

ECONOMIC DEVELOPMENT COMMISSION

MEETING MINUTES

March 17, 2022

8:30 a.m. – 12:00 p.m.

MEETING DATE

March 17, 2022

Virtual Meeting

MEETING PARTICIPANTS

A. Commission Members

Jandel Allen-Davis, Steven Paletz, David Dragoo, Wendell Pryor, Chris Franz, Andrew Sparr, Walker Stapleton, and Jay Seaton.

B. Guests

Christine Bustamante, Kurtis with Project Jungle, Lucas High, Dennis Huspeni, John Schuermann, Sara Lobato, Tiffany Pehl, Drew Kramer, Aldo Svaldi, Marc Bellantoni, Rachel Gates, Megan MacGrath, Trish Thibodo, Laura Rodriguez, Toni Barrett, Cecilia Harry, Ted Telford, Deborah Cameron, Laura Lewis Marchino, Kevin with Project Bourbon, John Bristol, Jensen Werley, Sonja Nakasian, Kim Woodworth, and Jennifer Cassell.

C. Staff

Jeff Kraft, Sean Gould, Sonya Guram, Andrea Blankenship, Tad Johnson, Michelle Hadwiger, Mike Landes, Che Sheehan, Keri Ungemah, Kelly Baug, Donald Zuckerman, Martin Gonzalez, Rama Haris, Marisela Parraguez, Hasti Soltani, Andrew Streight, Kylie Peterson, Elise Hamann, Donald Zuckerman, Hana Sayeed, Morgan Vankat, and Virginia Davis.

DECISION/ACTION ITEMS

1. The Economic Development Commission approved the Minutes from the March 1st, and February 17th, 2022, EDC Meetings.
2. The Economic Development Commission approved the following projects/items:

JGITC:	Project Jungle; Project Orchid; and Project Bourbon.
SF:	Project Altitude; and ARPA funding amount.
EZ:	Lamar Community College Capital Project; Bas Bleu Theater Company; Colorado Springs Community Ventures, Inc; Pioneers Healthcare Foundation; and Fort Garland History Museum.
COFTM:	The Ascendants.
RJS:	Epiveris, LLC; Colorado Stone Quarries, Inc.; New Hires for FHE USA, LLC; Geyser Technologies; Kaart Group, LLC; Phoenix Haus; ProStar Geocorp, Inc.; Rocky Mountain Manufacturing; and Sedgwick County sponsoring entity.
AI:	CU Denver POC Allocation Awards; and CSM POC Allocation Awards.

Meeting Called to Order

Allen-Davis called the meeting to order.

A. Minutes

Allen-Davis called for a motion to approve the minutes from the March 1st, and February 17th, 2022, EDC Meetings.

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

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

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

Project Jungle

Hadwiger presented Project Jungle. The company behind Project Jungle is an Australian fintech company that provides its customers with a platform designed for the banking industry with software solutions that streamline customer fulfillment and origination processes in the banking and financial services industry. This project represents the company establishing a Service Support branch to cater to their current U.S. customers, as well a Sales team to engage new customers in the region.

Staff is requesting approval of up to \$940,391 in performance-based Job Growth Incentive Tax Credits over an 8-year period for the creation of up to 105 net new full-time jobs at an average annual wage equal to or greater than the average annual wage of the county the project chooses to locate. The net-new jobs in Colorado must be maintained for one full year before any credits become vested and the Company must create a minimum of 20 net new full-time jobs before any tax credits are issued.

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

Project Orchid

Hadwiger presented Project Orchid. The company behind Project Orchid is a subsidiary of a Fortune 500 company that is responsible for discovery research across therapeutic modalities. Due to the company's growth, they are looking to open an additional location where they will have a discovery team and laboratory operation. The company projects the need for approximately 40,000 sf of space and 62 additional employees over the next 2 years. They anticipate an investment of approximately \$8.1 million for facilities. In addition to Colorado, the company is considering Indianapolis, Indiana, and the Twin Cities Metropolitan Area, in Minnesota. Within Colorado, the company is considering Boulder or Louisville where the company would be able to utilize back-office support from their current lab in Colorado. The factors driving the location decision are availability of talent, labor costs, and real estate costs. The company currently has an active Job Growth Incentive Tax Credit for a previous expansion project. The two projects are separate and the job growth for both projects are distinct from one another.

