

ECONOMIC DEVELOPMENT COMMISSION

MEETING MINUTES

June 16, 2022

8:30 a.m. – 1:30 p.m.

MEETING DATE

June 16, 2022

Virtual Meeting

MEETING PARTICIPANTS

A. Commission Members

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

B. Guests

Kacie Adair, Tim Martinez, Erin Cook, Jeff with Orange Lazarus, Laura Rodriguez, Jacob DiMattia, Teresa Sedmak, Nikki Holmlund, Paul Andrews, Nathan Fair, Lucas High, Owen Racer, Aldo Svaldi, Rachael Sall, Dennis Huspeni, Candace Payne, Jocelyn Hittle, Steve Boice, Scott Romano, Jariah Walker, Terry Blair Burton, Turid Nagel-Caseboldt, Baxter Richardson, Bob Cope, John Cullen, Charles Garcia, Nancy Wishmeyer, John Bristol, Marcy Loughran, Ryan Cobbins, Mike Bouchard, Mike Lowe, and Courtney Rodwell.

C. Staff

Pat Meyers, Jeff Kraft, Sean Gould, Sonya Guram, Michelle Hadwiger, Keri Ungemah, Alissa Johnson, Rama Haris, Hana Sayeed, Mike Landes, Martin Gonzales, Andrea Blankenship, Kylie Peterson, Antonio Soto, Mairsela Parraguez, Tad Johnson, Kelly Baug, Che Sheehan, Kat Papenbock, Nikki Maloney, Andrew Streight, Hasti Soltani, Leslie Hylton, Morgan Vankat, Marvin Earle, and Virginia Davis.

DECISION/ACTION ITEMS

1. The Economic Development Commission approved the Minutes from the May 19th, 2022, EDC Meeting.
2. The Economic Development Commission approved the following projects/items:

JGITC:	Project Outback; and Project Chamomile.
SF:	Project Soap; Project Owl; COVENTURE Year-3 Funding; EDC FY23 Administration; CSUP Loan Fund TA ARPA; ECGF; and EZ SF Initiative.
EZ:	Build Pagosa; and Delta Health.
COFTM:	The United Taylor Sheridan Project; Orange Lazarus Phase I; and Project Artemis Phase III.
RJS:	Alpenglow Beverage, LLC; West End Economic Development Corp.; ACOM and Hayden Removal; Legacy RJS Participants for Grant Program.
AI:	CU Denver POC and ESCR Competitive Grants.

Meeting Called to Order

Schiff called the meeting to order.

A. Minutes

Schiff called for a motion to approve the minutes from the April 21st, 2022, EDC Meeting.

Dragoo moved approval of the minutes. Paletz seconded the motion. Motion passed unanimously.

M/S/P – Dragoo, Paletz – Minutes approved as presented by staff.

B. Job Growth Incentive Tax Credit (JGITC): Michelle Hadwiger

Project Outback

Landes presented Project Outback. The company behind Project Outback is an international green energy company committed to producing zero-carbon green hydrogen from renewable sources. The company is a leader in the green industrial revolution, developing industry-agnostic technology solutions. Project Outback represents the company's efforts to set up a Global Technology Hub in the US with the aim to develop the technologies required to deliver on its vision to produce 15 million tonnes per year of green hydrogen by 2030 and to decarbonize its own parent company by 2030. The technologies that will be developed through the Global Technology Hub will be manufactured and deployed into the company's projects across the world.

Staff is requesting approval of up to \$1,996,009 in performance-based Job Growth Incentive Tax Credits over an 8-year period for the creation of up to 155 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 – Dragoo, Young – Project Outback approved as presented and recommended by staff.

Project Chamomile

Landes presented Project Chamomile. The company behind Project Chamomile is a fast-growing health tech company that was the first to develop a clinically proven treatment to target diabetes without invasive surgery or procedures. The company is a remote-first company and currently has about 100 remote workers in Colorado. They have signed a temporary lease in Denver that they have deemed their Tech Hub to test the waters on if they will be able to attract and retain talent in Colorado. Depending on the outcome by 2023, they will decide on whether to keep their Headquarters in San Francisco or invest in Denver. The roles that they currently have in Colorado are all remote operations jobs, whereas the jobs that they would create with a new Headquarters would range from research and development to administrative, and sales.

Staff is requesting approval of up to \$6,951,291 in performance-based Job Growth Incentive Tax Credits over an 8-year period for the creation of up to 902 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 – Paletz, Franz – Project Chamomile approved as presented and recommended by staff.

Update of Approved Projects

Gonzalez said we have three projects that chose Colorado and are pending announcement. Since the last EDC meeting, Naked Wines, introduced as Project Bluebird, has also chosen Colorado and has announced.

C. Strategic Fund

EDC Budget Update

Gould provided the EDC Budget update which shows a Long Bill balance of \$4,168,849.

SF Balance Forecast

Gould presented the SF Balance Forecast that shows a current available balance of \$800,000 in annual Long Bill funds, \$4,566,000 in CRPS funds, and \$2,088,824 in RJS Grants.

Strategic Fund Red Yellow Green Report

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

Project Soap

Landes presented Project Soap. The company behind Project Soap is a digital product agency, venture studio and VC firm that invests in promising tech companies. The company is expanding their workforce outside of Australia and New Zealand to the United States, to have closer proximity to their clients and to invest in a new market.

