MEETING DATE
September 16, 2021
Virtual Meeting

MEETING PARTICIPANTS
A. Commission Members
   Carrie Schiff, Wendell Pryor, Gretchen Wahl, David Dragoo, Jay Seaton, Chris Franz. Benita Duran,
   Becky Takeda-Tinker, and Blake Jones.

   B. Guests
   Aldo Svaldi, Linda Rosa, Annette Gilbert, Cindy Mackin, Rachel Lyons, Julie Ashmore, Lin with
   Project Tempus, Laura Marchino, Jessica Scott, Aaron Burns, Justin with Project Norman, Dan
   Sapienza, Ed Sealover, Ryan with Project Norman, Delaney Keating, Clay Caldwell, Pat Ferrier,
   Dennis Huspeni, Lucas High, Robert Malloy, Shannon Hein, Turid Nagel-Casebolt, Kelly Jones,
   Mark Tobin, Steve Adams, Larry Sarner, Joyce Robinson, Eric Ludy, Ephraim Starr, John Cullen, Bill
   Becker, Kim Woodworth, Ron Lay, Eric Lund, Adam Crowe, Dave Clark, Justin Vause, Jacki Marsh,
   Moses Garcia, Michael with Project Discovery, Thomas Jacobs, Martin Gonzalez, Try Rogers, and
   Joanne Greek.

   C. Staff
   Jeff Kraft, Sean Gould, Andrew Trump, Jill McGranahan, Kelly Baug, Tad Johnson, Andrew Streight,
   Hasti Solatani, Daniel Kim, Andrea Blankenship, Che Sheehan, Sonya Guram, Donald Zuckerman,
   LeeAnn Morrill, and Virginia Davis.

DECISION/ACTION ITEMS
1. The Economic Development Commission approved the Minutes from the August 19, 2021 EDC
   Meeting.

2. The Economic Development Commission approved the following projects/items:
   
   | JGITC:  | Project Linen; Project Tempus; Project Norman; and Project Discovery. |
   | EZ:     | Rocky Mountain MicroFinance; and Chaffee County Economic Development. |
   | COFTM:  | Project Fatherhood. |
   | RJS:    | Scenic Express Inc.; Valkyrie Recovery Systems; Huerfano County; City of Walsenburg; and Town of La Veta. |

A. Meeting Called to Order
Schiff called the meeting to order.

B. Minutes
Schiff called for a motion to approve the minutes from the September 16, 2021 EDC Meeting.

Pryor moved approval of the minutes. Duran seconded the motion. Motion passed unanimously.
M/S/P – Pryor, Duran – Minutes approved as presented by staff.

C. Strategic Fund (SF): Delaney Keating, Andrew Streight, Sean Gould, Andrea Blankenship, Justin Vause, Delaney Keating, Kim Woodworth, Laura Marchino

Startup Colorado

Keating provided an update of the Startup Colorado program and provided the 2021 Annual Report.

The board thanked Delaney for the presentation.

EDO Recovery Grant Program Rubric Evaluator

Woodworth thanked the Commission for approving this program. We see this as a critical component to the economic recovery and building back stronger. Roughly about 285 different types of economic development organizations throughout the state. I wanted to thank the legislature and the OEDIT staff for listening to us and helping us pull this program together.

Streight provided a brief reminder of the program and an update on the process. Since the application process opened we have taken in roughly 53 applications. The application deadline is October 1st. Andrew went through the applications questions and the scoring for each question.

Pryor added that the Rubric allows some discretion for the evaluator that it’s not fixed on the points provided. Those are only recommendations. I think the committee was pleasantly surprised by the level of interest from the Commission. We appreciate any further input you may have and look forward to hearing from you.

Takeda-Tinker thanked Wendell and Andrew for the work on the Rubric. It’s very transparent and appreciate the level of detail and thought put into it.

CLIMBER, CCR, CCS

Blankenship introduced Justin to provide the update.

Vause focused his comments on the CCR 2021 annual report, as provided in the board book, but will answer any questions regarding CCS and CLIMBER.