Staff is requesting approval of up to \$1,207,255 in performance-based Job Growth Incentive Tax Credits over an 8-year period for the creation of up to 62 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. OEDIT staff will ensure that both projects report and track employees separately. To avoid double incentives on the same net new positions the company will report each project separately.

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

Project Bourbon

Hadwiger presented Project Bourbon. The company behind Project Bourbon is a thriving government contractor located in Colorado Springs. The company provides fully featured state of the art enterprise data management and data analytic solutions to help organizations optimize their operations and realize their data as a strategic asset. In March of 2021, the General Services Administration awarded the company a \$280 million contract to continue work in the U.S. Space Force’s library of space object data. In order to execute on its contract ceiling the company will need to both recruit high quality talent from out of state and retain top talent.

Staff is requesting approval of up to \$5,570,470 in performance-based Job Growth Incentive Tax Credits over an 8-year period for the creation of up to 585 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, Pryor – Project Bourbon approved as presented and recommended by staff.

Update of Approved Projects

Hadwiger said we have five projects that have chosen Colorado. An announcement is pending. Colorado has been in the news a lot lately for our venture capital ecosystem and how we are punching above our weight in several areas. We’ve been in some journals on how well Colorado is doing in tech jobs versus Silicon Valley and how the pandemic has really shifted some of the dynamics that have existed in powerhouse ecosystems over to areas like Colorado. It’s interesting to see Colorado continuing to capture investment. We’ve also seen an increase in investment interest by foreign companies and a pent-up demand for travel so we’re welcoming a number of foreign delegations. Today we have the German American Chamber of Commerce in our office and a number of other delegations that are coming to Colorado for the International Space Symposium taking place Colorado Springs. Great news for Colorado to continue to attract investment.

C. Strategic Fund

EDC Budget Update

Gould provided the EDC Budget update which shows a Long Bill balance of \$4,190,826.

SF Balance Forecast

Gould presented the SF Balance Forecast that shows an approximate, current available balance of \$4,190,826 in annual Long Bill funds, \$6,882,836 in CRPS funds, \$2,205,378 in RJS Grants, \$3,800,000 in Federal Rural Funds, and \$6,200,000 in Federal General Funds.

Project Altitude

Hadwiger presented Altitude. The company behind Project Altitude is a communications company. The company has grown rapidly in recent years and this project represents an expansion of their existing team. In addition to Colorado, the company is considering Atlanta, Georgia. Within Colorado, the company is considering Denver. Access to talent is the main factor driving the location decision, but cost is also a consideration.

Staff is requesting approval of up to \$5,251,448 in performance-based Job Growth Incentive Tax Credits over an 8-year period for the creation of up to 300 net new full-time jobs at an average annual wage equal to or greater than the average annual wage of the county the project chooses to locate. The net-new jobs in Colorado must be maintained for one full year before any credits become vested and the Company must create a minimum of 20 net new full-time jobs before any tax credits are issued.

Additionally, staff is requesting \$150,000 in a performance-based Strategic Fund incentive over a 5-year period, 60 months, is requested from the EDC at \$5,000 per net new job. This incentive is contingent upon the creation of up to 30 net new permanent full-time jobs in the LONE Worker-eligible communities, with similar corporate positions as the JGITC project. As long as the average annual wage requirement of the total Job Growth Incentive Tax Credit project has been met, then these LONE Worker net new jobs are eligible for this incentive. The maintenance of the net new jobs 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.

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

ARPA Final Funding Amount

Streight provided background information. Authorized by Senate Bill 21-291, \$40M from the federal American Rescue Plan Act (ARPA) was placed into the Strategic Fund to aid the state's economic recovery from the pandemic. Since receiving the funding, OEDIT has been in the process of developing and implementing programs to distribute the funding to Colorado's residents and businesses.

The EDC has provided oversight and guidance on the developing programs to distribute the ARPA funding. Since December 2021, the EDC has approved several earmark and encumbrance requests for programs to begin planning around implementation, including for Technical Assistance (\$2M earmark request for SBDC for 2022; \$10M overall earmark request for technical assistance); \$20M for the Colorado Community Revitalization Grant program; \$10M for Tourism; and \$5M for the Workforce Resilience Training Assistance Program. The total approved earmarks were approved with an "up to" caveat knowing that \$52M in total was earmarked and that the individual earmarks would need to be cut back to meet the \$40m limit.

