

## **ECONOMIC DEVELOPMENT COMMISSION**

### **MEETING MINUTES**

February 15, 2024

8:30 a.m. – 11:50 a.m.

#### **MEETING DATE**

February 15, 2024

1600 Broadway, Suite 2500

Denver, CO 80202

#### **MEETING PARTICIPANTS**

##### **Commission Members**

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

##### **Guests**

Ed Sealover, Analisa Romano, Aldo Svaldi, Matt Bell, Bernadette Berdychowski, Curtis Englehart, Steve Jozefczyk, Katie Plutz, Sara Lobato, Candace Payne, Samantha Kelly, Evan Wendlandt, Donna Sue Torres, Shawna Lippert, Erin Fosdick, Christine Project Iris Phase II, Daleen Project Red, Patrick High Science, Shawna Project 6, Erin McCuskey, Project Lifestyle D. Kopper, Elena Lobato, Parker Davis, Mike Freeman, Iana Dontcheva, and Ethan Rouse.

##### **Staff**

Eve Lieberman, Jeff Kraft, Sean Gould, Michelle Hadwiger, Keri Ungemah, Alissa Johnson, Carly Clagget, Laura Rodriguez, Dan Salvetti, Ashley Mount, Elise Hamman, Mike Landes, Dana Bakshani, Cody Pearson, Trey Anderson, Che Sheehan, Leslie Hylton-Hinga, Morgan Vankat, Arielle Brachfeld, Makayla O'Malley, Crystal Walsh, and Virginia Davis.

#### **DECISION/ACTION ITEMS**

1. The Economic Development Commission approved the Minutes from the January 18<sup>th</sup>, and January 26<sup>th</sup>, 2024, EDC Meetings.
2. The Economic Development Commission approved the following projects/items:
  - Job Growth Incentive Tax Credits: Project Da Vinci, Project Balloon, and Longmont CHIPS Application.
  - Strategic Fund: Federal Fast Forward (FFF) Colorado-Wyoming (CO-WY) National Science Foundation (NSF) Engines, and Just Transition (JT) Northwest Small Business Development Center (SBDC) Award.
  - Enterprise Zone: ONE Delta County, GMNC Capital, Kiowa County ED Foundation, Prowers Economic Prosperity, Delta Library, and Innovation Workspace. Norris Penrose Event Center, and Delta Egyptian Theater.
  - Rural Jump-Start: Annual Reports, and Program Manual Addition.
  - Colorado Office of Film, TV, and Media: High Noon Lifestyle Series 1 and 2, Project Irish Phase II, High Science Season 3, Welcome to the Fishbowl, Project VI, and Project Red.

## **A. Meeting Called to Order**

Schiff called the meeting to order.

## **B. Minutes**

Schiff called for a motion to approve the minutes from the January 18<sup>th</sup>, and January 26<sup>th</sup>, 2024, EDC Meeting.

M/S/P – Franz, Leach – Minutes approved as presented.

## **C. Tax Credit Programs (TCP)**

### **Project Da Vinci**

Hadwiger presented the Project Da Vinci. The company behind Project Da Vinci provides quick-turn product development and manufacturing services to the aerospace, medical, industrial, and commercial marketplace. The company creates products integral to advanced manufacturing and assembly and offers engineering development and product integration support. Project Da Vinci represents the company's expansion into new product lines and services for their clients, as well as growth and development of the company's clientele and customer base.

Staff is requesting approval of up to \$1,281,974 in performance-based Job Growth Incentive Tax Credits over an 8-year period for the creation of up to 101 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 – Franz, Tafoya – Project Da Vinci approved as presented and recommended by staff.

### **Project Balloon**

Hadwiger presented Project Balloon. The company behind Project Balloon was previously approved for a Job Growth Incentive Tax Credit by the commission at the December 2023 EDC meeting; this approval was revoked at the January 2024 EDC meeting as the company behind Project Balloon did not complete the required documentation to finalize the incentive agreement with the state. The company has stated that it wanted to reconfigure its NDA with the state prior to completing its documentation, despite OEDIT staff's recommendation to finalize the documentation; however, the company has now submitted all required materials that represent the same project and parameters that previously received approval by the EDC. We recommend the EDC reconsider their reapproval of the project.