Staff is requesting approval of up to \$455,184 in performance-based Job Growth Incentive Tax Credits over an 8-year period for the creation of up to 42 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.

Additionally, staff is requesting approval of a performance-based SF LONE Worker incentive in the amount of \$26,000 over a five-year period for the creation of 4 net new full-time jobs at \$6,500 per net new job in LONE Worker-eligible communities, with similar corporate positions as the JGITC project. As long as the average annual wage requirement of the total JGITC project has been met, then these LONE Worker net new jobs are eligible for this incentive. The Net New Jobs must be maintained in Colorado for one full year before any grant payments are made at the end of the 5-year period, based on the average number of LONE Worker eligible employees over years 2 through 5. Per the LONE Worker incentive, no local match is required for these Strategic Fund incentive.

M/S/P – Franz, Dragoo – Project Soap JGITC, and SF LONE, approved as presented and recommended by staff.

Project Owl

Landes presented Project Owl. The company behind Project Owl is a multi-disciplinary engineering firm that specializes in aviation, land development, power, public works, and several other industries. The company behind Project Owl primarily operates throughout the Great Plains region and currently has two locations in Colorado. The company is structured as an ESOP and they match 16% of each employee's salary in company stock. This project represents an expansion of the company's current operations to meet their business demands.

Staff is requesting approval of up to \$130,000 in performance-based Strategic Fund over a 5-year period for the creation of up to 20 net new full-time jobs at \$6,500 per net new job at an average annual wage

of \$64,792, which is 140% of the Mesa County average annual wage. Or a payout of \$2,500 per net new job if the average annual wage is at least \$46,280, 100% of the Mesa County average annual wage at the end of the 5-year term. The net-new jobs in Colorado must be maintained for one full year before any grant payments are made and a \$1:\$1 local match of incentives by the Grand Junction Economic Partnership and Industrial Developments, Inc. and/or grants from other community partners that match the payout and term structure of the OEDIT incentives and will not result in the possibility of a clawback by the community partners and an undermatch of OEDIT's payouts.

M/S/P – Paletz, Seaton – Project Owl approved as presented and recommended by staff.

FY23 EDC Administration Request

Kraft presented the FY23 EDC Administration request.

M/S/P – Walker, Young – FY23 EDC Administration request approved as presented and recommended by staff.

COVENTURE

Papenbock presented the COVENTURE request providing some history of the program. From 2004 to 2017 we operated with Business Incubator Grant Version 1 providing \$150,000 over 3 years. During that time, the outlined incubators/accelerators complete the 3-year cycle with the required 2:1 match. Many closed after the state funding expired. This was the primary driver behind the modification made to the program for 2019.

Current Program (2018-present):

Funding of \$250,000 over 5 years at \$50,000 each year. Each year of the state's investment is looked at separately. Incubators under this program may not be eligible for the full \$250,000. Those that have received funds, may come back, and look at the difference of funding levels to max at the \$250,000. The reason for the update to the program was to help the incubator with community support for a longer period and help improve its chances of self-sufficiency.

Current program participants:

- COVENTURE
- Estes Park EDC – Entrepreneur Center

Renewal Funding Requirements:

- Incubators should have a viable plan for long-term self-sustainability.
- Maximum \$50,000 per year for up to 5 years on a year-to-year application basis. EDC may consider requests for operating and/or capital costs.
- 5-year limit for disbursement of funds.
- Equal funding of \$50,000 per year structure to focus on start-up costs and encourage move to self-sustainability
- Matching funds – EDC funds requested should be no more than one-half of total non-fee revenues over a 5-year period; higher match is preferred. 2:1 matching requirement
- Only 50% of the EDC annual advance may go toward salaries over the 5-year EDC funding period. The incubator director's salary may not exceed 50% of the total cost of operational expenses of the incubator per year.

- The incubator director cannot directly benefit or receive compensation or warrants from fees charged to clients/tenants of the incubator during the 3-year period of EDC funding.
- Signed Conflict of Interest Statement.

Community Support Requirements: financial as well as moral support from the community, including:

Local government (city or county) – should provide significant financial support during start-up period.

- Financial and/or programmatic support from, and integration of services with, other entities as appropriate to community:
 - Chamber of commerce.
 - Local economic development organization.
 - Small Business Development Center.
 - Local higher education institution(s).
 - Revolving loan fund.
 - Other business leadership – financial institutions, professional advisors.
 - Include at least 3 letters of support, indicating the type of support planned (cash or in-kind donations, cooperative agreement, etc.).

Performance Measures: Show satisfactory progress as a condition prior to releasing Yearly funds, including measures of:

- Number of businesses assisted.
- Success rate over time of businesses assisted.
- Job creation by client companies and graduates.
- Sales levels achieved by assisted companies.
- Level of investment in or amount of funding raised by assisted companies.
- And/or other measures identified as appropriate to local goals for the incubator program.

We recommend that the EDC continue their support of COVENTURE for the third tranche of their incubator funding. We feel strongly that supporting our existing incubators, COVENTURE in Carbondale and the Estes Park EDC's Entrepreneur Center (provided they are successfully meeting their goals), is important for their future success and that of their local entrepreneurial and business communities.

M/S/P – Franz, Seaton – COVENTURE Year-Three Funding approved as presented and recommended by staff.