In collaboration with OEDIT's program managers and division directors, OEDIT is proposing to pare down the collective "up to" amounts from \$52M in funding to \$40M to meet the total allocation of funding from the American Rescue Plan Act.

Staff is requesting approval of the following SF allocations from the \$40M in ARPA funding:

- That the programs have committed to spending at least the amounts in the "Rural Amount" column in Table 1 in rural counties. Expenditures in rural counties will be specifically tracked and reported on by each program. As a reminder, the following counties have previously been defined as non-rural by the EDC and all other counties are considered rural: Adams, Arapahoe, Boulder, Broomfield, Denver, Douglas, El Paso, Jefferson, Larimer, Weld.
- Any other program metrics/reporting that were part of the programs' presentation to the EDC or spend plans approved by OSPB must also be tracked and reported.
- The EDC also adopts and confirms the next steps listed in Table 2 which establishes or confirms what further approvals are required by the EDC for each program.

- That the funding allocations reflected in Table 1 above may be adjusted by the EDC based on program needs and the outcome of the BBB application.

M/S/P - Pryor, Franz – ARPA Funding Final Amounts approved as presented and recommended by staff.

EDO Recovery Grant Update

Streight provided the following EDO Recovery Grant update. The Economic Development Council of Colorado (EDCC) assisted in creating this program by advocating for the funding and program on behalf of local economic development organizations throughout the state. The EDCC has served as a strategic partner to OEDIT in developing the ideas and details of the program, as well as administering the funding to recipients. OEDIT would also like to thank the EDCC for taking on the burdensome task of distributing the grant funding to award recipients.

These reappropriated funds are being provided by the Colorado General Assembly, via the footnote 13a in Senate Bill 21-042.

\$1.5 million dollars in funding to support Colorado based Economic Development Organizations (EDOs), with a focus on helping EDOs maintain critical operations and economic recovery efforts during a time of unprecedented revenue and operations interruption. Organizations serving a population greater than 25,000 were eligible for up to \$50,000 in funding, while organizations serving a population lesser than 25,000 were eligible for up to \$25,000 in funding. OEDIT noted throughout the application period that “funding amounts may be adjusted based on quantity and quality of applicants.”

By the application deadline at 5pm on Friday, October 1, 2021, OEDIT received a total of 84 applications, with total funding requested amounting to \$3,125,000. Of the 84 applications, 55 were selected to receive grant funding (more details on recipients below).

Evaluations were guided by an Evaluation Rubric and Guidelines document that was shared with the EDC at the October meeting. Overall, priority was given to organizations who:

1. Experienced significant impact of COVID on total revenue from 2019 through 2020.
2. Experienced loss of staff due to the pandemic.
3. Are the only applying organization in their defined geographic area.

The Selection Committee was composed of representatives from OEDIT, DOLA, EDCC, and the EDC, including:

- Sean Gould (OEDIT)
- Greg Thomason (OEDIT)
- Tara Marshall (DOLA)
- Laura Lewis Marchino (EDCC)
- Wendell Pryor (EDC)

Applications were submitted via Salesforce in the OEDIT Portal. Each member of the Selection Committee reviewed and evaluated each of the 84 applications through Salesforce. The evaluation scores across the 84 applications were averaged across the five evaluators to determine the initial parameters for selection. Prior to selecting award recipients, the Selection Committee discussed the eligibility of applicants, which resulted in the disqualification of several applicants who did not meet the eligibility requirements.

During a Selection Committee meeting to review the evaluation scores and make selections, the Committee elected to award the maximum funding amount to all organizations who scored above 445. To distribute the grant funding to a greater number of deserving organizations, maximum funding amounts were adjusted to \$40,000 for organizations serving a population greater than 25,000, and \$20,000 for organizations serving a population less than 25,000.

38 applicants scored above the 445 score threshold and received maximum funding, although two organizations above the 445 score threshold were awarded amounts less than the maximum because they either had an operating budget less than the grant amount or the Selection Committee only supported one aspect of the intended use of grant funds.

The Selection Committee further evaluated each of the applicants who scored below 445, electing to award recipients below this threshold funding based on the evaluator comments, discussion, geographic location of the applicant, demographic composition of the population served by the applicant, and the qualitative evaluations from the Selection Committee members.