The company develops transformative, affordable technology, platforms, and systems. The company has two segments the first is comprised of an aggregation of operating segments, including its microwave electronic products, space, training, and cybersecurity, modular systems, turbine technologies, and defense and rocket support services operating segments and The Unmanned Systems segment that consists of unmanned aerial, unmanned ground, unmanned seaborne and related command, control, and communications system businesses. Due to the nature of the company, further identification would jeopardize the company's confidentiality.

Project Balloon represents the company's efforts to capture more DOD funding through contracts.

Staff is requesting approval of up to \$669,375 in performance-based Job Growth Incentive Tax Credits over an 8-year period for the creation of up to 200 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 – Leach, Sparn – Project Balloon approved as presented and recommended by staff.

### **CHIPS Zone Longmont Application**

Hadwiger provided a brief CHIPS update noting the press release on Microchip incentive in Colorado Springs.

The proposed area is focused on the western edge of the City and is generally comprised of three areas: 1. Southwest of Vance Brand Airport, north of Nelson, east of 75th; 2. West of the North Metro Enterprise Zone, northwest of SH 119 and west of Hover St.; 3. South of the North Metro Enterprise Zone, south of Pike Rd. and east of Hover St.

The Longmont EDP has identified IT software & hardware as one of four key industries. There are several existing companies working in the semiconductor industry locally and there are opportunities for these companies to expand. The location of the proposed CHIPS Zone in western Longmont is attractive for numerous reasons: existing space (both vacant land and newly renovated existing spaces), a sufficient labor pool, an extremely reliable community owned fiber-optic broadband and electric network, and access to an educational ecosystem that employers find extremely attractive.

The Max TECH Center is also located within the proposed CHIPS Zone. Micron has already announced a relocation to this campus and there is significant square footage available at this highly amenitized campus that could accommodate additional semiconductor companies.

Longmont EDP will track capital expenditure, new square footage, and number of jobs created.

After reviewing the application, staff recommends approval of the Longmont CHIPS Zone application as presented.

M/S/P – Young, Franz – Longmont CHIPS Zone Application approved as presented.

### **Project Updates**

Hadwiger said provided an update of approved projects.

### **D. Strategic Fund (SF):**

#### **EDC Budget Update**

Gould provided the EDC Budget update which shows a Long Bill balance of \$3,082,796.

#### **SF Balance Forecast**

Gould presented the SF Balance Forecast that shows an approximate, total current available balance of \$8,540,622 in annual Long Bill, CRPS, CHIPS Act, Just Transition & EDO, and RJS Grants funds.

### **Strategic Fund Red Yellow Green Report**

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

## **CO-WY Climate Resilience Engine**

Lieberman thanked the EDC for their support for Federal funding to leverage the once in a generation opportunity, through the existence of these massive amount of Federal funds and encourage the drawdown of additional Federal funds into Colorado. As you know that the purpose of the programs to close ecosystem gaps help with economic development goals regionally and statewide and support knowledge and tech in inclusive industries and economic diversification.

So last summer you voted to set aside the \$2M for the inaugural NSF engines, climate tech and climate, resiliency proposals. These funds are important for a couple of different reasons. One, they demonstrate significant support from the State for the proposal which is critical to securing the grant in the first place. And the funds also help advance elements of the proposal, so commercialization, critical technologies, supporting it, inclusive workforce, creating sustainable ecosystems across the State, and they help us draw down the full \$160M dollars over the 10-year proposal.

So, I'm proud of the critical role that we played in the partnership we have with NSF Engines. We help bring diverse partners to the State already strong consortium that existed. We helped demonstrate significant coordination collaboration with Wyoming in particular, which was critical to securing the grant. We convened multiple times with Wyoming, including in Wyoming, to address areas of alignment and discuss supporting fund investing in startups, commercializing technologies out of a joint Colorado, Wyoming engines. We also have multiple team members participate in a site visit with NSF late last year.

All this shows, the regional alignment and support for it as an engine which is critical to the success of the NSF Engines being advanced forward by NSF. And I want to credit Mike Freeman in particular, as CEO of Innosphere ventures now, CEO of the Engine, for the tremendous amount of work that Mike has done and his leadership on this effort. So, we are thankful, and grateful for the partnership and excited to see what this catalytic funding from the Federal Government and what the State can do to help grow this ecosystem and put on a national global scale. Sustainable climate, resilient technologies, and more engagement with rural entitled communities as part of that process, as part of those strategies more inclusive workforce and more investment in translating to market more technologies in this in the sector. With that, I'll turn it over to Mike.