Startup Loan Fund Request

Guram introduced Peterson, and Earle to present the Startup Loan Fund (SULF) request. The Colorado Microloan Program was approved by the EDC in 2017 to award \$3.5M to three mission-based lenders to establish revolving loan funds with character-based credit considerations to serve underrepresented small businesses and startups that would otherwise be excluded from traditional financing markets. The program sunsets in June 2022 and final reporting will be reviewed in August and presented to the EDC in September.

The Colorado Startup Loan fund, launching in August this year, was created in the wake of the successful outputs from the Colorado Microloan Program and the strong collaboration among the mission-based lenders.

The Colorado Startup Loan Fund was established by HB21-1288 and continuously appropriated \$40M to provide loans to businesses looking to establish, re-capitalize as a result of the pandemic, or to expand their operations.

OEDIT is awarding grants to 8 mission-based lenders to establish 8 revolving loan funds with character-based credit considerations, flexible underwriting, and affordable loan terms, and to advance small capacity building grants with these loans. Program Administrators, selected through a competitive process, are: Exponential Impact, Lendistry, First Southwest Community Fund, Region 9, Rocky Mountain Microfinance Institute, Colorado Enterprise Fund, B:Side Fund, and CEDS Finance.

The purpose of the Community Outreach Program and Technical Assistance (Plan) for the Colorado Start Up Loan Fund is to liaise and collaborate with nonprofit community outreach consultants and technical assistance advisors.

The Community Outreach and Technical Assistance consultants/vendors will channel, inform, and assist with the preparation of loan applications from existing or start up small business owners' seeking access to capital. These vendors are engaged and trusted community members. The CSLF Access to Capital Community Relations Manager will seek out these Vendor relationships to be compensated by OEDIT to perform Outreach services/activities and Technical Advisor assistance in preparation for submission to CDFI lending partners. The Technical Assistance vendors will personally counsel and help prepare CSLF borrower/applicants as Loan Ready loan applications to be submitted to CDFIs for approval and funding.

The General Assembly originally provided \$10M in ARPA for this program, along with \$30M in state funds. However, based on late breaking federal regulations, the Final Rule made it very difficult to use ARPA \$s for loans. As a result, this past legislative session, General Assembly switched ARPA for General Funds at OEDIT's request. There is language in the SULF statute that could be read to require that outreach and technical assistance be paid for with federal and not state funds. So OEDIT requests that some ARPA funds be made available for outreach and Technical Assistance to businesses and households who were harmed by the pandemic.

Staff is requesting the EDC approve providing \$500,000 out of the already earmarked \$40M of ARPA funding, from the \$30M statewide bucket, in the Strategic Fund for outreach and technical assistance for small businesses and households starting small businesses to support the Startup Loan Fund program. These funds will be used to contract with community-based third-party providers. This funding will be re-allocated from the previously approved \$17M for the Community Revitalization Grant (CRG) program, total funding for CRG is now \$16.5M.

OEDIT staff will provide quarterly and annual reports, as per the requirements of the ARPA. Vendors are required to submit weekly activity reports and status reports to OEDIT.

M/S/P – Paletz, Seaton – Startup Loan Fund request approved as presented and recommended by staff.

Energize Colorado Request

Kraft provided some history of the Energize Colorado program providing a flow chart of the program to date.

The Colorado Housing and Finance Authority (CHFA) and Energize Colorado Gap Fund, LLC (Energize), and the Office of Economic Development and International Trade (OEDIT) have been working together to

manage the Energize Colorado Gap Fund (ECGF) grant program under an agreement and in collaboration with OEDIT. Colorado legislation HB21-1302 provided \$15,000,000 for this program.

Challenges in Deploying Grant Funds 2021 and 2022

- Capacity Limitation of all parties -
 - OEDIT working to execute multiple new relief programs including Disproportionately Impacted Business Program (Pacific), Startup Loan Fund, State Small Business Credit Initiative (SSBCI) application, ARPA Fund Deployment,
 - CHFA adds new staff supporting the program
 - Energize staff and structure changes and working on community focused loan program, capital absorption and other initiatives
 - Subgrantors/Lender capacity and challenges meeting state insurance requirements
- Many applicants are non-responsive - perhaps no longer interested in grants (requirements) or no longer in business, substantial marketing efforts required
- Possibility that all grant funds may not be awarded due to capacity of the parties and lack of response from applicants. In this case they would be returned to general assembly

Staff is requesting the EDC authorize OEDIT and CHFA to amend the contract with one-month extensions such that CHFA and its subcontractors have until Aug 1, 2022 to make awards to applicants (defined as expending funds in contract and they have until September 15, 2022, to finalize payments of awards to recipients.

M/S/P – Tafoya, Young – Energize Colorado request approved as presented and recommended by staff.

Enterprise Zone Strategic Fund Initiative Request

Guram presented the Enterprise Zone Strategic Fund Initiative request. Due to COVID 19, face to face meetings were canceled in 2020 and 2021 and a total of \$26,000 in meeting and travel budgets were unspent and returned to the Strategic Fund. For calendar year 2020 we budgeted \$18,000, for 2 face-to-face meetings and dropped that to \$8,000 in 2021 and 2022 knowing that the pandemic still posed an uncertainty for travel and that we might hold 1 face-to-face meeting. With more moderate COVID concerns, the group of EZ Administrators is eager to meet, and we have begun making plans with the Southwest EZ Admin hosting and acting as a key organizer. OEDIT program staff believe that it's important to host these events around the state so that the group has an opportunity to explore economic development projects and assess community assets in a variety of communities, and to give administrators an opportunity to highlight their work. We appreciate the host owning a large part of the local logistics.