Applicants below the 445 score threshold received an adjusted award of \$35,000 for organizations serving a population greater than 25,000, and \$17,500 for organizations serving a population less than 25,000. 17 applicants received this adjusted funding amount.

The legislature directed the EDC to spend \$1.5M to support local EDOs throughout the state. The original budget was \$1,475,000 for EDO grant support, and \$25,000 for an administrative fee for the Economic Development Council of Colorado to distribute the funding. The total awarded funding amounts came to \$1,487,000, which is \$12,000 more than budgeted. OEDIT will pay the extra \$12,000 in grant support to EDOs out of the FY22 OEDIT Administration budget.

Staff provided the EDC with the full list of award recipients and their funding amounts.

The EDC thanked the staff for the program update.

D. Enterprise Zone (EZ): Sonya Guram

Contribution Project Proposals

Guram presented the following EZ Contribution Project Proposals for approval.

EZ	Project Name	Type	Category	Completion Date	Budget	1 yr. Proj. Credits
SE	Lamar Community College Capital Project	Capital Campaign	Community Facility	12/31/2027	\$1,250,000	\$127,500
LAR	Bas Bleu Theater Company	Operations	Visitor Event/Attraction	12/31/2027	\$246,000	\$45,000
PP	Artspace Affordable Artist Housing	Capital Campaign	Workforce Housing	12/31/2027	\$27,850,000	\$250,000
NW	Pioneers Healthcare Foundation - Operations	Operations	Healthcare	12/31/2027	\$335,300	\$100,000
SLV	Fort Garland History Museum	Operations	Visitor Event/Attraction	12/31/2027	\$251,000	\$10,000
TOTAL					\$29,346,000	\$532,500

M/S/P – Dragoo, Pryor – 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 \$4,283,002 remaining if the pending projects today are approved.

Ascendants

Baug presented Ascendants. The Ascendants is a vampire movie about vampire movies with a satirical slant on fundamentalism and cults. After awakening in modern times, a “real-life” vampire capitalizes on the current pop-culture vampire craze to recruit followers and start his own religion. Standing in his way – a skeptical cop and the tools of modern science. Production for The Ascendants is slated to begin in May 2022 and shoot into early June. The production team has scouted multiple locations throughout El Paso County and the front range where filming will take place. The production team is in discussions with Automatic Entertainment and Gravitas for distribution deals and plans to submit the finished film to the festival circuit.

Per the applicant’s estimations, the Office of Film, Television & Media is anticipating a total of \$439,975 in qualified local expenditures and with the multiplier effect, the economic impact could reach up to \$791,185.

The project has a total preliminary Colorado budget of \$439,975:

- Payroll spend: \$285,975
- Vendor spend: \$154,000
- CO Crew hires: 33
- CO Cast hires: 51
- Total CO hires: 84, which equals 98% of the workforce for this project

The estimated qualified local expenditures of the application would result in a rebate of \$87,995 which is a 20% rebate.

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

M/S/P – Dragoo, Tafoya – Ascendants approved as presented and recommended by staff. Walker recused himself from the vote.

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

Epiveris, LLC Application

Blankenship presented the Epiveris, LLC application. Epiveris, LLC is a pharmaceutical/medical data and research company in Routt County. The platform Epiveris is creating is a first-of-its kind digital search engine and collaborative research tool that has the capability to leverage reputable content from large-scale datasets and draw instant comparisons to accelerate the study development process, and ultimately promote scientific rigor. Epiveris, LLC will create a centralized repository to increase collaboration, circumvent bias, and decrease labor redundancy, resulting in more efficient processes for clinical trials and observational research studies. It will do this by compiling information such as regulatory guidelines, validated algorithms, suggested methodological approaches from published content in statistically weighted tables, in addition to serving as an interactive tool affording subject matter experts (SMEs) the opportunity to comment and share expertise in real time.

Epiveris, LLC plans to hire employees in sales, computer science, data science, finance, and marketing/outreach. There are no competitors in Colorado. Verantos, DoctorEvidence, and ClinicalKey are three major competitors outside of Colorado.