Freeman presented the CO-WY Climate Resilience Engine request. OEDIT's Federal Fast Forward Program (FFF) seeks to leverage the once-in-a-generation opportunity of federal funds and encourage the drawdown of federal funds into Colorado through certain EDA and NSF federal grant programs. The Economic Development Commission approved the \$10M FFF program in September 2023 and earmarked \$2M of these funds for the NSF CO-WY Engine, which was contingent on the CO-WY Engine securing a Federal NSF designation and meeting the requirements for the Federal Fast Forward Program. Earmarking these funds was an important signal of State support of the CO-WY Engine's proposal to NSF. In January of 2024, the CO-WY Engine received NSF Engines designation (\$15 million for the first two years, and up to \$160 million over 10 years), and is now coming forward to the EDC to present further information about the Engine, goals and metrics, strategic milestones, guardrails, matching funds, and the proposed uses of funds for EDC approval.

OEDIT and State of Colorado support during the summer of 2023 was an essential ingredient to advancing to the finals, and the State of Wyoming committed \$500K in funding during this time. NSF is looking to state governments to be financial partners with winning Engines, throughout the performance period of 10 years. The first budget period with NSF is a 2-year budget.

## **NSF's Innovation Ecosystem Life Cycle**

- Phase 2 Nascent - Years 1-2, NSF \$7.5M/Year, Cost Share \$7.5M/Year
  - Nascent Phase - Organization and partnerships are solidified and innovation activities ramp up.
- Phase 3 Emergent - Years 3-5 NSF \$15M/Year Cost Share \$15M/Year
  - Tech products & services, scaled workforce capabilities, & innovation ecosystem attracts sizeable external funding towards promoting innovation-based economic activity.
- Phase 4 Growth - Years 6-10 NSF \$20M/Year Cost Share \$20M/Year
  - Growth Phase - Innovation ecosystem grows as a national leader, attracting increasing levels of econ. activity & business creation with support from state, local & federal governments.
- Phase 5 Mature - Years 6-10 NSF \$20M/Year Cost Share \$20M/Year
  - Mature Phase - Innovation ecosystem is well established and can sustain itself without NSF funding.

## **Specific rural metrics will be defined in Year 1 of the Engine.**

### Rural Engagement

- Deep integration with two-state extension.
- Technology focus areas of impact for rural communities.
- Selection of partners (CCSC) to drive rural workforce programs/recruitment.

### Rural Representation

- Governance Board
- Advisory Board (s)

### DEIA Philosophy

#### How we measure success

- Eliminating equity gaps.
- Reflecting society.
- Our espoused values match our lived experiences.

#### Measuring Impact

- Data informed.
- Reducing barriers.

## **Federal Fast Forward Guardrails**

### CO-WY Engine committed to meeting FFF guardrails:

- NSF Engines should draw down \$15M in 2024 and 2025 (to satisfy the FFF matching requirement).
- Sustainability plan in place.
- Detailed program budget with all sources & uses of funds.
- NSF funds are not split between states; state cost share dedicated to state specific programming.
- No administration or overhead costs will be allocated to FFF grant funding.
- State funding does not exceed the total of the grant.

### OEDIT and EDC Reporting/Invoicing (previously approved by the EDC)

- Quarterly reports to OEDIT and Annual EDC reporting, to generally include significant milestones, operational & financial reporting, progress towards the match, progress towards meeting performance goals articulated to NSF (see next slide), as well as tracking rural outreach & engagements.
- Quarterly reimbursement for EDC grant.

- CO-WY will provide OEDIT with at least monthly updates measuring progress towards the performance goals and achieving desired outcomes, ensuring alignment with other state initiatives and programs, particularly as it relates to workforce and serving rural and underserved communities. These updates may become more frequent for significant milestones.

Staff is recommending approval with the following proposed motion:

I move to approve encumbering \$2M previously earmarked of Federal Fast Forward Funds for the NSF designated CO-WY Engine to be applied to the budget categories as presented to support early implementation activities to drawdown \$15M in NSF funding in 2024 and 2025 (with flexibility among budget categories but no category should be eliminated without notice and approval to OEDIT). This approval is subject to the condition that the CO-WY Engine fulfill the outlined reporting requirements and pursue collaborations with OEDIT, particularly as it relates to workforce and serving rural and underserved communities. The CO-WY Engine must secure and spend \$15M from the NSF in federal funds (this satisfies the Federal Fast Forward matching requirement).

