

ECONOMIC DEVELOPMENT COMMISSION

MEETING MINUTES

September 15, 2022
8:00 a.m. – 11:00 a.m.

MEETING DATE

September 15, 2022
1600 Broadway, Suite 2500
Denver, CO 80202

MEETING PARTICIPANTS

A. Commission Members

Jandel Allen-Davis, David Dragoo, Chris Franz, Carl Young, Andrew Sparn, Walker Stapleton, Simon Tafoya, and Jay Seaton.

B. Guests

Meghan Randolph, Kirstie McPherson, Ed Sealover, Aldo Svaldi, Laura Rodriguez, Shelley Thompson., Rachel Lyons, Trish Thibodo, Courtney Rodwell, Sara Lobato, Terry Blair-Burton, Steve Boice, Justin Vause, Blake with Rock The Block, Portia Washington, Tricia Allen, Emily Fay, Patrick Hackett, Phil Filmowicz, Rachel Lyons, and Laura Rodriguez.

C. Staff

Patrick Meyers, Jeff Kraft, Sean Gould, Keri Ungemah, Che Sheehan, Sonya Guram, Donald Zuckerman, Leslie Hylton-Hinga, Kayla Shock, Elise Hamman, Alissa Johnson, Morgan Vankat, Hasti Soltani, Mike Landes, Martin Gonzalez, Nikki Maloney, Ashley Mount, Antonio Soto, and Virginia Davis.

DECISION/ACTION ITEMS

1. The Economic Development Commission approved the Minutes from the August 25th and June 22nd, 2022, EDC Meetings.
2. The Economic Development Commission approved the following projects/items:

SF:	SSBCI Revised Budget; SSBCI/SEDI Rural Definition; and Just Transition.
EZ:	UMUT Grocery Store, Business Incubator, Community Hub; MSU Denver - Classroom to Career Hub; Manco Common Press - Affordable Housing Project; Valley Housing Fund; Mile High United Way - United for Business; Pikes Peak Outdoor Recreation Alliance; The GrowHaus - Inclusive Economic Prosperity in GES; City Year Denver - Job Training; Silverton Skijoring
COFTM:	Rock The Block; and High Science.

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 August 25th and June 22nd, 2022, EDC Meetings.

Seaton moved approval of the minutes with the noted addition of his attendance at the August 25th meeting. Tafoya seconded the motion. Motion passed unanimously.

B. Strategic Fund

Strategic Fund Red Yellow Green Report

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

CCR Update

Boice provided the CCR update which highlighted the following:

- Year-end CCR Program Update dated 6.30.2022
- Default and Loss Schedule
- CCR Programmatic Data
- CCR Production Map 2022
- CCR Production Map Historical
- List of Participating Lenders
- Lessons Learned
- Summary of CHFA Payment for Program Management

Additionally, CHFA has four community relationship managers that cover the 6 regions of Colorado that work on outreach through conferences and events.

The EDC thanked CHFA for the update.

SSBCI

Kraft provided a summary of the current SSBCI situation.

- EDC has approved high level allocation of SSBCI Technical Assistance Grant
- EDC has approved allocation of SSBCI First Disbursement budget for the Capital Program including some administrative expenses for a compliance and reporting person.
- At the August 2022 EDC meeting EDC Commissioner Tafoya requested that OEDIT consider spending additional administrative funds on outreach and not just compliance.
- OEDIT staff has had a follow up conversation with Commissioner Tafoya.
- OEDIT staff has researched this issue and based on a review of federal regulations and conversations with US Treasury personnel understands that we can spend capital program administrative dollars on the direct costs of necessary and reasonable outreach to support the SSBCI program.

Proposal for Administrative Funds

- Continue to use \$480,000 for a reporting and compliance FTE as approved at the last meeting
- Add an additional \$500,000 of administrative funds for use to support the costs of necessary and reasonable outreach.
- OEDIT plans to hire a third-party administrator to handle SSBCI Technical Assistance and
- Administrative Outreach dollars per the plan approved by the EDC at the July 2022 meeting.
- OEDIT will provide a more detailed breakdown of the outreach plans at a future EDC meeting over the next few months.

Following is the revised proposal for dividing the “pie” for the first disbursement:

	Total	Approved for Disbursement 1	New Proposal for Disbursement 1
Venture Capital Authority	\$59,773,554	\$19,777,277	\$19,477,277
Cash Collateral Support	\$35,000,000	\$7,000,000	\$6,800,000
CLIMBER	\$10,000,000	\$4,000,000	\$4,000,000
Administrative		\$480,000	\$980,000
Total	\$104,773,554	\$31,257,277	\$31,257,277

OEDIT Requests that that EDC Approve this revised budget so we can finalize our contracts and the proposed supplemental outreach structure as shown in this presentation.

