

## ECONOMIC DEVELOPMENT COMMISSION

### MEETING MINUTES

June 22, 2022

7:00 a.m. – 8:45 a.m.

#### MEETING DATE

June 22, 2022

Virtual Meeting

#### MEETING PARTICIPANTS

##### **A. Commission Members**

Carrie Schiff, Carl Young, Walker Stapleton, David Dragoo, Jandel Allen-Davis, Chris Franz, Jay Seaton, and Steven Paletz.

##### **B. Guests**

Aldo Svaldi, Sharon King, Yessica Holguin, Minsum Ji, Christoph Arnold, Glenn Plagens, Dan Majors, Erin McCluskey, Lucas High, and Paul Bindel.

##### **C. Staff**

Pat Meyers, Jeff Kraft, Sean Gould, Nikki Maloney, Joey Jenkins, Andrew Streight, Keri Ungemah, Alissa Johnson, and Virginia Davis.

#### DECISION/ACTION ITEMS

1. The Economic Development Commission approved the following projects/items:

<b>SF:</b>	Small Business Development Center ARPA Funding Request; Manufacturer's Edge Request; and Employee Ownership Request.
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#### Meeting Called to Order

Schiff called the meeting to order.

##### **A. Strategic Fund (SF): Jeff kraft, Nikki Maloney, Joey Jenkins**

###### **Landscape of Technical Assistance**

Kraft and Maloney provided some information on the current landscape of technical assistance (TA) at OEDIT. The following presentations all pertain to TA requests.

**Small Business Development Center ARPA Funding Request: Joey Jenkins, Sharon King, Erin McCluskey**  
Jenkins presented the Small Business Development Center (SBDC) request. The Colorado SBDC Network is both the longest running and largest small business technical service provider in the State. The SBDC is funded through Federal funds allocated by Congress each year and matches those dollars through multiple host partnerships across the State. The SBDC provides business training courses and free 1 on 1 consulting. More than 300 specialized small business consultants and training facilitators working with business owners across the State. 89% of SBDC clients have 4 or less employees (this is relevant when considering the target markets of ARPA/SLFRF legislation).

The EDC, with OEDIT’s recommendation, has allocated a substantial amount of ARPA funding to support technical assistance for small businesses (initially \$10 million but now \$7.5M). In February 2022, the EDC gave final approval for the SBDCs to encumber \$2M in ARPA funds, knowing that the SBDCs would be returning for additional funding as funds were allocated to other TA providers.

The Colorado Small Business Development Center is requesting EDC approval for encumbering an additional \$3 million (for a total of \$5 million encumbered) of ARPA SBDC technical assistance to be used over a 3-to-4-year period and retaining the \$2 million additional in earmarked funds to be distributed at a later date.

M/S/P – Paletz, Dragoo – SBDC TA ARPA Earmark request approved as presented and recommended by staff. Schiff recused herself from the vote.

**Manufacturer’s Edge Request**

Gould presented the Manufacturer’s Edge (ME) request. Manufacturer’s Edge provides onsite support, strategy and planning, and technical assistance to manufacturers of all sizes. With a combination of in-house experts and a network of specialists and resources, we support manufacturers in industries as wide-ranging as aerospace to craft brewing.

Manufacturer’s Edge Sustainability & Funding Sources

	Grant	Match
<b>Federal Grant Award</b>	<b>\$2,080,092</b>	
World Trade Center Denver	\$325,000	\$325,000
RTAP Rural Small Manufactures		\$150,000
Arvada Manufacturing Grant		\$38,000
Client Fees		\$1,567,092

The purpose of the Small Manufacturing Recovery Grant is to provide support to reduce the cost barrier many small manufacturers are experiencing due to the additional cost experienced because of COVID-19. The funding will serve to allow small manufacturing companies to access Manufacturer’s EDGE programming (consulting) to help recover and gain back what was lost due to COVID-19.

Grant Structure

- Fiscal year 2023 and 2024 program or until funds are exhausted.
- Grants will be limited to a maximum of \$15,000 and a minimum of \$2,500.
- \$100,000 of Grants will be dedicated to Rural Colorado Manufactures.
- Each Grant project must comply with the rules set forth by OEDIT, ARPA, and the State.
- Each manufacturer’s is eligible for one grant.

Grant Budget Summary

Budget Item	Amount Requested
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Small Manufacturing Recovery Grants*	\$450,000
Program Administration	\$50,000
Total Request	\$500,000

## Reporting

Manufacturer's EDGE will provide semi-annual reports to the EDC and OEDIT and a final report after final impacts are collected from client companies or as required. Manufacturer's EDGE will share and develop success stories and report on the economic impact of the Small Manufacturing Recovery Grant.

## Proposed Motion:

- Encumbering \$500,000 of the remaining earmarked technical assistance ARPA funding in the Strategic Fund for a Small Manufacturing Recovery Grant Program administered by Manufacturer's Edge.
  - ME will follow the program and reporting guidelines outlined in this presentation and per the requirements of ARPA.
  - Funds will be clawed back if funds are not spent by end of state fiscal year 2024.
  - \$100,000 will be dedicated to supporting rural communities, as per SB21-291.

M/S/P – Allen-Davis, Seaton – Manufacturer's Edge request approved as presented and recommended by staff. Dragoo recused himself from the vote.

## Employee Ownership Request

Maloney presented the Employee Ownership (EO) request. On August 15, 2019, the EDC provided \$750K for 2 years to support the establishment of EO program. On March 18, 2021, the EDC approved the final spending plan to add an additional \$750k for a total of \$2.25M in Long Bill Strategic Fund dollars to extend to FY 23. Approximately \$1M has been spent to date at \$300,000 a year, with a slowdown due to COVID.

## Funding has covered:

- EO Office Staff
- TA programming through the EO Office, RMEOC, CCWB
- Grant Program
- EO Commission Management

Maloney reviewed the key metrics and milestones of the program.

EO Go Forward Budget with the goal of statewide outreach & TA activation reaching at least 2000 business owners.

- \$1.2M Strategic Fund (Long Bill)
  - \$1M ARPA
  - \$600K - *Colorado Employee Ownership Office*
  - \$200K - *Center for Community Wealth Building (CCWB)*
  - \$200K - *Rocky Mountain Employee Ownership Center (RMEOC)*

ARPA Request and Plan with the goal of outreach to at least 500 businesses with TA or training services and an increase in applicants to the EO grant and EO tax credit.

## Source of funds:

- \$200K ARPA request
- \$100K annual match (already secured) x 2 years

- Working with Rocky Mountain Farmers Union on expansion rural outreach TA cooperative conversion & development

Staff is requesting approval of the following motion:

- Re-affirm and extend the use of the remaining funds that are already encumbered \$1.2M Long Bill Strategic Fund
- Request of *already earmarked* ARPA “Other TA” funds to extend operations of the Colorado Employee Ownership Office into FY25
  - \$600K to the Colorado Employee Ownership Office
    - Request to activate Ready For Next Cities program statewide
  - \$200K to the Center for Community Wealth Building
    - Metro Denver Focus
  - \$200K to the Rocky Mountain Employee Ownership Center
    - Rural Colorado Focus

M/S/P – Young, Franz – Employee Ownership request approved as presented and recommended by staff.

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