M/S/P – Franz, Stapleton – CO-WY Climate Resilience Engine request approved as presented and recommended by staff.

#### **Just Transition (JT) NW Small Business Development Center (SBDC) Request**

Hylton-Hinga presented the JT NW SBDC request. The Northwest Small Business Development Center (SBDC) is seeking funding to build satellite SBDC services in the coal-impacted communities of northwest Colorado. The coal region of Moffat, Routt, and Rio Blanco counties is economically and geographically separated from the rest of the 10-county Northwest SBDC service area, and it will benefit from additional and dedicated boots-on-the-ground support and technical know-how to navigate the ongoing transition from coal.

OEDIT is proposing to fund the SBDC satellite services in coal-impacted areas of Northwest Colorado for a minimum of one year but encumber two years of funding. After one year, depending on the impact of these services, OEDIT may propose an additional year's worth of funding be made available. As explained in more detail below, the requested funds would not come from the community grant funding that was earmarked for each coal transition community; rather they would come from a portion of the original \$5M appropriation that was set aside for potential programming for all coal transition communities and/or future equity considerations.

Specifically, OEDIT is requesting \$200,000 be encumbered for the Northwest Small Business Development Center (SBDC) to support SBDC satellite services in Craig, Colorado. The first half of the encumbrance (\$100,000) would be made immediately available to the Northwest SBDC – on a reimbursement basis – for the first year of satellite services. After one year of services and depending on the Northwest SBDC's success in achieving their outlined deliverables, OEDIT may request that the second half of the encumbrance (\$100,000) be made available for a second year of services.

M/S/P – Leach, Seaton - \$200k encumbrance for the NW SBDC was approved as presented and recommended by staff.

#### **Cultural Business Preservation Program (CBPP) Update**

Hylton-Hinga provided the CBPP update. Initially, OEDIT staff proposed that EC would be tasked with managing the accounting, processing, and distribution processes of CBPP grants, as well as working

directly with business awardees to ensure their use of EC's Small Business Resiliency Index (SBRI). After awardees complete the SBRI assessment, the Small Business Development Center (SBDC) Network would design a tailored 6 - 24-month training and consultation pathway for each business awardee utilizing the assessment and scorecard as guidance. Energize would then work with businesses intermittently throughout the life of the award to reassess their position on the SBRI.

While EC will still work with business awardees on the SBRI and in designing a training and consultation pathway, OEDIT will now manage the accounting, processing, and distribution of the grants. In further conversations with the compliance team, staff learned that American Rescue Plan Act-related reporting and financial requirements are easier to process in-house rather than using a fiscal agent. Instead, EC will now support OEDIT in the following areas:

1. In coordination with the SBDCs, design training and consultation pathway for each business awardee;
2. Administer and analyze the Small Business Resilience Index 2-3 times per funding period (6 - 24 months depending on training/support needs);
3. Assist with business awardee budget preparation and management; and
4. Manage business awardee final report process.

#### **E. Enterprise Zone (EZ):**

##### **Contribution Project Proposals**

Sheehan presented the following EZ Contribution Project Proposals for approval.

ONE Delta County, GMNC Capital, Kiowa County ED Foundation, Prowers Economic Prosperity, Delta Library, and Innovation Workspace. Norris Penrose Event Center, and Delta Egyptian Theater.

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

#### **F. Rural Jump-Start (RJS):**

##### **Annual Reports**

Missing Annual Reports Next Steps

Vankat presented the annual reports requests. We have 6 companies that have not turned in their annual reports:

- Cold Case Gear, Inc.
- Panadero Ski Corporation
- Road Warrior Driver Training, LLC
- San Luis Valley Outdoor Hospitality
- Spring Born, Inc.
- Valkyrie Recovery Systems

We give organizations a 60-day grace period, the 30-day final notice before they are removed from the program.

We did move up the annual report process this year, based on feedback that we received from our participants that we were delivering tax certificates too close to the deadline. So, I'm hoping that we'll have all the organization's reports for your approval in March that didn't turn it in for February.

