

ECONOMIC DEVELOPMENT COMMISSION

MEETING MINUTES

December 15, 2022

8:30 a.m. – 12:30 p.m.

MEETING DATE

December 15, 2022

1600 Broadway, Suite 2500

Denver, CO 80202

MEETING PARTICIPANTS

Commission Members

Carrie Schiff, Jay Seaton, David Dragoo, Andrew Sparn, Carl Young, Walker Stapleton, Steven Paletz, Chris Franz, and Simon Tafoya.

Guests

Nicholas Farber, Alex with Spares in Motion, Candace Payne, Charles Garcia, Chris Pacheco, Courtney Rodwell, Curtis Englehart, Ed Sealoover, Jason Exley, John Tryba, Justin Canup, Katie Plutz, Kyle Endres, Marcy Loughran, Matt Bell, Mike Bouchard; Nathan Batchelder, Rachel Lyons, Scott Hergenrader, Steve Jozefczyk, Tiffany Pehl, Trish Thibodo, and Wade Buchanan.

Staff

Pat Meyers, Eve Lieberman, Jeff Kraft, Sean Gould, Michelle Hadwiger, Leslie Hylton-Hinga, Morgan Vankat, Che Sheehan, Kari Ungemah, Ashley Mount, Alissa Johnson, Mike Landes, Sonya Guram, Crystal Walsh, Natriece Bryant, Nicholas Farber, Rama Haris, Katharina Papenbock, Wade Buchannon, Leah Bean, and Virginia Davis.

DECISION/ACTION ITEMS

1. The Economic Development Commission approved the Minutes from the November 17th, 2022, EDC Meeting.
2. The Economic Development Commission approved the following projects/items:
 - SF: EDC Marketing Funds top-up; Just Transition Funding; and EZ Administration Grant.
 - EZ: Project Garnet EZ Waiver.
 - RJS: Form Zones in Phillips County, Haxtun, and Holyoke; Form Zone in Kiowa County; and Spares in Motion, Inc.
 - AI: FY23 CU Boulder Allocation Grants; and FY23 NJH Boulder Allocation Grants.
 - RTA: Reduction of Aggregate Cap for Go NoCO Project.

Meeting Called to Order

Schiff called the meeting to order.

Meyers is leaving OEDIT but will continue his work with the Recovery Office.

The EDC thanked Meyers for his leadership.

Lieberman introduced herself as the new executive director of OEDIT.

A. Minutes

Schiff called for a motion to approve the minutes from the November 17th, 2022, EDC Meeting.

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

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

B. Strategic Fund

Burnham Yard Update

Bryant, and Farber provided an update on the Burnham Yard project.

CTIO has embarked on a pre-NEPA process that will address several key items needed to determine which parcels CTIO/CDOT need for transportation purposes, and which can be deemed remnant thus available for community use and redevelopment.

Pre-NEPA work, as proposed, allows immediate actions with available funding, accelerates the future NEPA and design processes. Following the pre-NEPA work, the state Public-Private Partnership Unit (P3) will work with CTIO/CDOT and other entities to help identify non-transportation development opportunities on the property.

Following the pre-NEPA work, the state Public-Private Partnership Unit (P3) will work with CTIO/CDOT and other entities to help identify non-transportation development opportunities on the property. SB 22-176 transferred \$6.5 million to the Department to support a full NEPA analysis for the relocation of the consolidated main rail line along Central 25. That work is expected to begin upon the acceptance of the Pre-Nepa analysis by the FRA.

EDC Budget Update

Gould provided the EDC Budget update which shows a Long Bill balance of \$4,872,965.

SF Balance Forecast

Gould presented the SF Balance Forecast that shows an approximate, current available balance of \$4,872,965 in annual Long Bill funds, \$4,878,303 in Just Transition & EDO funds, and \$2,008,824 in RJS Grants.

Strategic Fund Red Yellow Green Report

Gould provided the SF RYG update which shows progress on approved programs/projects.

Average Annual Wage

Gould notified the board of our return to normal policy for program average annual wage. Due to COVID impacting the BLS data, OEDIT asked for an exception to normal policy to setting the AAWs for JGITC and RJS, Strategic Fund incentives, and RJS county economic distress qualifications. Now we are returning to normal policy. Historically, the commission has never been involved in the setting of AAWs. This does not require a vote by the commission. This is a follow-up notification to the board.

EDC Marketing Top-up

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

Funding & Incentives with project approvals provided by OEDIT's Executive Director without further approval by the commission. Individual projects could be initiated in multiple divisions in OEDIT. The intention is that individual uses of the funds will be for \$20,000 or less with larger requests being taken to the EDC for specific individual approval as a separate strategic initiative.