These Enterprise Zone administrator meetings are an invaluable opportunity to delve deeply into a particular community and ensure that all of our administrators are trained to provide high quality, locally trusted customer service on the EZ Program to businesses and communities. Since the last face-to-face convening in 2019, 7 of the 19 zones have new EZ program staff. The group meeting is an opportunity for training, working through policy/legislative/process changes, and developing peer relationships which support a high functioning program. The EZ administrators are the key program providers, and additionally are an important link for OEDIT to regional activity. We are all looking forward to meeting in person this year following COVID-related cancellations in 2020 and 2021.

Staff is requesting an additional \$17,000 from the strategic fund for EZ Program administration. This is an increase in the SF allocation for EZ administration for meeting and travel costs from \$8000 to a total of

\$25,000 for calendar year 2022. This would bring the total budget for EZ administration to \$383,500 from \$366,500.

M/S/P – Dragoo, Paletz – Enterprise Zone Strategic Fund Initiative request approved as presented and recommended by staff.

D. Enterprise Zone (EZ): Sonya Guram

Contribution Project Proposals

Sheehan presented the following EZ Contribution Project Proposals for approval.

EZ	Project Name	Type	Category	Completion Date	Budget	1 yr. Proj. Credits
SW	Build Pagosa Career & Technical Education & Workforce Center	Capital Campaign	Community Facility	12/31/2027	\$4,300,000	\$437,500
REG10	Delta Health Equipment & Operations	Operations	Healthcare	12/31/2027	\$2,500,000	\$12,500
TOTAL					\$6,800,000	\$450,000

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

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

COFTM Budget

Baug presented the COFTM budget which has a total FY22 COFTM Incentive Funds of \$4,155,588 remaining if the pending projects today are approved.

The Untitled Taylor Sheridan Project

Baug presented The Untitled Taylor Sheridan Project. King Street Productions Inc. is a non-Colorado company and subsidiary of Paramount Global. King Street will be producing the Untitled Taylor Sheridan Project in conjunction with 101 Studios. The Untitled Taylor Sheridan Project is a scripted mini-series detailing the case of JonBenét Ramsey who was murdered in Boulder, Colorado on December 25, 1996. The project is scouting Boulder and surrounding areas to film and is slated to begin pre-production in August 2022 to shoot in September and October of this year. The project will be aired on Paramount+ and the cable television network, Paramount Network in Q2 or Q3 of 2023. This project is fully funded by ViacomCBS Inc.

Per the applicant’s estimations, the Office of Film, Television & Media is anticipating a total of \$11,575,000 in qualified local expenditures and with the multiplier effect, the economic impact could reach up to \$20,814,744.

The project has a total preliminary Colorado budget of \$11,575,000:

- Payroll spend: \$7,450,000
- Vendor spend: \$4,125,000
- CO Crew hires: 50
- CO Cast hires: 10
- Total CO hires: 60, which equals 54% of the workforce for this project

The estimated qualified local expenditures of the application would result in a rebate of \$2,315,000 which is a 20% rebate.

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

M/S/P – Paletz, Young – The Untitled Taylor Sheridan project was approved as presented and recommended by staff.

Orange Lazarus

Baug presented Orange Lazarus. Idol Minds is seeking to land a new interactive video game based on a blockbuster multimedia franchise. The studio is using its industry-leading motion capture processes and pipelines, combined with the local Denver acting talent to deliver a fun, exciting and emotionally engaging story-based game. The storyline of this game focuses on community and how important it is in times of stress, upheaval, and danger. New relationships and old ones are threatened as the player digs into the mysteries and secrets that shroud this world. Distribution plans for the proposed project include home PC, home video game consoles and new devices. The game will be localized into 5+ languages and released simultaneously worldwide.

Per the applicant's estimations, the Office of Film, Television & Media is anticipating a total of \$935,000 in qualified local expenditures and with the multiplier effect, the economic impact could reach up to \$1,681,364.

The project has a total preliminary Colorado budget of \$935,000:

- Payroll spend: \$911,000 (*this figure excludes those new Colorado-based positions being incentivized by the JGITC*)
- Vendor spend: \$24,000
- CO Crew hires: 27
- CO Cast hires: 10
- Total CO hires: 37, which equals 92% of the workforce for this project

The estimated qualified local expenditures of the application would result in a rebate of \$120,000 which is a 13% rebate.

Project Artemis Phase III

Baug presented Project Artemis Phase III. Idol Minds is moving to the final phase of the core game of Artemis, which includes going through Alpha polish, Beta bug fixing, and submitting for world-wide testing. Idol Minds is also creating additional downloadable content for the game that will be designed and finished during this phase. The studio is using its industry-leading motion capture processes and pipelines, combined with the local Denver acting talent to deliver a fun, exciting and emotionally engaging story-based game.

Per the applicant's estimations, the Office of Film, Television & Media is anticipating a total of \$2,348,000 in qualified local expenditures and with the multiplier effect, the economic impact could reach up to \$4,222,291.