### Suspension Exceptions

The program manual outlines the process that we go through in detail. But briefly, an exception is only allowed one time, and only in the first or second full calendar year of their time in the program. Today we are asking for exceptions from suspension in the program for 7 organizations due to not meeting new hire requirements for 2023.

- Alpenglow Beverage, LLC
- Colorado Herbs, LLC
- Epiveris, LLC
- Lyttle's Fleet Maintenance, Inc.
- Sky Peak Technologies

Staff requests a motion to exempt the following companies from suspension: Alpenglow Beverage, LLC; Colorado Herbs, LLC; Epiveris, LLC; Lyttle's Fleet Maintenance, Inc.; and Sky Peak Technologies.

M/S/P – Seaton, Sparr – The above listed companies' exemption from suspension were approved as presented and recommended by staff.

### Suspension Missing New Hire Requirement

Geyser Technologies and Town Hall Benefit Corporation have not been able to meet the new hire requirements for the last 2 years. At this time the businesses will be suspended for receiving benefits, unless they can prove they'll be able to meet the requirements of the program in the future. This suspension does not require a vote.

### Removals from RJS

Automated Widget Systems, LLC was not able to fully open as a business since its approval into the program, due to owner health issues. The business has requested to be removed from the program. The business did not receive any benefits from the program.

Staff requests a motion to remove Automated Widget Systems from the Rural Jump Start program.

M/S/P – Tafoya, Franz – The request for removal from Automated Widget Systems, LLC was approved as presented and recommended by staff.

### Tax Certificate and Grant Distribution Approvals

Sasquatch Campers, LLC is in a unique position in comparison to other participants. It currently has one qualified employee created by tracking the individual hired (which is the traditional method of calculating Rural Jump-Start New Hires), one New Hire created by tracking a position versus an individual, and an employee making \$22/hour (significantly over the required hourly wage amount). The employee making \$22/hour took personal time off impacting the total W-2 wage amount and making the employee less than \$500 away from the qualifying salary.

As a result, OEDIT staff recommend awarding the Individual Income Tax relief to the qualifying New Hire, but not to the employees qualifying by position versus individual and those earning an acceptable hourly wage that took personal time off. OEDIT staff do not recommend suspending Sasquatch Campers, LLC, and suggest awarding the grant money for the New Hire calculated in the traditional method and the employees qualifying by position versus individual (funding that goes to the business, not the individual), resulting in a total of \$5,000 as seen below. Page 25 of the Program Manual outlines OEDIT's current policy on the Alternative Calculation Methodology for Tracking Positions/Backfills.



- Alpenglow Beverage, LLC
- Anywhere cam, LLC
- Automated Widget Systems, LLC
- CEAD Farms & Grain
- Cold Case Gear, Inc.
- Colorado Herbs, LLC
- Colorado Stone Quarries, Inc.
- CSC Supply dba Spa11an Drill Tool
- Eight Yellow Daffodils, Inc. dba Colorado
- Sun Tofu
- Epiveris, LLC
- FHE USA, LLC
- Gate 6 Enterprises, LLC dba Bar -U- Eat
- Geyser Technologies
- Higher Purpose Homes, Ltd.
- Jabil, Inc.
- Kaart Group, LLC
- Lasagna LLC, dba Magic Chonk
- Lyttle's Fleet Maintenance, Inc.
- Panadero Ski Corporation
- Phoenix Haus
- ProStar Geocorp, Inc.
- Revolutionary Media Group, LLC dba Eastern Liquidations
- Road Warrior Driver Training, LLC
- San Luis Valley Outdoor Hospitality
- Sasquatch campers, LLC
- Sky Hook Solar
- Sky Peak Technologies
- Spares In Motion, Inc.
- Spring Born, Inc.
- Town Hall Public Benefit Corp.
- Valkyrie Recovery Systems

Totals: 25 Qualified New Hires, and \$62,500 in New Hire Grant Benefits

Staff requests a motion to approve the tax certificates and grant benefits for the companies listed above.

M/S/P – Leach, Seaton - Tax Certificate and Grant Distributions approved as presented and recommended by staff.

#### Active Business Descriptions and Major Updates

As a part of the annual report, each business provided a brief operation status update, which OEDIT staff have summarized and included, along with a brief description of the company.

Vankat encouraged the Commissioners to read through those updates when they get a chance.