Staff is requesting an additional \$100,000 in discretionary marketing initiatives available for Calendar Year (CY) 2023 and beyond. This, combined with the remaining \$66,000 balance from CY 2022 will make the EDC Marketing Funds unspent balance \$166,000, of which \$60,000 has been committed. Therefore, the OEDIT Executive Director will have a total of \$106,000 to spend in CY 2023 and beyond, following the same rules as before.

Funds will be awarded by the OEDIT Executive Director in amounts up to \$20,000 per marketing initiative without further EDC commissioner approval. Unused amounts will carry-forward to following fiscal/calendar years.

M/S/P – Franz, Seaton – EDC Marketing Top-up approved as presented and recommended by staff.

Just Transition Fund

Hylton-Hinga presented the Just Transition Fund request. In the 2022 legislative session, the Colorado General Assembly appropriated \$5M to the Strategic Fund, in addition to the annual Strategic Fund appropriation of \$5M, via the Long Bill, to support Just Transition communities in their economic development activities. Staff will present a brief update on the high-level budget for these funds, as well as an updated plan to seek proposals from communities in coordination with the Office of Just Transition.

Staff is requests approval to administer the \$5M in funding dedicated to Just Transition communities as follows:

- Using the updated proposed budget for the program as provided; and
- Using the program parameters and application questions, acknowledging that small non-substantive changes may be made before launching the program.

M/S/P - Seaton, Dragoo – Just Transition Fund request approved as presented and recommended by staff.

Enterprise Zone Local Administrative Costs

Sheehan presented the Enterprise Zone (EZ) Local Administrative Costs request. There are 16 State Enterprise Zones and 19 local EZ Administrators that are formally associated with regional economic development organizations, counties, and cities around the state. These local economic development professionals utilize the EZ program to promote economic development in areas that are economically distressed. They work with local stakeholders to develop plans that represent the needs of the community in revitalizing the 16 designated EZ. These local administrators are the face of the program and the primary source of information for local businesses. They nominate areas for EZ status, work with businesses to grow and expand, evaluate and nominate Contribution Projects that support the local economic development goals, and certify business' eligibility to claim EZ tax credits, while working closely with OEDIT to administer the EZ program.

OEDIT supports this proposal to fund local program administration seeing it as a necessary cost of the program. With the initiative to fund state mandates, it is important that we fund the program work that occurs at the local level. This request is a modest increase from the total amount requested and approved the last couple of years to fund the actual costs of administering the program, yet still requires significant investment by the local parties that benefit from having tools to revitalize areas of economic distress.

Sheehan read a letter to the EDC from Lisa Harper, an EZ Administrator, about the benefits of the program.

Staff is requesting total Strategic Funds of \$399,500 for Enterprise Zone administration for calendar year 2023. This amount is an increase of \$16,000 granted by the EDC in 2022. The \$399,500 will provide grants for local zone administration and funds to cover travel and costs associated with meetings and trainings for local zone administrators organized by OEDIT. We wish to allocate \$386,500 for administrative grants and \$13,000 for meeting and travel costs. Any funds not utilized will revert back to the Strategic Fund.

M/S/P – Dragoo, Franz – EZ Local Administrative Costs request approved as presented and recommended by staff.

Project Garnet EZ

Landes presented the Project Garnet EZ waiver request. On November 17, 2022, the EDC incentivized Project Garnet with \$3,880,500 in Strategic Fund job growth incentive funding, with a local match exceeding \$104M. As a reminder, Project Garnet is an expansion of the company's operations within Colorado into a facility that will produce various products sold to the semiconductor industry.

To help the Company make their decision to move forward in Colorado. They have requested a waiver of the annual limitations on claiming EZ Investment Tax Credits, which by statute is roughly equivalent to 50% of the company's annual Colorado tax liability. Project Garnet's factory expansion is expected to have \$500M in eligible ITC investments, which at 3%, would yield an EZ ITC of \$15M.

OEDIT staff recommends that the EDC approve a waiver for Project Garnet that this taxpayer may claim 100% of their tax liability, up to \$1,000,000 in a single year for the first five years after their eligible investment is made. After these five years, the amount allowed to be claimed returns to approximately 50% of the company's annual tax liability. Unused portions of each tax credit can be carried forward for 14 additional years.

To use the waiver, the business must notify OEDIT that they intend to claim an amount in excess of the limitations described in C.R.S. 39-30-104(2)(c)(I) and the amount of credit they intend to claim. The business may choose to claim the waiver starting on December 15, 2022, the date of approval by the EDC.

Schiff asked that the requested staff motion be clarified to indicate that it will be up to \$1M in a single year for each of the first 5 years.

The board agreed to the modification.

M/S/P – Franz, Seaton – Project Garnet modified staff recommendation approved.

C. Enterprise Zone (EZ): Che Sheehan Contribution Project Proposals

Sheehan presented the following EZ Contribution Project Proposals for approval.