The Colorado Credit Reserve (CCR) program was reintroduced in Colorado in 2009 as a result of the State of Colorado legislature approving $2.5 million in funding for the program. In early 2009 CHFA began creating program documents to assist with administering CCR and by late 2009 the first loan was enrolled into the CCR program. The CCR program was recapitalized in 2016 and has received annual disbursements from the State budget since that time. FY2021, which is covered in this report, was the fifth disbursement to occur. Below are the lessons learned from administering CCR over the last decade, with an emphasis on the last fiscal year.

2021 Participation: Despite the COVID-19 pandemic, FY2021 was another successful year in the history of the CCR program. One new bank lender was added to the program during the fiscal year, bringing the total to 19 lenders. Of those 19, six are State of Colorado Business Loan Funds, six are banks, four are CDFIs, and three are OEDIT approved non-profit lenders. Fourteen of the participating lenders enrolled a total of 455 new loans in the program in FY21, which is a reduction in loan production when compared to FY2020. Five participating lenders did not register any new loans in the fiscal year. CHFA opines this reduction in production was a direct cause of COVID-19, which caused many historically active CCR
lenders to make fewer small business loans and focus on administering COVID-19 response programs like the SBA’s PPP program and Colorado’s Energize Colorado Gap Fund program. Most notably CEF dropped from 200 registrations in FY2020 to 117 in FY 2021, First Southwest Bank dropped from 171 to 99, and DreamSpring dropped from 61 to 0.

Loan and Claim activity: Through June 30th, 2021, CCR has registered a total 4,748 loans for a total of $159M in private sector dollars leveraged. Historically this equates to an average loan size of approximately $33k. Meanwhile, the program has seen a total of 260 claims for a total of $4.6M in losses. Therefore, the historical default rate for the entire CCR program is 5.9% of registered loans and 2.8% of registered dollars. It is important to note that a large percent of these claims come from the CDFIs who use the program and are by their nature more risk tolerant in their lending practices. A large majority of those claims come from one lender, Colorado Enterprise Fund, which is also the oldest and most active participants in the program.

Access to Capital: CHFA staff updates the list of participating lenders to include those lenders that are participating in the Colorado Credit Reserve program. The list continues to be a valuable resource for connecting small businesses looking for capital with those lenders using CCR to make capital available to small businesses. By continuing to add new lenders across Colorado, CHFA has ensured CCR will continue to increase access to capital in more areas of Colorado.

Long-term Benefit: Despite the COVID-19 pandemic, FY2021 was still one of CCRs most impactful years on record, with much of the benefits reaching underserved communities such as rural Colorado and women and minority owned businesses. This trend highlights that the benefit of the State of Colorado’s initial and ongoing investments into CCR is likely to continue over the long-term.

In FY2021 the CCR program continued to be successful in promoting economic development, connecting small businesses with lenders, and helping lenders make loans to credit worthy customers. Going forward, staff plans to continue connecting small businesses with other credit reserve programs managed by CHFA.

The EDC thanked Justin for his report.

PPP Figures Update
Blankenship said we have received the numbers from DreamSpring who did $26M in loans helping 2048 businesses. We will get a final report from the Gates Foundation soon but in total, this puts DreamSpring and CEF together at $79M in loans because of that credit facility impacting over 4000 businesses.

D. Job Growth Incentive Tax Credit (JGITC): Andrew Trump
Project Linen
Trump presented Project Linen. The company behind Project Linen creates molecular detection technology for food safety, which enables rapid onsite detection of foodborne pathogens. In advance of significant anticipated growth, the company is exploring opportunities to relocate their headquarters, research and development, and production outside of California, where they are currently located. The company is seeking a location in which they can find a highly-educated and talented workforce, with a large scientific, technical, and professional talent pool, and a more competitive cost of doing business.

Staff is requesting approval of $1,448,055 in performance-based Job Growth Incentive Tax Credits over an 8 year period for the creation of up to 144 net new full-time jobs at an average annual wage equal to
or greater than the average annual wage of the county the project chooses to locate. The net-new jobs in Colorado must be maintained for one full year before any credits become vested and the Company must create a minimum of 20 net new full-time jobs before any tax credits are issued. Per the statute, the project must commence within 18 months of EDC approval.

Additionally, the company must provide proof, that they have raised $1.24M in capital, by the end of 2022 from one or more of these sources prior to execution of this JGITC award contract: Equity financing; Debt financing; and or Loans.