### **Program Manual Addition**

Currently, there is no metric specifically addressing the economic decline that Tier One Just Transition Communities will experience in the near future. The following communities are Tier One Just Transition Communities: Morgan County, Pueblo County, Montrose County (West End communities of Nucla and Naturita), and the Yampa Valley (Moffat, Rio Blanco, and Routt Counties). The Town of Norwood in San Miguel County is also included as a Tier One Just Transition Community.

OEDIT staff recommends allowing any rural, Tier One Just Transition Community to automatically qualify as a RJS-qualifying community by adding the following to page 7 of the Program Manual:

Tier One Just Transition Communities are automatically eligible to become a Rural Jump-Start Zone regardless of economic indicator results, including: Morgan County, Pueblo County, Montrose County (West End - Nucla, Naturita, and Norwood in San Miguel County), and the Yampa Valley (Moffat, Rio Blanco, and Routt counties).

Staff requests a motion to approve the addition of the language above in blue to the Program Manual.

M/S/P – Seaton, Stapleton – RJS Program Manual New Hire Requirement clarification approved as presented and recommended by staff.

### **County Analysis 2024**

OEDIT has performed the annual analysis of economic distress for all 64 Colorado counties. Currently there are 31 real jump start zones and 10 counties that are designated but haven't yet formed zones. With the economic analysis completed in 2024. There are 40 counties meeting at least 3 economic indicators of distress. La Plata County was one of those counties which is new for 2024. 15 rural counties did not meet 3 criteria and 9 counties are automatically eligible for the program, because they have a population over 250,000 people.

Vankat talked about on 3 counties specifically that staff are recommending being designated as economically distressed.

First is La Plata County. Subject to your approval, this will be the newest county to qualify for the program due to meeting the per capita income average unemployment rate and having a population of 7,342. Additionally, but not taken into consideration with the other metrics. La Plata County is a tier 2 just transition community meaning, it will likely be experiencing future economic implications.

Second is Routt County. Although Route County only met one economic indicator of distress, it is a tier one just transition community, which is why it is being recommended as a RJS qualifying county.

And then, finally, is Garfield County. Garfield only met 2 economic indicators of distress, personal income, and not being located in a metropolitan statistical area. However, the county is point one away from meeting the average unemployment rate over 5 years. The cut off this year was 4.2%, and Garfield is at 4.1%. Currently Garfield County is a RJS zone excluding Carbondale and Glenwood Springs. OEDIT staff are recommending using this data to allow the entire county to become a RJS zone.

Staff requests a motion to designate the following counties as economically distressed through February 28, 2027: Alamosa, Archuleta, Baca, Bent, Cheyenne, Clear Creek, Conejos, Costilla, Crowley, Custer, Delta, Dolores, Fremont, Garfield, Hinsdale, Huerfano, Jackson, Kiowa, Kit Carson, La Plata, Lake, Las Animas,

Lincoln, Logan, Mesa, Mineral, Moffat, Montezuma, Montrose, Morgan, Otero, Phillips, Prowers, Pueblo, Rio Blanco, Rio Grande, Routt, Saguache, San Juan, Sedgwick, Washington, Yuma, and the Town of Norwood in San Miguel County.

Sparr moved approval of the motion as requested. Young seconded the motion.

After further discussion, Schiff proposed modifying the motion to exclude Carbondale, and Glenwood Springs from Garfield, but the rest of Garfield will be included. Tafoya seconded the modified motion.

M/S/P – Schiff, Tafoya – Modified staff request to designate the listed counties as economically distressed, excluding Carbondale, and Glenwood Springs from Garfield County, approved as modified.

Schiff directed staff to plan on helping us through a conversation about how we want to proceed with this program, looking at counties as a whole, do we want to start looking at graduating more cities out of some of these counties. How do we want to think about all of those things in the context of new legislation.

Stapleton said I just have one process comment quickly that. And I wasn't around obviously, when this was set up or designed, but rather than us, making piecemeal or arbitrary judgments on, you know, cities and counties that should be in or out of the program, I do think. Either from the OEDIT staff standpoint or from a presentation at a future meeting. It would be helpful to hear from people on the ground in the economic development offices of those particular areas. And I'm not sure what parameters we can put around making the decision. But I certainly wouldn't want to make a decision for a city on the western slope without hearing from somebody that actually is involved in economic development on a day in and day out basis.