- We Don't Waster Capital Campaign - Community Food Rescue Center
- Longmont Economic Development Partnership
- Eureka! McConnell Science Museum
- Rocky Mountain Youth Corps
- Cultural Industries Workforce Development

- MSU Denver - Health Institute
- Steamboat Symphony - Operations
- Historic Routt County - Operations

M/S/P – Dragoo, Franz – EZ Contribution projects approved as presented and recommended by staff.

Enterprise Zone Policy Update

Sheehan presented the EZ Policy Update request. Staff made some clarifying edits to the EZ Policy document.

- Added a table showing the Project term;
- Added clarification on Workforce Housing and what types of organizations are achievable;
- Added clarification on healthcare projects;
- Added clarification on transportation and infrastructure projects; and
- Clarified that each of the projects listed can qualify under any of the broader categories or both. This does not apply to community facilities.

Staff requests approval of the policy updates as presented by staff.

M/S/P - Seaton, Franz – Enterprise Zone Policy Update approved as presented and recommended by staff.

D. Rural Jump-Start (RJS): Morgan Vankat Application to Form Zones in Municipalities

Vankat presented the Application to Form Zones in Alamosa, Pueblo, and Monte Vista. Three separate municipalities have passed resolutions to become part of Rural Jump-Start Zones. The City of Alamosa has approved joining the Alamosa County Rural Jump-Start Zone, which is sponsored by the San Luis Valley Development Resources Group. The City of Pueblo has approved joining the Pueblo County Rural Jump-Start Zone, which is sponsored by Pueblo Community College with additional assistance provided by Colorado State University-Pueblo. The City of Monte Vista has approved joining the Rio Grande County Rural Jump-Start Zone, which is sponsored by the San Luis Valley Development Resources Group.

Staff requests a Motion to approve the requests for the cities of Alamosa, Pueblo, and Monte Vista to become Rural Jump-Start Zones.

M/S/P – Sparr, Franz - Alamosa, Pueblo, and Monte Vista zone formation request approved as presented and recommended by staff.

Kiowa County Form a Zone

Vankat presented the Kiowa County zone formation request. Kiowa County has passed a resolution to become a Rural Jump-Start Zone. The application is sponsored by the Kiowa County Economic Development Foundation and does not include a pipeline of potential companies. OEDIT recommends the approval of Kiowa County for inclusion in the Rural Jump-Start program.

Staff requests a motion to approve the application for Kiowa County to become a Rural Jump-Start Zone.

M/S/P – Seaton, Young - Rio Grande County zone formation request approved as presented and recommended by staff.

Spares in Motion, Inc.

Spares in Motion, Inc. is a supplier of wind turbine spare parts in the renewable energy sector and is opening a new location in Mesa County. Spares in Motion, Inc. is based in the Netherlands and will be opening its first location in the United States in Mesa County. The business will be a buyer and distributor of wind turbine parts such as gear boxes, hydraulics, rotors, bearings, generators, coolers, and more. Currently, all parts are shipped from overseas. Having a distribution center in Colorado, will allow for more efficient shipping and customer service in North America.

Within Colorado, Spares in Motion, Inc.'s biggest customers will be Xcel Energy, Nextera, and Leeward. However, the business will serve many other renewable energy companies throughout the country, as well as other large corporations, such as Amazon and Facebook, that buy power for their data centers. There are no competitors in Colorado, and major competitors in other parts of the country include Vestas, Siemens, GE, etc. Spares in Motion, Inc. currently holds a three-year lease on a warehouse in Grand Junction and began operating in Colorado in November 2022. Long-term plans include building a larger warehouse in the future. The business plans to hire six employees in the next four years in the areas of warehouse management, sales, order fulfillment, and marketing. Spares in Motion, Inc. is sponsored into the program by Colorado Mesa University, with input from the Grand Junction Economic Partnership.

Staff requests a motion to approve Spares in Motion, Inc. for participation in the Rural Jump-Start program with 6 New Hires and \$25,000 in grant funding.

M/S/P – Seaton, Dragoo – Spares in Motion, Inc. request approved as presented and recommended by staff.

E. Advanced Industries (AI): Rama Haris**FY23 University of Colorado (CU) Boulder Allocation Grants**

Haris presented the 12 FY23 CU Boulder Allocation Grants totaling \$923,523 for final approval.

M/S/P – Sparr, Tafoya – All 12 FY23 CU Boulder Allocation Grants approved as presented and recommended by staff.

FY23 National Jewish Hospital (NJH) Allocation Grants

Haris presented the 3 FY23 NJH Allocation Grants total \$97,860 for final approval.

M/S/P – Franz, Dragoo – All 3 FY23 NJH Allocation Grants approved as presented and recommended by staff.

AI Budget

Haris provided the AI budget which shows \$20,313,918 total funds remaining.

F. Regional Tourism Act (RTA): Che Sheehan**RTA Program Update**

Sheehan provided the RYG update.