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

Project Tempus
Trump presented Project Tempus. The company behind Project Tempus is a global healthcare company that develops, manufactures, and sells medical devices and healthcare technology products. Project Tempus represents the creation of a North American headquarters for the company as well as a global headquarters for one of the company’s subsidiaries. The company is seeking a location where they can access a talented workforce and continue to attract employees as they grow.

Staff is requesting approval of $7,652,902 in performance-based Job Growth Incentive Tax Credits over an 8 year period for the creation of up to 300 net new full-time jobs at an average annual wage equal to or greater than the average annual wage of the county the project chooses to locate. The net-new jobs in Colorado must be maintained for one full year before any credits become vested and the Company must create a minimum of 20 net new full-time jobs before any tax credits are issued.

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

Project Norman
Trump presented Project Norman. The company behind Project Norman is an educational technology company that partners with institutions of higher education to develop and deliver online degree programs. The company experienced strong growth leading up to and during the pandemic, and they expect that growth to continue. They recently outgrew their office space in Denver, which has led them to consider other markets for future growth. In addition to Colorado, the company is considering Houston, Texas, where the company currently has an executive. Within Colorado, the company is considering the City and County of Denver. Access to a talented and diverse workforce, as well as the cost of doing business, which includes real estate costs, will drive their location decision.

Staff is requesting approval of $1,697,949 in performance-based Job Growth Incentive Tax Credits over an 8 year period for the creation of up to 138 net new full-time jobs at an average annual wage equal to or greater than the average annual wage of the county the project chooses to locate. The net-new jobs in Colorado must be maintained for one full year before any credits become vested and the Company must create a minimum of 20 net new full-time jobs before any tax credits are issued.

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

Project Discovery
Trump presented Project Discovery. The company behind Project Discovery provides laboratory and analytical services to bioscience companies engaged in product discovery and development. The company is growing quickly through acquisition and innovative, organic growth. Project Discovery represents an
expansion of the company’s early drug and medical device contract research services. In addition to Colorado, the company is considering Indiana and Missouri. Within Colorado, the company is considering Larimer County. The company currently has operations in each of the locations it is considering; time is of the essence and the company seeks to stand up a facility as quickly as possible.

Staff is requesting approval of $459,658 in performance-based Job Growth Incentive Tax Credits over an 8 year period for the creation of up to 28 net new full-time jobs at an average annual wage equal to or greater than the average annual wage of the county the project chooses to locate. The net-new jobs in Colorado must be maintained for one full year before any credits become vested and the Company must create a minimum of 20 net new full-time jobs before any tax credits are issued.

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

Update of Approved Projects

Trump said Orbitfab, introduced as Project Aardvark, has chosen Colorado for 196 net new jobs. Tipico, introduced as Project Palace, has also chosen Colorado for 441 net new jobs.

E. Enterprise Zone (EZ): Daniel Kim

Contribution Project Proposals

Kim 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>
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<tr>
<td>DEN</td>
<td>Rocky Mountain MicroFinance Institute – Denver Programs</td>
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<td>$14,822,253</td>
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</table>

M/S/P – Pryor, Dragoo – EZ Contribution projects approved as presented and recommended by staff. Pryor recused himself from the Chaffee County project.

Tax Policy Task Force Update

Kraft said the state auditor is doing shorter reviews of tax credit programs in the state. They have reviewed several of our programs recently including RJS, and various dimensions of the EZ program. The General Assembly passed a further law that established what is called the legislative oversight committee concerning tax policy. They meet during the summer and they review certain tax policy questions often prompted by reviews that the state auditor had done. This law also creates a task force of knowledgeable people that they can delegate issues too. Per that task force, OEDIT is an ex-officio member so we always have someone on that task force. In this case it will be me meeting with them. Which is appropriate because the legislative interim committee also tells the task force what they want us to work on. One of the items on that list is the geographic extent of the EZ within Colorado and the options for their continuation or discontinuation.

This is a weighty question for this program. We don’t know how deep this taskforce will want to dive into this but it will lead to legislative recommendations. I will be engaged as well as Sonya and Daniel. We will also engage the EZ administrators. If there is an EDC member interested in being looped in, we’d be happy to do that. Staff will keep you updated.
Schiff said if any EDC members are interested, please reach out to Jeff directly.