## **G. Colorado Office of Film, Television, and Media (COFTM)**

### **Overview of the New COFTM Tax Credit Program and Rebate Incentive Program**

O'Malley said in 2023 the Colorado Legislature passed HB1309, creating a \$5M, 1-year refundable tax credit program. The tax credit can offer a 2% uplift for use of infrastructure or marginalized urban or rural areas. Regarding the rebate program. All projects that are a part of that program are now compiling their CPA reports for review by our new analyst. We anticipate that those projects will have the rebates reviewed and reallocated by the second quarter of 2024.

With the first round of applications reviewed, if the EDC were to approve all applications brought forward, there would be a remaining \$3,714,461 remaining.

### **Lifestyle Series 1**

O'Malley presented Lifestyle Series 1. This shows host, is taking one of his biggest risks in life. He has 9 months to take 11 cabins from an unlivable condition and turn them into a destination summer vacation. Post-production is slated to run through October of 2024. Post-production is taking place in Denver at the High Noon Facilities.

Per the applicant's estimations, the Office of Film, Television & Media is anticipating a total of \$314,821 in qualified local expenditures and with the multiplier effect, the economic impact could reach up to \$566,137.

The project has a total preliminary Colorado budget of \$314,821:

- Payroll spend: \$198,704

- Vendor spend: \$116,117
- CO Crew hires: 12
- CO Cast hires: 0
- Total CO hires: 12, which equals 100% of the total cast and crew hired for this project.

The estimated qualified local expenditures of the application would result in a 10% tax credit incentive.

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

M/S/P – Leach, Franz – Lifestyle Series 1 was approved as presented and recommended by staff.

### **Lifestyle Series 2**

O'Malley presented Lifestyle Series 2. Lifestyle Series 2 follows 2 dynamic hosts that see a possible dream home where others see disaster, post-production is taking place in Denver at high noon facilities.

Per the applicant's estimations, the Office of Film, Television & Media is anticipating a total of \$773,153 in qualified local expenditures and with the multiplier effect, the economic impact could reach up to \$1,390,322.38.

The project has a total preliminary Colorado budget of \$773,153:

- Payroll spend: \$506,783
- Vendor spend: \$266,370
- CO Crew hires: 12
- CO Cast hires: 0
- Total CO hires: 12, which equals 100% of the total cast and crew hired for this project.

The estimated qualified local expenditures of the application would result in a 10% tax credit incentive.

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

M/S/P – Tafoya, Paletz – Lifestyle Series 2 was approved as presented and recommended by staff.

### **Project Iris**

O'Malley presented Project Iris. Project Iris is a story-driven first-person mystery game with compelling, nuanced characters and clever, tactile gameplay. It is built upon an innovative non-linear narrative system and grounded with unexpected dramatic depth. Project Iris has secured a third-party partnership with one of the largest video game companies in the world, who will be providing not only funding for the project but an additional commitment of significant marketing support through their sizable international audience. Through this partnership, the full project will receive external funding of \$3,000,000 for development through Q3 2024. They are targeting a release date in late 2024 on PC and console, with additional platforms and content in 2025, all developed and published by Serenity Forge.

Per the applicant's estimations, the Office of Film, Television & Media is anticipating a total of \$495,977 in qualified local expenditures and with the multiplier effect, the economic impact could reach up to \$891,890.64.

The project has a total preliminary Colorado budget of \$495,977:

- Payroll spend: \$395,573
- Vendor spend: \$100,404
- CO Crew hires: 11
- CO Cast hires: 0
- Total CO hires: 11, which equals 68% of the total cast and crew hired for this project.

The estimated qualified local expenditures of the application would result in a 20% tax credit incentive.

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

M/S/P – Paletz, Tafoya – Project Iris was approved as presented and recommended by staff.

### **High Science Season 3**

O'Malley presented High Science Season 3. High Science Season 3 is an unscripted reality television show focused on a Colorado cannabis company, Clear Cannabis Inc. The company is a family-owned business, with two generations of patriarchs running the show. Much like Pawn Stars or Orange County Choppers the content comes from the interactions of these family members running a business. This show showcases the business, and science, behind the development of cannabis products and cannabis companies. Season 2 was approved for a rebate of \$180,000 on July 20, 2023.

Per the applicant's estimations, the Office of Film, Television & Media is anticipating a total of \$495,977 in qualified local expenditures and with the multiplier effect, the economic impact could reach up to \$891,890.64.