Overview of Eligibility Criteria:

- Operation Clause. Pass on this metric. At the time of application, Epiveris, LLC was not operating as defined by the RJS program.
- Not Moving Jobs. Pass on this metric. Epiveris, LLC is not moving jobs within Colorado.
- Hires at least 5 New Hires. Pass on this metric. Epiveris, LLC expects to hire 13 New Hires.
- Competition Clause. Pass on this metric. OEDIT has not identified a Colorado company that directly competes with Epiveris, LLC in an adjacent economically distressed county.
- Adds to Economic Base and Exports Outside the County. Pass on this metric. Epiveris, LLC would add to the economic base and export outside of Routt County.
- Endorsed by Sponsoring Entity. Pass on this metric. Epiveris, LLC is endorsed by the Steamboat Springs Chamber, who has submitted signed letters of support.

OEDIT has concluded that Epiveris, LLC passes all metrics for participation in the Rural Jump-Start program, and therefore recommends approving Epiveris, LLC for participation in the Rural Jump-Start program with 13 New Hires.

Epiveris, LLC will qualify for \$80,000 in grant funding: \$40,000 for new operations and \$40,000 for 8 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.

M/S/P – Pryor, Dragoo – Epiveris, LLC approved for the RJS program with 8 new hires and \$40,000 in grant funding.

Annual Reports

The following companies have submitted their annual report for 2021:

Cold Case Gear, Inc.; Colorado Herbs, LLC; Colorado Stone Quarries; FHE USA, LLC; Geyser Technologies; Kaart Group, LLC; Lyttle’s Fleet Maintenance, Inc.; Phoenix Haus; ProStar Geocorp, Inc.; Rocky Mountain Manufacturing; RoHo Enterprises, dba DocuPots; Sasquatch Campers, LLC; SCORD, LLC; Spring Born, Inc.; and Town Hall Public Benefit Corporation.

The following businesses have employees that are eligible for New Hire benefits for 2021:

Company	Employee Number	Wages Exempted
Colorado Stone Quarries, Inc.	16	\$435,640.70
FHE USA, LLC	10	\$881,591.00
Geyser Technologies	1	\$40,002.00
Kaart Group, LLC	10	\$576,743.00
Phoenix Haus	8	\$180,238.17
ProStar Geocorp, Inc.	11	\$837,689.00
Rocky Mountain Manufacturing	2	\$117,390.00
Total	58	\$3,069,293.87

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

M/S/P – Seaton, Paletz – RJS Tax Credit Issuance approved as presented and recommended by staff.

Sponsoring Entity Sedgwick County

Community Economic Development of Sedgwick County has submitted an application as a Sponsoring Entity in the Rural Jump-Start Program.

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.

If Community Economic Development of Sedgwick County is approved, they will sponsor the application of Sedgwick County and its municipalities to enter the Rural Jump-Start Program. Resolutions are pending. No companies are currently pending.

OEDIT recommends the approval of Community Economic Development of Sedgwick County as a Sponsoring Entity in the Rural Jump-Start program.

M/S/P – Dragoo, Pryor – Sedgwick County approved as a sponsoring entity in the RJS program.

G. Advanced Industries: Rama Haris

FY22 CU Denver Allocation Request

Haris presented the FY22 CU Denver Allocation requests totaling \$1,030,093 for final approval.

M/S/P – Franz, Paletz - FY22 University of Colorado Denver Allocation requests approved as presented and recommended by staff.

FY22 Colorado School of Mines Allocation Request

Haris presented the FY22 Colorado School of Mines Allocation requests totaling \$90,000 for final approval.

M/S/P – Franz, Sparr - FY22 University of Colorado Denver Allocation requests approved as presented and recommended by staff.

AI Budget

Haris presented the AI budget which shows \$5,141,976 in remaining funds available.

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

RTA Program Update

Sheehan provided the RTA program update. No updates on Aurora/Gaylord, Pueblo/PBR, or Colorado Springs/City For Champions. Staff is currently working on working with Denver/NWC to plan a site visit. Stanley Film Center had major milestones due around March. Given that, staff scheduled their update to the EDC in April.

I. Other

SF Program Board Training

Gould provided SF Program training for the board in compliance with HB 18-1198 C.R.S. 24-3.7-102.

Next EDC Meeting

The next EDC meeting will be April 21, 2022.

With all items discussed, the meeting was adjourned.