

OPPPORTUNITY ZONE STEERING COMMITTEE

July 13, 2021
11:00 a.m. – 12 p.m.

Meeting Date

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Participants: Jeff Kraft, Kim Woodworth, Trent Thompson, Wendell Pryor, David Dragoo, Karen Blumenstein, Kate Guibert

Staff: Jack Tiebout, Mike Landes

Meeting Summary: The meeting was called to order at 11:02 a.m.

A. Meeting Minutes – April 13, 2021

- a. Landes calls for a motion to approve, Pryor moves, Blumenstein seconds. Motion passed unanimously.

B. Program updates

a. Upcoming community engagement events

- i. Tiebout previewed the OZ office's next community engagement event, participating in the in-person Denver Opportunity Zone expo. Governor Polis will be the keynote speaker, and will highlight several transformative OZ investments across the state. Landes will be also be speaking on a panel about ESG in Denver. Tiebout and Landes will use the event as an opportunity to meet with multiple investors from across the country who they'd previously only interacted with virtually.

b. Opportunity Zone Capital Accelerator Program update

- i. Tiebout provided an update on the OZ Capital Accelerator Program. Since the committee last convened, the first round of the program (run by the Colorado Center for Innovation in Community Capital) wrapped up, and OEDIT has contracted with gener8tor, a Wisconsin-based organization that partners with state and local organizations across the country to manage programs similar to the OZ accelerator. Their strong suit is supporting venture-backed firms, but they are also planning to help smaller businesses and community-supported real estate projects. They will be hiring a Colorado-based program director in August and will open the program for applications in the fall.

c. Opportunity Zone video spotlight

- i. Landes outlined a concept that he and Tiebout are exploring of creating an Opportunity Zone video spotlight that would highlight investment opportunities in Colorado communities that might otherwise be overlooked. The idea is to showcase the cultural assets, incentives and individuals who can serve as catalysts for OZ investments. We will be working with OEDIT's Marketing & Communications and Film divisions to further develop the concept.

- ii. Thompson expressed his support for the idea, likening it to a video prospectus.
- iii. Pryor noted that it can highlight the many activities that preceded the OZ designation, including main street revitalization.
- iv. Brown suggested that OEDIT gamify the process by having municipalities complete self-made videos and then compete to have the videos professionalized. He noted that Fremont County had produced a similar promotional video and that it was successful.
- v. Woodworth added that communities are the best at telling their own stories and highlighting their assets. This could be a good way to add a human element to the investment due diligence process.
- vi. Dragoo likened OZ communities to an onion, with the incentive on the outside and communities' stories and assets on the inside. He added that a similar effort in partnership with Colorado's Outdoor Recreation Office had been successful for Montrose.

C. City of Craig grant review

- a. Tiebout provided some context for the grant application from the City of Craig, which would fund a study to assess the feasibility of using renewable energy sources, to power an outdoors-focused mall redevelopment called the Yampa Valley Adventure Center (YVAC). Craig is a Tier 1 Just Transition community, meaning that it is expected to lose a significant number of jobs as the state transitions from coal-based electricity generation, and that supporting the transition to a more diversified local economy is a priority for the state. Tiebout also noted that the YVAC, which is under contract to buy the property for which the City of Craig has applied for the grant, was a participant in the OZ Capital Accelerator Program and that they made significant progress while participating in the program.
- b. Thompson added some context from EDA. YVAC also benefitted indirectly from an EDA grant to support white water rafting projects in the area. Moffat County is looking to diversify its economy through tourism and hospitality.
- c. Dragoo noted that an important aspect to consider is that the City of Craig would own the feasibility study, so we wouldn't be directly funding a private project, and if YVAC doesn't complete the purchase and redevelopment of the property, the city will still have the useful information for another potential development. He added that The Farnsworth Group, the consultant that would do the study, is an experienced and trustworthy company.
- d. Dragoo scored the application as 3.3/5, and Thompson scored it at 4/5. Both agreed that the proposal had its flaws but is still worth funding.
- e. Guibert mentioned that the YVAC has also applied for a REDI grant, and asked whether this application showed strong support from the community.
- f. Dragoo said that there is currently an Urban Renewal Area proposed for the area, and that there does seem to be preliminary support from stakeholders in Craig, although it's still in the early stages and hasn't been vetted publicly.
- g. Pryor asked for more detail on the study itself. Tiebout clarified that the study would assess the feasibility, costs, and potential benefits of creating a renewable energy system. The system could include a combination of geothermal, wind,

solar, and conventional energy sources. The application is part of a broader effort to diversify the economy to include outdoor recreation and non-extractive energy sources. YVAC, and its energy system, could be a showcase for both aspects of that diversification.

- h. Pryor voiced his support for funding the grant, although the proposal does seem somewhat complicated. Given the urgency and the alignment with the Just Transition program, it makes sense to fund it.
- i. Kraft asked whether the study would include test bores to see if geothermal energy is viable.
- j. Dragoo explained that there is no drilling involved in the proposal and that the City of Craig does have a detailed scope of services from Farnsworth.
- k. Kraft suggested that we request a clear written plan for what the next steps would be, assuming the renewable energy system is deemed feasible. Guibert agreed.
- l. Pryor suggested that the committee approve the grant request with the stipulation that the cost of the study and local match is finalized, and that a written plan is submitted for next steps after the study is completed.
- m. Blumenstein discloses that Farnsworth is one of her major vendors but that will not impact her vote.
- n. Landes requests a motion to accept the grant submission with these stipulations. Pryor moves and Kraft seconds. All are in favor and the grant is approved.

D. Further discussion

- a. Kraft asked the how the push to improve rural broadband is being received across the state in areas where housing supply is low and real estate values are continuing to rise.
- b. Brown acknowledged that the resistance is out there but that he doesn't agree that the low housing supply means that it should stop efforts to support rural broadband and remote workers.
- c. Woodworth added that she would like to see more rural workforce incentives look to within the Colorado labor pool to attract talent, but agrees that there is a significant housing supply issue and that more needs to be done to address it.
- d. Dragoo echoed that housing supply has reached a crisis level in Montrose.
- e. Thompson asked Kraft whether people were specifically saying that they don't want more broadband because of a lack of housing supply. Kraft clarified that the resistance is to economic development efforts more broadly, not just broadband.
- f. Kraft thanked the committee for being a focus group for the issue, and noted that while OEDIT has a limited role with regard to housing, we are exploring ways that we can partner with and encourage employers to provide housing.
- g. Brown agreed that employers should be part of the solution, pointing to an example in Fremont County where a new Holiday Inn is being built with employee housing on-site.
- h. Landes motioned to adjourn. Pryor moved and Woodworth seconded. Meeting adjourned at 12 p.m.