The project has a total preliminary Colorado budget of \$495,977:

- Payroll spend: \$395,573
- Vendor spend: \$100,404
- CO Crew hires: 11
- CO Cast hires: 0
- Total CO hires: 11, which equals 68% of the total cast and crew hired for this project.

The estimated qualified local expenditures of the application would result in a 20% tax credit incentive.

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

M/S/P – Franz, Sparn – High Science Season 3 was approved as presented and recommended by staff.

### **Welcome to the Fishbowl**

O'Malley presented Welcome to the Fishbowl. With 40 in the rearview mirror, a mother of two gets a career-making offer. All she has to do is chaperone a narcissistic literary legend 350 miles to an awards ceremony in Telluride. Production is slated to begin in June of 2024 and finish in July of 2024. Postproduction will run through December of 2024. Anticipated locations include Denver, Golden, Evergreen and Telluride.

Per the applicant's estimations, the Office of Film, Television & Media is anticipating a total of \$1,871,600 in qualified local expenditures and with the multiplier effect, the economic impact could reach up to \$3,365,604.

The project has a total preliminary Colorado budget of \$1,871,600:

- Payroll spend: \$1,176,035
- Vendor spend: \$695,565
- CO Crew hires: 35
- CO Cast hires: 38
- Total CO hires: 73, which equals 80% of the total cast and crew hired for this project.

The estimated qualified local expenditures of the application would result in a 16% tax credit incentive.

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

M/S/P – Leach, Franz – Welcome to the Fishbowl was approved as presented and recommended by staff. Stapleton recused himself from the vote.

### **Project VI**

O'Malley presented Project VI. Project VI is a slate of commercial projects consisting of three 60-second videos. Those videos will also be edited down into varying deliverables for Facebook, Reddit, LinkedIn and YouTube. This set of spots is meant to advertise generative artificial intelligence tools that help businesses in observability and security and help customers with searches. Production is slated to begin in late February of 2024 and finish in early March of 2024. Postproduction will run through July of 2024. Anticipated locations include Denver and Boulder.

Per the applicant's estimations, the Office of Film, Television & Media is anticipating a total of \$283,911 in qualified local expenditures and with the multiplier effect, the economic impact could reach up to \$510,542.95.

The project has a total preliminary Colorado budget of \$283,911:

- Payroll spend: \$63,248
- Vendor spend: \$220,627
- CO Crew hires: 9
- CO Cast hires: 22
- Total CO hires: 38, which equals 100% of the total cast and crew hired for this project.

The estimated qualified local expenditures of the application would result in a 20% tax credit incentive.

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

M/S/P – Franz, Leach – Project VI was approved as presented and recommended by staff.

### **Project Red**

Schiff entertained a motion to enter executive session.

Franz moved, pursuant to Colorado Revised Statutes Section 24-6-402(3)(a)(III), I move that we go into executive session for the purpose of discussing documents that contain trade secrets and/or confidential commercial or financial information about Project Red, which are required to be kept confidential by

Colorado Revised Statutes Section 24-72-204(3)(a)(IV). Leach 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.

Franz moved the EDC exit executive session. Leach seconded the motion. Motion passed unanimously.

The EDC is now in Open Session.

O'Malley presented Project Red. Project Red is a multi-part documentary series. The series will be released through Amazon Prime. Production is slated to begin in March of 2024 and finish in December of 2024, with post-production starting in June of 2024 and finishing in December of 2024.

Per the applicant's estimations, the Office of Film, Television & Media is anticipating a total of \$4,259,867 in qualified local expenditures and with the multiplier effect, the economic impact could reach up to \$7,660,305.83.

The project has a total preliminary Colorado budget of \$4,259,867:

- Payroll spend: \$2,499,895
- Vendor spend: \$1,759,972
- CO Crew hires: 23
- CO Cast hires: 1
- Total CO hires: 24, which equals 64% of the total cast and crew hired for this project.

The estimated qualified local expenditures of the application would result in a 14% tax credit incentive.

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

M/S/P – Franz, Leach – Project Red was approved as presented and recommended by staff.

## **H. Other**

### **Next EDC Meeting**

The next regularly scheduled EDC meeting will be March 21, 2024.

**With all items discussed, the meeting was adjourned.**