The project has a total preliminary Colorado budget of \$2,348,000:

- Payroll spend: \$2,348,000 (*this figure excludes those new Colorado-based positions being incentivized by the JGITC*)
- Vendor spend: \$0
- CO Crew hires: 33

- CO Cast hires: 6
- Total CO hires: 39, which equals 64% of the workforce for this project

The estimated qualified local expenditures of the application would result in a rebate of \$380,000 which is a 16% rebate.

Staff recommends approval of Orange Lazarus, and Project Artemis Phase III with the noted project conditions.

M/S/P – Dragoo, Paletz – Orange Lazarus and Project Artemis Phase III approved as presented and recommended by staff.

F. Rural Jump-Start (RJS): Morgan Vankat, Andrea Blankenship

Alpenglow Beverage, LLC

Vankat presented the Alpenglow Beverage, LLC. Alpenglow Beverage, LLC is an alcoholic beverage production company, specifically focused on mead, opening in Routt County. After growing up in the wine/mead production industry in Missouri, the owner has decided to start his own business in a former brewery/tasting room in Hayden, Colorado. Mead is similar to wine but is unique as it is solely honey-based. The owners also plan to experiment with non-alcoholic, honey-based drinks, such as sparkling beverages. The owner received all the necessary equipment from the family business in Missouri and plans to purchase honey from local and Florida-based beekeepers. Alpenglow Beverage, LLC has already received a conditional use permit with the town of Hayden and is registered with the state. The business plans to be in full production by Fall 2022 and will hire positions in production and sales.

Overview of Eligibility Criteria

- Operation Clause. Pass on this metric. At the time of application, Alpenglow Beverage, LLC was not operating as defined by the RJS program.
- Not Moving Jobs. Pass on this metric. Alpenglow Beverage, LLC is not moving jobs within Colorado.
- Hires at least 5 New Hires. Pass on this metric. Alpenglow Beverage, LLC expects to hire 6 New Hires.
- Competition Clause. Pass on this metric. OEDIT has not identified a Colorado company that directly competes with Alpenglow Beverage, LLC in an adjacent economically distressed county.
- Adds to Economic Base and Exports Outside the County Pass on this metric. Alpenglow Beverage, LLC would add to the economic base and export outside of Routt County.
- Endorsed by Sponsoring Entity. Pass on this metric. Alpenglow Beverage, LLC is endorsed by Routt County Economic Development Partnership, who has submitted a signed letter of support.

OEDIT has concluded that Alpenglow Beverage, LLC passes all metrics for participation in the Rural Jump-Start program, and therefore recommends approving Alpenglow Beverage, LLC for participation in the Rural Jump-Start program with 6 New Hires.

Alpenglow Beverage, LLC will qualify for \$55,000 in grant funding: \$40,000 for new operations and \$15,000 for 3 New Hires in 2022 and 2023.

To qualify to be a New Hire in Routt County, the employee will make at least \$46,124 annually, based on 2021 Average Annual Wage calculations.

OEDIT requests a motion to approve the application of Alpenglow Beverage, LLC for participation in the Rural Jump-Start program with six New Hires and \$55,000 in grant funding.

M/S/P - Dragoo, Tafoya – Alpenglow Beverage, LLC approved for the RJS program with 6 new hires and \$55,000 in grant funding.

West End Economic Development Corporation Sponsoring Entity

Vankat presented the West End Economic Development Corporation application. West End Economic Development Corporation has submitted an application as a Sponsoring Entity in the Rural Jump-Start Program. West End Economic Development Corporation was created in 2014 as a result of the coal mines closing in western Montrose County, therefore serving a Tier 1 Just Transition community. It focuses mainly on supporting small businesses and entrepreneurship, with an emphasis in the outdoor recreation, tourism, and value-added agriculture industries.

Per current statute, a Sponsoring Entity can be either a designated Institute of Higher Education or an Economic Development Organization. The application certifies that the Sponsoring Entity has read the Program Manual, has the resources available to launch and administer the program quickly and vigorously, has a single point of contact, and has the capacity to qualify and review applications for the program.

OEDIT recommends the approval of West End Economic Development Corporation as a Sponsoring Entity in the Rural Jump-Start program.

M/S/P - Dragoo, Paletz – West End Economic Development Corporation approved as a Sponsoring Entity as presented and recommended by staff.

ACOM and Hayden Data

Vankat presented the ACOM and Hayden Data request. ACOM Unlimited and Hayden Data applied and were approved for the Rural Jump-Start program in March and May 2021, respectively. The two businesses were very intertwined, as Hayden Data produced sensors for electronic equipment and ACOM built the housing for the electronic equipment.

ACOM Unlimited

ACOM reached out during the Annual Report process, mentioning that Hayden Data had not yet started their business in the Zone, Mesa County, and hence ACOM was not able to begin any manufacturing in the Zone. ACOM reports that their contract with Hayden Data was not executed as planned, and hence never opened operations in Mesa County. As a result, the business never started operations in Mesa County.

Therefore, OEDIT recommends the removal of ACOM Unlimited from the Rural Jump-Start Program.

Franz, Seaton – ACOM removal from the RJS program approved as presented and recommended by staff.