Denver/National Western Center (NWC) Update

Bouchard provided the NWC update talking through the current construction and reviewed the campus plan and the Lookahead.

Phase 1 and 2 Program status

Work Completed

- Cumulative Work to Date
 - Sitewide Land Preparation
 - Sitewide Utilities
 - Major Drainage and Water Quality Facilities
 - Maintenance and Operations Building
 - Denver Rock Island Railroad Relocation
 - Stockyards Event Center
 - Multi-Use Stockyards
 - Multimodal Facilities

Work Completed by Others:

- RTD North Metro Station
- CSU Spur Vida and Terra
- Central Utility Plant

Lookahead

- **Events**
 - Livestock Center – Groundbreaking - December 14
 - WSSA Legacy Building – Groundbreaking - January 6
 - CSU Hydro Building – Grand Opening – January 6
 - Stock Show 2023 – January 7–22
- **Delivery**
 - Continue to Assess Market Conditions
 - Continue Detailed Design + Estimating + Construction Planning
 - Livestock Center, Equestrian Center, Bettie Cram Bridge and Pedestrian Bridge
 - Continue Regulatory / Permitting / Railroad Coordination
 - Start Construction of Livestock Center

Colorado State University (CSU) Spur

Little provided the CSU Spur update. The Vida building opened in January of 22. The Terra building opened on June 8, 2022. The Hydro facility is scheduled to open on January 6, 2023. With the two buildings open and the third pending, we have already had about 18,000 visitors come through CSU Spur. About half of that came through last years stock show and a large part of that has come from hundreds of meetings and events we have hosted in the two open buildings already. Some of which do have out of state participants, and we're really excited to see our meeting and event capacity grow with the opening of the Hydro on the 6th.

We've had about 3500 kids come through on field trips and school visits. We do have a number of research programs that have launched, and we are looking forward to launching our innovation and entrepreneurship program in earnest with the opening of Hydro. This is where you will see some additional private sector engagement with our food innovation center and with our innovation and entrepreneurship program.

We have our Second Saturday of the month fully programed. The public is invited to visit the CSU Spur where the following events are available:

- Play in our Kid's Mock Vet Clinic and Kid's Kitchen
- Watch veterinarians at work
- Experience virtual reality
- Dig into our rooftop greenhouses and green roof
- See horses assisting with therapy for people
- Don't miss our educational exhibits and art installations

Western Stock Show Association

Andrews provided the Western Stock Show update.

The Western Stock Show Association (WSSA) continues to make excellent progress in its \$100M Honoring the Legacy campaign building the future for the National Western Center.

- \$50M equity payment to the City and County of Denver (CCD)
- \$50M Legacy Building construction
- \$96.6M has been raised
- Focus remains on major gift and naming opportunities
- Naming rights and giving opportunities from \$100 to \$25 million
- Groundbreaking for the Legacy Building and the Sue Anschutz- Rodgers Livestock Center slated for January 2023
- The National Western Stock Show, our 116th year, hosted more than 586,000 visitors in January of 2022. This is a fantastic number given the state of Colorado was at 30% infection rate for COVID.
- January 7-22nd, 2023 – 117th show
- The National Western Scholarship Trust will support 110 students in colleges throughout Colorado and distribute more than \$550,000 to support those students! In addition, the Denver Scholarship Program will support another 18 students that will graduate from Denver Public Schools and attend area colleges.

Happenings at the National Western Complex

- National Western Complex: We hosted more than 150 events in 2021, even with it being a shortened year by the pandemic! The complex drove revenues of \$3.5 mm dollars, which is nearly the same as the 2020 full fiscal year which generated \$3.6 mm.
- Rodeo All-Star Weekend was brought back to life after a 3 year pause due to the pandemic. The event showcased the elite in rodeo across many different rodeo associations April 15-16th and solidified Colorado as the only place in the country that hosts a Rodeo All-Star & Concert event.

In terms of out of state visitors, once the livestock center is built, we will book the four-legged events that are going to be occurring here. Events that we can't get today because we do not have a livestock center. The same with the equestrian center. When that facility is built, we will see activation from almost all 50 states coming here in the non-stock show time period for major events that cannot be pitched right now because we do not have the facilities.

Franz asked staff if we had a good template in place for review of the out of state visitors, economic analysis and data points for these projects.

Sheehan said in an effort to cut down on the size of the board books we have declined including the entire report for a high-level summary. That being said, yes, we do have a template in place and the projects are sticking to the requirements. What we've noticed for some of the projects, making that argument is a little more difficult until all the facilities are online, so we have been sticking to what construction has been completed.

The EDC thanked Denver/NWC for the update.

G. Other

Next EDC Meeting

The next EDC meeting will be January 19, 2022.

With all items discussed, the meeting was adjourned.