F. Regional Tourism Act (RTA): Jeff Kraft, Che Sheehan
RTA Program Update
Sheehan provided the RTA program update. There are no major updates with the Aurora and Pueblo projects. We originally planned to have Colorado Springs here to get an update on the USAFA Welcome Center but we have postponed that update. I do have some bullet points that I’ll get to from Bob Cope on the bond financing in just a moment. The main RTA item today is to get an update from the Go NoCO, in specifically the Loveland stakeholders on the combined Whitewater Adventure Park and the Stanley Film Center. The update from Bob Cope on the financing says the bond process is moving forward well. They are finalizing the updated GMP for the hotel based on the new metrics. They expect to have that finalized by September 17th. They expect the S&P rating by September 24th. The plan is to go to the bond market in late September. Bond pricing should occur in mid-October with the bond closing in late October.

Public Comment
Schiff said the responsibility of the EDC in terms of administering the RTA statute is really confined to the issues and concerns that statute charges us with addressing. From the last meeting and the public comment that we had and in looking at the materials provided to us, I have some concerns that issues that are being raised may not be issues that are within our prevue and I wanted to have Jeff comment and explain the role of local government in support of these projects and what their responsibility is for fulfilling those aspects of it versus what our responsibility is in administering the RTA statute.

Kraft said the EDCs role is narrowly legally tailored to a very specific process for approving the projects, monitoring their progress and success and supporting them through state mechanisms and providing guardrails. The point in the process from the state’s perspective that is this critical point we’re reaching in November this year where the EDC will need to decide, did projects commence substantial work or not. So the Commission’s primary interest and focus at this point is understanding the context for whether these two projects in Northern Colorado will be moving forward. The most useful comments the Commission could receive would help them in any way understanding those facts. That is an important set of context for the meeting going forward and public comments we might hear today. From a local government perspective, particularly for the Loveland project, as part of the RTA application, the City of Loveland provided several mechanisms for local financial support which they are pursuing. Obviously some of those mechanisms will require local authorization. If there are local issues, raising those with the local city council might be more direct and appropriate. So I would ask the public commenters to think that through in terms of context for their comments her today.

Schiff said additionally, we are always happy to receive any written materials anyone would like to submit to us for our consideration. For example Mr. Sarner had submitted information that is in our board book that I and the other members have read. There is no page limit on what background information or position statements people want to submit to us. That is always an option for anyone who wants to make comment. The other item I want to mention is that we are not making any decisions today. There is no vote that is going to happen on NCRTA today. So it’s not that you had one last opportunity. And finally, it was in that background what is appropriate to raise with us, what is actionable by us, and it is important for us as we make any decisions we need to make for NCRTA in the future. You don’t have to wait until the next meeting to provide materials to us. This is a public meeting and we do want to welcome public comment where appropriate but we have a time constraints. So I am going to open it up to public comment but I will be limiting it to two speakers, folks who have concerns about the project, and those who are in favor of the project. Each will have three minutes to provide comment.
Sarner said some of the concerns that were just expressed were from my submission of an incomplete report regarding this project to another group that is a local one that is concerned with it. Because it was incomplete I was not able to proceed with the other items that I will be speaking to today instead. Given that it was for background for you all, I don’t have to go over that. Let me say why we’re even bringing it to you. Actually I hope there will be some action by the EDC to maybe even set a special meeting to consider whether this should even go forward because I’d like to keep both the state and the city from actually throwing good money after bad pursuing a project that they can’t possibly finish. And in that respect I want to relate something that I got from someone who is very familiar with development processes in the City of Loveland. I sent him the statutory requirements that you are supposed to be addressing and asked for his opinion on it and I’m going to try and read that now in the time remaining. It says “in order to obtain a grading permit which will allow for the previous statement, i.e., the statutory requirement to occur, the following is required by the City of Loveland. The property must be entitled by the presiding government agency, which in this case it would be the City of Loveland. The property must be annexed and zoned for the proper use, if it is not then applications must be submitted. This process will take at least 6 months on an aggressive schedule and requires public hearings with the planning commission and city council according to their available schedule. This application can coincide with site development application. Current time frame for a site development application. The design for a project of this size will take quite a bit of engineering detail. The engineering, architecture, site planning and landscape planning for a project this size will take the better part of 6 months to complete with a very aggressive schedule. Add on the city review process and you’re looking at 8 to 12 months before a grading permit can be issued. The preliminary work that may have been done may take a month off the process.