Hayden Data

Hayden Data has been planning to open a manufacturing facility to Mesa County. Hayden Data was planning designing and manufacturing electronic sensor equipment, which has multi-industry application. It was planned that these electronic sensors would monitor the function and health of telephone pole infrastructure. Unfortunately, business did not materialize as planned and Hayden Data decided not to open up operations in Mesa County.

Therefore, OEDIT recommends the removal of Hayden Data from the Rural Jump-Start Program.

M/S/P - Franz, Tafoya – Hayden Data removal from the RJS program approved as presented and recommended by staff.

Annual Reports for the Business

The following New Businesses have submitted their Annual Report for 2021 since the May EDC Meeting:

- Dude Solutions. Approved for Rural Jump-Start on 9/20/2018, no New Hires.
- Jabil, Inc. Approved for Rural Jump-Start on 4/16/2020, no New Hires.
- Scenic Express, Inc. Approved for Rural Jump Start on 9/16/2021, no New Hires.

OEDIT Requests a Motion to Issue Tax Credit Certificates to these New Businesses.

M/S/P - Seaton, Dragoo – approval to issues Tax Credit Certificates to the listed new businesses.

New Hires Benefits

The following business has employees that are eligible for New hire benefits for 2021:

- Dude Solutions. 3 Employees

M/S/P - Tafoya, Franz – approval to issues Tax Credit Certificate to the business listed and the new hires.

Suspend and Corrective Action

Vankat presented the list of companies that have submitted their annual report for 2021. The following businesses have NOT submitted their annual reports for 2021:

- Certek Heat Machine, USA, LLC
- Ecomposite Super Structures, LLC
- Valkyrie Recovery Systems, Inc.

Language currently in the Program Manual says:

New Businesses that fail to file the annual report on time will receive a 60-day notice of correction. Companies that do not submit their annual report by this deadline will be suspended from the program for that year. Companies that fail to submit an annual and do not respond to email and phone messages from OEDIT will receive a final written 30-day revocation notice. Companies that fail to respond to the 30-day notice will have their approval revoked.

Companies that are suspended are required to submit a plan for corrective action and must submit that annual report in order to receive benefits in the next year. Companies that fail to file their annual reports on time for two years will have their approval revoked. Companies that have had their benefits revoked can re-apply to the program, but must fill out a new application, and are required to meet all program requirements at the time of their new application.

OEDIT Requests a Motion to suspend Certek Heat Machine, USA, LLC; Ecomposite Super Structures, LLC and Valkyrie Recovery Systems, Inc. due to failure to turn in 2021 annual reports from the Rural Jump-Start program.

M/S/P - Seaton, Dragoo – Suspension of Certek Heat Machine, USA, LLC; Ecomposite Super Structures, LLC and Valkyrie Recovery Systems, Inc. approved as presented and recommended by staff.

Approval of Legacy RJS Participants for the Grant Program

Blankenship said at the end of the 2021-22 State fiscal year, \$3,000,000 was appropriated to the Rural Jump-Start Zone Grant Fund account in the Colorado Economic Development Fund. OEDIT is responsible for administering the funds and the EDC shall award the grants, in accordance with C.R.S § 39–30.5-105 (b). On July 15, 2021, the EDC approved New Businesses already participating in Rural Jump-Start or “Legacy RJS Participants” to be eligible for the Net New Hire grant funds to aid in the economic recovery of rural, economically distressed areas of Colorado.

The legacy companies, which were already part of the Rural Jump Start program when the grant program was passed by the General Assembly, do not qualify for the grant to establish operations in a Rural Jump-Start Zone because each business is already operating in its respective zone. However, these legacy companies, per EDC approval in the July 15, 2021 EDC meeting, can qualify to receive Net New Hire grant funds by meeting the standard New Hire requirements as detailed below.

For clarification of the term Net New Hire, New Hires which previously qualified as New Hires in the program are not eligible. Net New Hires applies only to an employee which was hired and qualifies as a New Hire in 2022 or 2023.

The New Businesses provide their list of employees in their Annual Reports due on the last day of February of the following year and OEDIT runs the calculation on which of those qualify as Net New Hires. The EDC will approve the grant amounts in the Annual Reports and grant money for net New Hires will be sent to accounting when tax certificates are issued to the company.

Although the EDC previously approved the process of giving net New Hires of legacy Rural Jump Start participants New Hire grants, to ensure clarity OEDIT wants to further define how these grants are administered and ensure the EDC has given explicit approval for the process and administration for net New Hires for legacy RJS New Businesses in the Rural Jump-Start Grant Program.

Rules for RJS Grant to be Added to Program Manual:

Timeframe of New Business Approval by the EDC	Grant Type and Amount	Is New Business eligible for Grant	Calculation
Before Grant Program was Signed on June 15, 2021	Working Capital Grant \$40,000 to \$20,000**	No	N/A
Before Grant Program was Signed on June 15, 2021	New Hire Grant \$5,000 to \$2,500 per Net New Hire**	Yes	Number of net New Hires* (capped at the New Hire allocation amount for the company, unless EDC approves increase) multiplied by the \$ amount per new hire. Only for New Hires not previously approved as New Hires Net New Hires only eligible when company is increasing overall number of New Hires over totals of previous years in program