Allen-Davis called for a motion to approve the revised budget and division of the “pie” as presented.

Tafoya moved approval of the revised budget and division of the funds as presented. Seaton seconded the motion. Motion passed unanimously.

M/S/P – Tafoya, Seaton- Revised budget and disbursement of funds approved as presented and recommended by staff.

Socially Economic Disadvantaged Individuals Rural Definition

Guram said the U.S. Treasury allows the State to use its own rural definition. Staff has evaluated the rural definitions for the 3 programs that are allocated SSBCI and considered other definitions of “rural” that might be appropriate.

- There is to be a single rural definition for SSBCI funding
- The rural criteria should meet the spirit of the Federal law and serve Colorado’s rural communities
- Programs will be administered to comply with both State and SSBCI criteria and requirements

The three programs allocated SSBCI funds are Cash Collateral Support, CLIMBER, and Venture Capital Authority.

Staff recommends the adoption of the VCA rural definition for administering SSBCI funds.

"Qualified rural business" means a qualified business that has its principal business operations in any county, but not any city and county, in this state that, as of June 9, 2001, has a population of not more than one hundred fifty thousand people and, if the county's population exceeds twenty thousand people, that has a growth rate that does not exceed the statewide average for the period of 1990-2000 by more than twenty-five percent as defined in the two most recent decennial censuses. Additionally, a qualified rural business shall be located in an area designated as an enterprise zone pursuant to article 30 of title 39, C.R.S., unless the authority waives this requirement.

M/S/P – Seaton, Franz – Adoption of VCA’s Rural Definition for SSBCI/SEDI as presented and recommended by staff.

Office of Just Transition

Hylton-Hinga, Papenbock, and Buchanan presented the Just Transition Office request. Staff provided an overview of the Just Transition Office and the work that has taken place since the Action Plan was finalized at the end of 2020. The Goals of the Action Plan was to replace lost jobs, replace lost property taxes, increase local economic diversity and to transition to good new jobs or stable retirement without sacrificing family economic security in process. \$30M in General Funds was set aside to begin the work on the goals of the Action Plan.

Worker Transition Program

- \$15 million through 2027 to develop and begin to implement worker transition program.
- The program is under development, final proposal expected by end of FY23

Community Programs

- \$15 million through 2026 to implement Action Plan and assist communities
 - 5 percent for Administration
 - 20 percent for Central Projects and Investor Workshops
 - Data collection and research, building peer-to-peer network, engagement at PUC, facilitated community assistance work with Tri-State in Craig, state and federal policy work, investor workshops, etc.
 - 75 percent for Community Grants – \$11.25 million
 - \$5.5 million in grants already awarded or under consideration

Grant Program

Earmarked based on the number of power plants and mines in the community, with the West End getting double points because plant and mine have already closed. Equity issues arise based on role of utilities in community assistance.

- Xcel communities (Hayden, Morgan County, and Pueblo) will receive support from utility equivalent to 6 to 10 years’ worth of lost property taxes
- Level of assistance for Craig/Moffat from Tri-State not determined, but likely to be significantly less.

OEDIT and Just Transition Work to date:

- OEDIT Programs with OJT preferences
- Rural Jump Start
- Colorado Startup Loan Fund
- Strategic Fund Grant Incentives
- Location Neutral Employment (LONE) Incentive
- HUBZones
- Innovative Housing Incentive Program
- Rural Opportunity Office OJT Partnership
- State Partnership Team around Just Transition
- Rural Roadmaps EDA Planning Grant: Yampa Valley, Northeastern Colorado
- Rural Technical Assistance Program

\$5 Budget Proposal

Line Item	Proposed Budget
Administrative Costs	\$125,000
Total Earmarks	\$3,500,000
West End Earmark (31% of \$3.5M)	\$1,085,000
Yampa Valley Earmark (46%)	\$1,610,000
Morgan County Earmark (7.7%)	\$269,500
Pueblo Earmark (7.7%)	\$269,500
Tier Two Earmark (7.7%)	\$269,500
Other Uses	\$1,375,000
Equity Earmarks	TBD
Programming for all Communities	TBD
TOTAL	\$5,000,000

\$5 Proposed Allowable Uses

- Incentives for recruiting primary employers
- Tools for targeting and growing specific industries
- Strategies focused on supporting entrepreneurs, including new business formation, and existing small businesses
- Programs to increase access to capital for small businesses

- Other actions included in Recovery Roadmaps or other Economic Development/Recovery planning tools

***Proposals should be community-driven and supported. OEDIT funding is intended to complement OJT’s funding, which can be utilized to support community infrastructure projects, workforce education and training efforts, or community capacity building.