Schiff asked Mr. Sarner to send that document to Jeff Kraft and the team at OEDIT so they can provide it to the Commission members. I appreciate you coming in and speaking to us today.

Fogle introduced Bill Becker to provide comment.

Schiff said you will have 3 minutes to provide comment.

Becker said he understands and appreciates the opportunity to speak today. My name is Bill Becker and I am with the Loveland Chamber of Commerce. I am the director of advocacy and we work hand in hand with many parts of the city particularly the economic development team. I’m here to speak with overwhelming support for this Loveland Whitewater Park and Resort. Our region has been working for some time to develop this really exceptional destination attraction that we feel will be beneficial to the local economy as well as the statewide economy. The project will create many new jobs. It will spur investment both locally and regionally and we feel it will attract additional commercial growth and further elevate Colorado as a primary tourist destination. I want to say that we stand behind and with the team that has been working hard on this and also the many families that will be entertaining themselves at this destination resort. We expect there will be lots of fun moments with this. Thank you again for the opportunity to speak today and voicing our strong support for this project.

Schiff thanked Bill Becker for providing comments.

Schiff said I am closing the public comment portion now and I want to remind everyone to submit written materials to us that you think are relevant for our consideration. I would also encourage the City of Loveland to work with their constituents to address whatever concerns they may have as I know you
always do. I want to make sure that people’s voices are being heard in the appropriate venues with the people who can do something about the issues they are raising.

Kraft introduced Kelly Jones to provide the NCRTA update.

Jones said I’m here to give you a brief verbal update on where we’ve come since last month’s meeting. Although the timeline is looming we are still working around the clock until the final moments to see if we can bring this project forward with the states support. In the last four weeks since the departure of our P3 developer we issued a request for expression of interest in accordance with our city procurement processes to garner another development party. We posted the RFEI through a through bid net process that extended nationwide. We closed the response submittal clock on Tuesday September 7th at 2:00 pm, which is just a little over a week ago. We then held a public bid opening where we announced three responses without sharing the names of the respondents. We have built criteria scoring sheets and a team of inside and outside reviewers with financial, tourism, and economic development backgrounds. We have held two review meetings and quite a few other internal meetings this last week and have upcoming meetings scheduled to continue our due diligence with these respondents next week. There are many steps to complete this next month as you all are aware to include negotiating any additional city terms that may be raised, a development agreement, the execution of several other agreements to include preliminary offering documents and more. We have been in regular discussions with Jeff Kraft, LeeAnn Morrill and their team to discuss the expectation of our local procurement processes and we will plan to give updates on the progress made next month. We do have more work to do there. Finally, we are working towards and October 19th City of Loveland council meeting to review many of the agreements mentioned and will be ready to report back to the EDC next month with a report on our progress. Thank you for your time today and our team welcomes questions.

Schiff asked if there were any questions. Hearing none, let’s move forward with the agenda.

Kraft said the next update we will receive will be from the Stanley Film Center (SFC). We received a document last night that we forwarded to the Commission that has a list of milestones that have been achieved by the SFC. It’s very similar to the list of milestones, you might recall from some of the other Colorado projects. It’s a similar structure and idea to show the progress that they’ve made. We are going to get an update from John Cullen who is the project element sponsor Grand Heritage and the Stanley Hotel, and Stewart Olive is also on the phone. He is the attorney we have been working closely with and has prepared some of the documentation. The financing mechanism and timing has changed a bit since the last update that you got from John and the team so I’ll leave it up to him and Stewart to walk through some of the changes in timing and scheduling and how the financing is going to work. I think it could be helpful for you to refer to that document that was sent via email last night.