After Grant Program Was Signed and EDC Approved Grant Policy on July 15, 2021	Working Capital Grant \$40,000 to \$20,000**	Yes	\$20,000 or \$40,000 for New Businesses in a Tier 1 Just Transition Community
After Grant Program Was Signed and EDC Approved Grant Policy on July 15, 2021	New Hire Grant \$5,000 to \$2,500 per Net New Hire**	Yes	Number of net New Hires* (capped at the New Hire allocation amount for the company, unless EDC approves increase) multiplied by the \$ amount per new hire. *Net New Hires is the increase in qualifying New Hires after 7-15-2021, date of the EDC approval of policy
**\$20,000 is the standard amount approved by the EDC for the Working Capital Grant, the amount doubles if the New Business' Zone is in a Tier 1 Just Transition Community			

Other Rules

- Net New Hires are defined as the increase in qualifying New Hires since the previous year. For Legacy Rural Jump Start businesses this is the increase in New Hires after 7-15-2021, date of the EDC approval of policy.
- Legacy RJS companies must continue to demonstrate New Hire growth in the RJS program. To be eligible for New Hire Grant money, overall number of New Hire jobs must exceed any previous years' highest number of New Hires.
- Note: Because New Hires must work for at least six months with the New Business to be qualified as a New Hire, all Rural Jump-Start New Businesses are eligible for New Hire Grants only in 2022 and 2023

The appropriation for the Rural Jump-Start Grant Program will expire on June 30, 2024 and any remaining money returned to the General Fund.

The grant awards are on a first-come, first-served basis, should the \$3,000,000 be spent.

OEDIT Requests a Motion to update the Program Manual with the Rural Jump-Start New Hire Grant distribution rules listed above.

M/S/P - Seaton, Dragoo – Program Manual update approved as requested and recommended by staff.

Approval of RJS Tax Relief Participants for New Hire Grant Program

The chart below lists the legacy New Businesses approved into the RJS tax relief program between 2017-2021, before the grant program was signed July 15, 2021.

The chart below illustrates the maximum impact the policy of offering Net New Hire grants to Legacy Rural Jump Start businesses would have on the RJS Grant budget:

Company Name	Initial EDC Approval Date	Total New Hire Allocation	New Hires-To-Date Receiving Tax Benefits	Max Potential New Hire Grants	Maximum Estimated Total Grant Amount**

Colorado Herbs, LLC	4/15/21	5	0	5	\$12,500
Colorado Stone Quarries, Inc.	12/17/20	50	16	34	\$85,000
Docupots	6/18/20	5	0	5	\$12,500
Dude Solutions	9/20/18	24	7	17	\$42,500
Geyser Technologies	12/19/19	10	1	9	\$22,500
Jabil, Inc.	3/19/20	10	0	10	\$25,000
Phoenix Haus	12/21/17	30	8	22	\$75,000
ProStar Geocorp, Inc.	2/11/20 ext	29	11	18	\$45,000
TOTALS		163	43	120	\$320,000

OEDIT Requests a Motion for approval of the legacy RJS businesses listed above to be included in the Rural Jump-Start Grant Program for the net New Hire grant amounts as calculated above, allowing OEDIT to issue purchase orders for these legacy RJS companies.

M/S/P - Dragoo, Seaton – Legacy RJS businesses approved as presented and recommended by staff.

G. Regional Tourism Act (RTA): Jeff Kraft, Che Sheehan

RTA Program Update

Sheehan said we have 3 semiannual updates for this meeting from the Stanley Film Center, the National Western Center, and City For Champions. Staff provided a high level overview of the RTA program.

The Commission thanked Sheehan for the update.

Denver/National Western Center

Bouchard provided the NWC update reviewing the campus plan and the phases of the project. Phase 1 & 2 program status of 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

Next Steps and Council Action in the next 3 to 6 months

- Detailed Design + Estimating + Construction Phasing
- Livestock Center, Equestrian Center, Bettie Cram, and Pedestrian Bridge
- Assess Market Conditions
- Contracts – Design, Management, and Construction
- Regulatory / Agreements - Plat, WSSA Legacy Building Construction

Bouchard introduced Charles Garcia with the Denver Urban Renewal Authority for the DURA update.

Garcia provided a 5-year chart of the projected cumulative state sales tax collection from 2017 to 2022 is \$283,370.

Bouchard introduced Jocelyn Hittle to provide the update for the CSU Spur.

Hittle reminded the board the CSU Spur buildings that consists of 3 buildings, the Vida Building which opened in January of 2022, the Terra Building that opened in June of 2022, and the Hydro Building which will be complete in November of 2022.

Bouchard introduced Paul Andrews with the Western Stock Show Association to provide an update.

Andrews said 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
- \$95M has been raised
- Focus remains on major gift and naming opportunities
- Campaign events planned throughout the entire year of 2022

The National Western Stock Show

- 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 7-23rd, 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.

The EDC thanked the NWC team for the update.

Stanley Film Center

Cullen said Bob Layton, senior vice president of Liberty Global will take on the presidency of the SFC and he will be the chief spokesperson, along with Randall Harrington, the former head of school of Kent Denver, who will be CEO. They both start in their official capacities on July 1st. I will still be available and a part of every part and parcel of this enterprise. We held a symposium since our last update at the Stanley and brought in approximately 3 dozen professionals and people from the industry. Donald Zuckerman was one of the speakers. Everyone presented and we got into the details of what goes into the Center and how it flows. We decided we would need more space and will be adding 9000 sf by going down into the ground another 22 feet. I am going back to the Town of Estes Park on July 7th for their approval process. We have now probably crossed the 100,000 sf line of what this building is going to be. We had a financing set back. We were under the community reinvestment act for the US Department of Agriculture. We had a commitment letter as recently as December and January.

