified to apply for the program.

OEDIT recommends the approval of Rifle and Parachute for inclusion in the Rural Jump-Start program.

M/S/P – Takeda-Tinker, Wahl – Rifle and Parachute approved as presented and recommended by staff.

Annual Reports and Benefits
Blankenship presented the Annual Reports and Benefits request.

<table>
<thead>
<tr>
<th>Company</th>
<th>Employee Name</th>
<th>Wages Exempted</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dude Solutions</td>
<td>6 new hires eligible for 2020 tax year</td>
<td>$364,935</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>$364,935</td>
</tr>
</tbody>
</table>

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

M/S/P – Seaton, Wahl – Tax Credit Certificate issuance approved as presented and recommended by staff.

H. Regional Tourism Act (RTA): Jeff Kraft
Kraft said staff is working hard to get a final Resolution ready for EDC review. We are close. We’ve scheduled an EDC/RTA special meeting for April, 23rd to review that draft.

I. Other
Transferrable Tax Credit Update
Jensen provided the following projects update. VF Corporation is currently executing on their project to move their corporate headquarters to LoDo in Downtown Denver. At the February EDC meeting, the EDC formally acknowledged that VF Corporation’s Strategic Capital Investment has been met. OEDIT has sent VF Corporation a formal acknowledgement of the Strategic Capital Investment. This formal acknowledgement is attached.
EVRAZ has announced on August 6 of 2020 that they intend to build the rail facility in Pueblo. Total improvements are expected to be $480 million. The project is expected to encompass 1,000 jobs, some new and some retained.

The EDC has approved a Job Growth Incentive Tax Credit award for $2.8 million. In addition, the project is also expected to generate $14.25 million in Enterprise Zone credits. The EDC has pre-certified Evraz to be able to transfer $17 million of these credits in the next 10 years, provided all program requirements are met. At this point, none of these credits have been earned, and so no credits have been transferred.

OEDIT has received a status report from Evraz. This status report which indicates that the project is on track. Major construction activity has commenced, and construction is estimated to be completed by the end of 2022, with rail being produced in the second quarter of 2023. Additionally, Mustafa Al-Shawaf will be moving on from Evraz. We will have a new point of contact for this project.

**AI Budget**

Woslager provided an AI budget update which shows $6,016,643 in total remaining funds.

**Next EDC Meeting**

The next EDC meeting will be the special meeting on April 23rd. The next regular board meeting will be on May 20, 2021. Both meetings will be virtual.

With all items discussed, the meeting was adjourned.