Cullen said we are moving on all tracks. The hotel is doing very well with full parking lots and full employment. Fully vaccinated. We are at 97% vaccination of our employee base and I’m hoping the last 7% will come around this week. We are in full motion. On our SFC project, you’ll remember there’s the first part of it, the south part, which is the post restaurant and the underground theater. That opened up on July 5th on time and fabulously over-budget. It’s successful and serving great chicken. Two shows a day down below and everyone seems to like it. I’m looking back now and saying it was a rational move to build a public assembly place and a public restaurant during COVID. It actually paid off. As you know this is the gateway building to the SFC. We put in all of the parking and infrastructure to the entire SFC that’s located in this building and the parking lot and infrastructure alone was about $2.8M. The SFC has grown to 88,000 square feet and the post restaurant and underground theater is 10,000 square feet. So approximately
15% of the infrastructure went to that and 85% went to the SFC. You can walk through the sewer pipes there and 108 parking spaces is a substantial project. Since the last update the Town of Estes Park has given the full technical review committee approvals. We are now ready to go and submit for all individual building permits, excavation permits. We are done. We are fully planned. I didn’t expect it to take 21 months. The last building we did under this process took 6 months and a week. One, given the magnitude of the size and the amount of input but the COVID inefficiencies of trying to get things of this size through the Town of Estes Park was a challenge for everybody including them. Never the less, we are done. We are off now to the U.S. Department of Agriculture getting their final approvals. Similar of levels of dysfunction and clogging and getting approval to do the financing. We are expecting their approval, which required the Town of Estes Park approval, as a case precedent, we should get their approval sometime in November or December. Never the less we have a financing commitment that is subject to the USDA. We expect to get that. We have spoken to both the Colorado Senators who have confirmed they are on board with it as well as Congressman Neguse’s office who is also on board with it. I think that it is a matter of time only.

I am making a request to Jeff Kraft and the OEDIT team to get a substantial commencement of construction. Not only because I’ve spent more than $12M so far. But, I am going to spend another $3M to start moving massive amounts of dirt. Well over 1,500 trucks. This building goes down thirty plus feet into the ground. So I’ve got to get that started before first snowfall which could be in the next few weeks. We are going to put in a $3M bridge note, which doesn’t violate the USDA case precedent for commencement of construction. We hope that in nineteen months from the ground breaking we will have a live film center in place. When I first presented this project 6 years ago we were at $28.6M. We are now at $60.1M. So this project has really spurred at least construction activity in Estes Park.

The EDC thanked John for the update.

Schiff asked if anyone had questions of John. Hearing none, Schiff entertained a motion to enter into an executive session.

Seaton moved, pursuant to Colorado Revised Statutes Section 24-6-402(3)(a)(II), I move that we go into executive session with our attorney for the purpose of receiving legal advice about the Regional Tourism Act Program. Dragoo seconded the motion. Motion passed unanimously.

The EDC is now in executive session.

With all items discussed Schiff entertained a motion to exit executive session.

Pryor moved the EDC exit executive session and enter into open session. Jones seconded that motion. The motion passed unanimously.

The EDC is now in open session.

Schiff thanked everyone for their patience while the board was convened to executive session.

Schiff said the only feedback I’d like to provide is to John Cullen. The information about the loan was late breaking and we’ve asked Jeff, Che, and LeeAnn, to work with you and Mr. Olive to get some of our questions answered so we can understand a little better what is happening with the financing of the project. It is not entirely clear to us based on the information that we have. We are not in a position to
give you any indication of whether that loan would be Commencement along with these other factors. So we ask you to work together with the team and everyone knows time is of the essence so they are ready, willing, and able to get together as soon as possible. We appreciate your ongoing patience.

Schiff thanked the team and moved the agenda forward.

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

COFTM Budget

Baug presented the COFTM Budget update. If today’s project request are approved, there will be an available balance of approximately $5.6M remaining between the two funds.

Project Fatherhood

Baug presented the Project Fatherhood. The company behind Project Fatherhood is a Colorado LLC created for the purpose of producing this feature film. The film is a family adventure film set in the Rocky Mountains. Production for Project Fatherhood is slated to begin in late November 2021 and wrap in January 2022. Producers are scouting locations in Estes Park, Windsor, and Grandby.

Per the applicant’s estimations, the Office of Film, Television & Media is anticipating a total of $1,609,539 in qualified local expenditures and with the multiplier effect, the economic impact could reach up to $2,894,354.

The project has a total preliminary Colorado budget of $1,609,539:

- Payroll spend: $1,104,802
- Vendor spend: $504,737
- CO Crew hires: 39
- CO Cast hires: 4
- Total CO hires: 43 (this equals 69% of the total crew hired for this project)

The estimated qualified local expenditures of the application would result in a rebate of $321,907. This will result in a 20% rebate.

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

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

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

Scenic Express, Inc.