Following the Ukraine situation, the Biden administration reprioritized the USDA to food supply and inflation fighting systems. Whereas I might have been able to press the USDA politically and legally to honor that commitment, I think it would be politically if not immorally unwise to do that in today's world. So we walked away from their decision and are now doing a more traditional financing by selling the bonds privately as a donation to the SFC. That triggers a first mortgage. It's back to basics. We've had a lot of publicity about the project. We have recently received a donation of a \$175,000 actual axe from the movie the Shining. It generated 22M hits around the globe. If you Google it you'll find almost 30 pages of stories around the world. SFC is a publicity machine. Our expected launch is still approximately 18-22 months from today. We would like to be open in time for Spring of 2024. That is still well within the guidelines and requirements of the program. We are still spending up to \$400,000 a month on design, programming and artifact acquisitions, salaries and payroll. That is about jump as we move to the hard construction and start pouring concrete. The non-profit side of things will really ramp up in terms of curation, staffing, and donations. We think there is a \$10M donation pool we'll be able to report to the board inside of the next 12 months. It is still going forward. Stanley is doing exceptionally well. We are now 800 rooms and growing.

City for Champions

Walker said there is some great news for Colorado Springs. We've been doing well with our sales tax capture. Currently we are at \$50M of our baseline, which is about \$13M ahead of where we were at, this time last year. The U.S. Olympic Museum (USOM), from the 2022 Olympics, we had a great showing of support with several shows around the facility. It was featured in national news coverage from PBS to NBC. It has been a featured attraction on multiple tourist site, and it continues to see strong visitation. The Hybl Sports Medicine facility offers numerous athletic and training programs. They have a military would class athlete program. They are starting to get interest from out of state running clubs that want to train in their high-altitude room. About 18% of the students going through these programs are coming in from out of state. They are hitting about 11% out of state visitors as far as the sports medicine piece but we are hoping this will show an increase. They had shut down their facility for a longer period during COVID, so we're hoping to see the up trend continue. Weidner Field has been on solid footing throughout 2022. Their primary tenant Colorado Switchbacks is performing quite well. They have the best record in the USL Champions League in the Western Conference and that creates a great sense of local pride and excitement. It's starting to draw a lot of athletes to Colorado in general. They hosted the unique US Drone Soccer Competition this past January and a national sports travel magazine reception as well. This coming summer they are going to have added concerts. They are actively discussing adding more events. Our neighbors that expressed parking concerns at the Robson Arena have talked with the planning department and they were happy with the implementation, and they have said the impact has been little to none. CC had a very successful hockey season. They recently hosted several events and are looking at

adding additional events in the future. Bonds closed on January 31st for the AFA Visitors Center Business District and the hotel. Site work on the 36-acre development commenced in February. We just signed off on the third requisition yesterday. I wanted to make a comment to Commissioner Tafoya's comments earlier. We have some of these out of state visitor numbers for some of the venues. The URA did contract out with Summit Economics, who is very familiar with these projects, to do an economic impact report to talk about not only the out of state visitor impact but the greater impact these projects are generating for our community and state. We are going to be using some geofencing data to be able to capture some of that. When we file our annual report, that will be a piece of it.

Cope talked about some specific events. The 2023 World Jump Rope Championship will be held at Robson Arena. I didn't know much about these championships before we started these conversations, but they have 3000 participants, many of whom are children, that will have families traveling with them coming from all over the world. At Weidner we do host the Division 2 College Soccer Championships. We can announce that the first Hall of Fame Induction celebration festival will be held in Colorado Springs this month. Part of the strategy with the USOM from the beginning was that there was a huge opportunity for Hall of Fame Inductions and Hall of Fame Ceremonies. We are now going to have this first event in June and that puts us on good footing to lock down this event for the indefinite future. This will be a bi-annual event. For the AFA there will be an official groundbreaking in July. Look out for invitations for that event. Overall, things are going well for City For Champions. All the projects are open and attracting out of state visitors except for the AFA Visitor Center.

H. Advanced Industries

All approved in one

Haris presented the FY22 Collaborative Infrastructure Grants, the FY22 CU Boulder POC Allocation Grant, and the FY22 CSM POC Allocation Grant for final approval.

M/S/P – Franz, Tafoya – All AI projects approved as presented and recommended by staff.

AI Budget Update

Haris provided the AI Budget update which shows a current remaining balance of \$15,694,366.

I. Other

Next EDC Meeting

The next EDC meeting will be June 22, 2022, and July 26th and 27th in Salida/BV.

Schiff asked to renew the request for EDC members to serve in an advisory capacity for the P3 office.

Kraft said we will have Natreice Bryant, a seasoned Colorado State executive who has worked for several different agencies, who is moving over to the Department of Personal and Administration. They are going to staff this public/private partnership office that is going to think about ways to utilize state assets through leasing and other transactional arrangements with the private sector to do things like build more affordable and workforce housing and daycare centers and interesting initiatives. A law that just passed makes one of the process steps in approving a public/private partnership, a subcommittee of three EDC members will get to review offline these recommendations.

With all items discussed, the meeting was adjourned.