Proposed Next Steps

Phase 1: Marketing & Outreach	Phase 2: Community Approval of Proposal	Phase 3: OEDIT Review & EDC Approval of Proposal
<ul style="list-style-type: none"> • BF&I & ROR conduct individualized outreach to all 8 communities • OEDIT & OJT work with communities on potential proposals to determine base-level eligibility, develop proposal, etc. 	<ul style="list-style-type: none"> • Communities process and approve proposals internally via the established OJT infrastructure • E.g., Yampa Valley Council (60% require 	<ul style="list-style-type: none"> • OEDIT & OJT review community proposal on the merits and in light of Strategic Fund statute requirements • OEDIT & OJT seek EDC approval on each individual community

***OEDIT will review community proposals and submit them to the EDC for approval on an ad hoc and rolling basis.

Staff requests approval of the following motion:

To administer the \$5M in funding dedicated to Just Transition, OEDIT requests that the EDC moves to approve:

1. The proposed earmarks and high-level budget provided on slide 12 of the Just Transition EDC Presentation, recognizing that individual expenditures for each community and within the “other uses” bucket will require additional approval from the EDC;
2. The proposed allowable uses provided on slide 13 of the Just Transition EDC Presentation; and
3. The proposed next steps provided on slide 14 of the Just Transition EDC Presentation.

M/S/P – Seaton, Young – Just Transition approved as presented and recommended by staff. Tafoya abstained from the vote.

Just Transition and SEDI

Staff presented the Just Transition and SEDI definition for the board.

C.R.S. 8-83-501:

- Directs the Office of Just Transition to submit a plan designed to assist “communities and workers whose coal-related industries are subject to significant economic transition.”
- Defines a “coal transition community” as “a municipality, county, or region” that has been or will be affected “by the loss of fifty or more jobs in total from a coal mine, coal-fueled electrical power generating plant, or the manufacturing and transportation supply chains of either.”

Colorado Just Transition Action Plan:

- By this definition, all or parts of 11 Colorado counties are potential coal transition communities. However, some of these communities have or will face far more significant challenges than will others.
 - Tier One: West End, Yampa Valley, Morgan County, Pueblo
 - Tier Two: Delta, El Paso, Gunnison, La Plata, and Larimer counties

Staff requests approval of the following motion:

OEDIT proposes that the EDC approve a motion that leverages Tier One Just Transition Community definitions determined by the Office of Just Transition under the Colorado Department of Labor and Employment and established by HB19-1314/C.R.S. 8-83-501- 506 as “communities undergoing economic transitions (including communities impacted by the shift towards a net-zero economy)”.

M/S/P – Seaton, Tafoya – Just Transition and SEDI definition approved as presented and recommended by staff.

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

Sheehan presented the following EZ Contribution Project Proposals for approval.

EZ	Project Name	Proj Type	Proj Cat	Comp Date	Proj Bud	1 yr. Proj Credits
SW	UMUT Grocery Store, Business Incubator, Community Hub	Cap. Cam.	CF	12/31/2027	\$24,000,000	\$21,875
DEN	MSU Denver - Classroom to Career Hub	Cap. Cam.	CF	12/31/2027	\$19,916,530	\$750,000
SW	Manco Common Press - Affordable Housing	Cap. Cam.	WF Hous.	12/31/2027	\$2,600,000	\$40,000
REG10	Valley Housing Fund	Cap. Cam.	WF Hous.	12/31/2027	\$1,000,000	\$7,500
DEN	Mile High United Way - United for Business	Ops.	Bus. Assist.	12/31/2027	\$258,133	\$8,125
PP	Pikes Peak Outdoor Recreation Alliance	Ops.	ED Org	12/31/2027	\$596,520	\$115,000
DEN	The GrowHaus - Inclusive Economic Prosperity in GES	Ops.	Job Train.	12/31/2027	\$2,335,000	\$12,625
DEN	City Year Denver - Job Training	Ops.	Job Train.	12/31/2027	\$3,400,000	\$10,000
SW	Silverton Skijoring	Ops.	Visitor/Ev/Att.	12/31/2027	\$40,000	\$5,813
TOTAL					\$54,146,183	\$970,938

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

D. Colorado Office of Film, Television, and Media: Hasti Soltani, Donald Zuckerman

Soltani presented the COFTM budget which has a total FY22 COFTM Incentive Funds of \$ 1,782,229 remaining if the pending projects today are approved.