Blankenship presented Scenic Express, Inc. application for RJS. Scenic Express, Inc., is a manufacturer and direct marketer of Hobby Supplies used in the Scale Model Building Hobby & Scale Modeling Industry. Scenic Express is relocating their business into Delta County from Pennsylvania and is moving their manufacturing line, as well as operating their distribution out of Delta. Scenic Express designs and manufactures mostly model trains and their parts. They are well known in the hobby industry for their train sets, and already have a large following of customers. They manufacture not just the train parts themselves, but parts that go into a model train showcase, such as landscaping. The parts they manufacture in Colorado is expected to produce 68% of their gross revenue. Scenic Express is the only company doing this type of business in Colorado, and one of very few doing this type of business throughout the United States. 90% of what is manufactured in Colorado will be sent out-of-state.
Overview of Eligibility Criteria:

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<tr>
<th>Metric</th>
<th>OEDIT Opinion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operation Clause</td>
<td><strong>Pass on this metric.</strong> At the time of application, Scenic Express, Inc. was not operating as defined by the RJS program.</td>
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<tr>
<td>Not Moving Jobs</td>
<td><strong>Pass on this metric.</strong> Scenic Express, Inc. is not moving jobs within Colorado.</td>
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<tr>
<td>Hires at least 5 New Hires</td>
<td><strong>Pass on this metric.</strong> Scenic Express, Inc. expects to hire 8 New Hires.</td>
</tr>
<tr>
<td>Competition Clause</td>
<td><strong>Pass on this metric.</strong> OEDIT has not identified a Colorado company that directly competes with Scenic Express, Inc. in an adjacent economically distressed county.</td>
</tr>
<tr>
<td>Adds to Economic Base and Exports Outside the County</td>
<td><strong>Pass on this metric.</strong> Scenic Express, Inc. would add to the economic base and export outside of Delta County.</td>
</tr>
<tr>
<td>Endorsed by Institute of Higher Education</td>
<td><strong>Pass on this metric.</strong> Scenic Express, Inc. is endorsed by Technical College of the Rockies and Colorado Mountain College who has submitted signed letters of support.</td>
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</tbody>
</table>

Scenic Express, Inc. is working with Colorado Mesa University in the areas of digital marketing, and construction management implementation, speaking to students about real-life scenarios each academic year. One intern will be included annually as part of the agreement. Technical College of the Rockies will also work with Scenic Express for internships and learning options for the students.

The company's forecast of new hires meets the program and statutory requirement of at least one New Hire at end of the first full calendar year, and 5 New Hires in the third full calendar year and beyond.

OEDIT recommends approving Scenic Express, Inc. for the Rural Jump-Start program with an allocation of 8 new hires.

OEDIT has concluded that Scenic Express, Inc. passes all metrics for participation in the Rural Jump-Start program, and therefore recommends approving Scenic Express, Inc. for participation in the Rural Jump-Start program with 8 New Hires.

M/S/P – Dragoo, Takeda-Tinker – Scenic Express, Inc. approved for the RJS program with 8 new hires as presented and recommended by staff.

**Valkyrie Recovery Systems**

Blankenship presented Valkyrie Recovery Systems application for RJS. Valkyrie Recovery Systems, Inc., will operate a company which specially designs, engineers, and manufactures parachutes which recover instruments and goods that go into space. Valkyrie is a new division of BAMA Recovery Systems, which had been created largely for the hobby market.

After years of bringing innovation and education to the hobby and amateur communities, BAMA Recovery Systems LLC's reputation found its way to the commercial space and aerospace markets. BAMA Recovery Systems LLC quickly grew and was not set up to be competitive in the commercial markets, so Valkyrie Recovery Systems Inc. was formed to focus exclusively on the professional, university, research and commercial markets. This will allow dedicated focus by each company on their respective markets.
The parachutes will be designed in Grand Junction, which also gives Valkyrie Recovery Systems, Inc. better access to the southwestern part of the United States, which is large in aerospace technology and recovery. They will continue to do work all over the world and custom make each parachute.

Overview of Eligibility Criteria:

<table>
<thead>
<tr>
<th>Metric</th>
<th>OEDIT Opinion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operation Clause</td>
<td><strong>Pass on this metric.</strong> At the time of application, Valkyrie Recovery Systems, Inc. was not operating as defined by the RJS program.</td>
</tr>
<tr>
<td>Not Moving Jobs</td>
<td><strong>Pass on this metric.</strong> Valkyrie Recovery Systems, Inc. is not moving jobs within Colorado.</td>
</tr>
<tr>
<td>Hires at least 5 New Hires</td>
<td><strong>Pass on this metric.</strong> Valkyrie Recovery Systems, Inc. expects to hire 20 New Hires.</td>
</tr>
<tr>
<td>Competition Clause</td>
<td><strong>Pass on this metric.</strong> OEDIT has not identified a Colorado company that directly competes with Valkyrie Recovery Systems, Inc. in an adjacent economically distressed county.</td>
</tr>
<tr>
<td>Adds to Economic Base and Exports Outside the County</td>
<td><strong>Pass on this metric.</strong> Valkyrie Recovery Systems, Inc. would add to the economic base and export outside of Mesa County.</td>
</tr>
<tr>
<td>Endorsed by Institute of Higher Education</td>
<td><strong>Pass on this metric.</strong> Valkyrie Recovery Systems, Inc. is endorsed by Colorado Mesa University who has submitted signed letters of support.</td>
</tr>
</tbody>
</table>

Valkyrie Recovery Systems, Inc. is working with Colorado Mesa University in the areas of applied research, internships and employment opportunities. They agree to provide real-life scenarios to students each academic year.

Valkyrie Recovery Systems, Inc. has agreed to hire at least one student per year as paid or unpaid interns or for permanent hire and work on a scholarship program.

The company's forecast of new hires meets the program and statutory requirement of at least one New Hire at end of the first full calendar year, and 5 New Hires in the third full calendar year and beyond.

OEDIT recommends approving Valkyrie Recovery Systems, Inc. for the Rural Jump-Start program with an allocation of 20 new hires.

M/S/P – Seaton, Dragoo – Valkyrie Recovery Systems, Inc. approved for the RJS program with 20 new hires as presented and recommended by staff.

Application to form Zones in Huerfano, Walsenburg, and La Veta
Blankenship presented the following for zone formation. Huerfano County and the Municipalities of Walsenburg and La Veta have passed resolutions to become a Rural Jump-Start Zone.

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 Huerfano County, as well as the Municipalities of Walsenburg and La Veta for inclusion in the Rural Jump-Start program.
M/S/P – Franz, Duran – Zones in Huerfano, Walsenburg, and La Veta approved as presented and recommended by staff.

I. Other

EDC Budget

Gould provided an EDC Budget update which shows an approximate, current available balance of $1,305,717 in annual Long Bill funds, $12,648,000 in CRPS funds, $10M in Federal Rural Funds, and $30M in Federal General Funds, and $2.7M in RJS Grants.

OSA Update

Kraft said the document provided to the board is confidential and restricted from public discussion and sending or sharing it publicly. It is in draft form. There will be a final document coming in a few weeks that we will be able to comment on further. In general I will say there is nothing to be concerned with. This is a simple and straightforward matter. It’s just an update for the Commissions review. We will speak to this in more depth publicly at a later date.

Additionally, we know the EDC is going to have a role in allocating the ARPA dollars, Pat Meyers asked that I socialize with all of you the idea of a special meeting in the October, November time frame, to have Pat walk you through the strategic plans for the recovery dollars at a multi-agency level and economic development level to give you enough grounding in the information so that when this group performs their role, which is helping us decide on how to spend these specific dollars, that you have a full and broad context. It is not a decision making meeting so we don’t need a quorum but we want to make sure we provide enough context for you.

A few of the board members expressed interest in setting this meeting up.

Staff will follow-up with the Commission on possible dates.

AI Budget

Haris presented the AI budget which shows a balance of $10,168,794 in remaining funds. Rama also provided an update on the Cycle Schedule for the current grant. Our application opened July 1st and closed on September 1st. We have conducted the compliance review and released that information to our reviewers to participate. Our subcommittees meetings will take place October 12th through the 15th. The full committee meeting, which is our pitch event, will be on November 1st all day. Because of the current COVID landscape these meetings will be virtual. Please reach out to me if you would like to attend any of these meetings.

Next EDC Meeting

The next EDC meeting will be the October 21, 2021. This meeting will be virtual.

With all items discussed, the meeting was adjourned.