Rock The Block

Soltani presented Rock The Block. Rock the Block is an HGTV competition reality show. It features some of the network's most accomplished stars joining forces for a high-stakes home renovation competition. The designers have just weeks and a limited budget to renovate four blank-slate homes on the same block incorporating their own signature styles. Each episode focuses on a specific room, ranging from the kitchen to the master suite, with a different HGTV personality brought in to judge the results of each week's competition. Production for Rock the Block will primarily take place in Berthoud, Colorado, located in Larimer County, beginning at the end of September 2022 and wrapping in November 2022. Production financing and distribution are being provided by Discovery and HGTV. The series is anticipated to be released in April 2023 on HGTV and Discovery +.

Per the applicant’s estimations, the Office of Film, Television & Media is anticipating a total of \$3,489,295.00 in qualified local expenditures and with the multiplier effect, the economic impact could reach up to \$6,274,624.73.

The project has a total preliminary Colorado budget of \$3,489,295.00:

- Payroll spend: \$1,644,739.00
- Vendor spend: \$1,844,556.00

- CO Crew hires: 46
- CO Cast hires: 0
- Total CO hires: 46, which equals 61.33% of the total crew hired for this project

The estimated qualified local expenditures of the application would result in a rebate of \$697,859 which is a 20% rebate.

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

M/S/P – Tafoya, Young – Rock The Block was approved as presented and recommended by staff.

High Science

Soltani presented High Science. High Science is an unscripted reality television show with 8-10 episodes in its first season. The series focuses on a Colorado cannabis company called Clear Cannabis Inc. CCI is a venture capital firm that fosters and develops companies and products in the cannabis industry around the world. It is a family-owned business, with three generations of patriarchs running the show. These family dynamics, both in business and personal lives, are the backbone of the show. Production for High Science will take place at the Clear Cannabis Office in Centennial, the Glenmoor Country Club, a horse ranch in Douglas County, and the Breckenridge Ice Rink, beginning at the end of September 2022 and wrapping in February 2023. Production financing is being provided by High Science LLC. The producers will utilize their relationships with domestic cable television outlets to pursue distribution on a channel in the Warner Bros/Discovery family of channels.

Per the applicant's estimations, the Office of Film, Television & Media is anticipating a total of \$1,109,180 in qualified local expenditures and with the multiplier effect, the economic impact could reach up to \$1,994,582.94.

The project has a total preliminary Colorado budget of \$1,109,180:

- Payroll spend: \$616,500
- Vendor spend: \$492,680
- CO Crew hires: 22
- CO Cast hires: 4
- Total CO hires: 26, which equals 100% of the total crew hired for this project

The estimated qualified local expenditures of the application would result in a rebate of \$221,836 which is a 20% rebate.

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

M/S/P – Dragoo, Seaton – High Science was approved as presented and recommended by staff.

E. Rural Jump-Start (RJS): Leslie Hylton-Hinga, Morgan Vankat Revisit New Hire Allocations

Hylton-Hinga said at the August EDC meeting, we presented corrected New Hire benefit numbers for Jabil, Inc., which we had calculated from their annual report, after we'd caught a mistake in the numbers, we presented at the July EDC meeting. At the August meeting, the EDC asked whether the New Hire allocation number had changed from the New Hire allocation that was approved when Jabil was first initiated into the program. We responded that we'd provide that answer at the next EDC meeting.

Yes, the New Hire allocation for Jabil has changed as a result of their annual report numbers. Jabil was originally approved for 10 New Hires. At the August EDC meeting, we presented data providing for 57 New Hires for Jabil.

At the October EDC meeting, we will present updates to the Program Manual to clarify how such changes should be presented to the EDC when approving annual report data and extensions for companies.

F. Regional Tourism Act (RTA): Che Sheehan

RTA Program Update

Kraft said there are no major updates for the RTA program. We are going to be presenting to you a down position in the dollar cap for the Go NoCO project because three of the four elements have dropped off. The new cap will be close to the Stanley Film Center cap. That's all we have for RTA today.

G. Other

Build Back Better

Kraft provided a brief update. OEDIT Staff and the Build Back Better Coalition thanks the EDC for moving quickly to encumber state and ARPA money for the Build Back Better Phase 2 Coalition Challenge. It made it through a very difficult window to be a finalist but unfortunately, it did not make it through the final window to get funded. Staff will be coming back to the EDC to discuss other uses for the earmarked funds.

Next EDC Meeting

The next EDC meeting will be October 20th, 2022.

With all items discussed, the meeting was adjourned.