

**ECONOMIC DEVELOPMENT COMMISSION  
MEETING SUMMARY**

August 18, 2016  
9:00 a.m. – 10:30 a.m.

**MEETING DATE**

August 18, 2016  
1625 Broadway, Suite 2700  
Denver, CO 80202

**MEETING PARTICIPANTS**

**A. Commission Members**

J. J. Ament, Carrie Schiff, Mashenka Lundberg, Denise Brown, Chuck Murphy, Benita Duran, Millete Birhanemsakel, Noel Ginsburg, and Jay Seaton.

**B. Guests**

Brando Stam, Ed Sealover, Rachel, Project Shine, John, Project Shine, Jennifer, Project Maurizio, Walt Boulden, Stephanie Garcia, Jo, Dawn DiPrince, Michelle Zale, and Terri Bensen.

**C. Staff**

Jeff Kraft, Michelle Hadwiger, Holly Shrewsbury, Sam Bailey, Angela Mendez, Rebecca Gillis, Laura Blomquist, Katherine Wang, Sonya Guram and Virginia Davis.

**DECISION/ACTION ITEMS**

1. The Economic Development Commission approved the EDC Meeting Summary from the June 16, 2016 meeting.
2. The Economic Development Commission approved the following items: Meeting Summary from July 20, 2016; Project Shine, Project Maurizio; South Central - Mt. San Rafael Hospital Facility Improvement Project; South Central - Building Expansion Two Peaks Fitness; Southeast - Prowers County Fairgrounds Upgrades; South Central - Stonewall Century Ride; South Central - Trinidad History Museum Heritage Tourism; Pueblo - El Pueblo History Museum Heritage and Agritourism; Mesa - John McConnell Math and Science Center; Mesa - Children's Nature Center.

**MEETING SUMMARY**

**A. Meeting Called to Order**

Ament called the meeting to order.

Seaton moved approval of the July 20 and August 4, 2016 meeting summaries.

M/S/P – Seaton, Duran – meeting summary approved as presented by staff.

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

**Project Shine**

Hadwiger presented the Project Shine. Project Shine is a New York-based information and technology company that provides career coaching, professional development, job listings, and timely content to users navigating their career search. The company's business model allows employers to hire Project Shine to develop user-friendly content to attract talent, job descriptions that provide a behind-the-scenes look into companies that are hiring, and a job application platform. Project Shine is evaluating opening up its first office outside of New York. GBD Staff was able to proactively meet with the client in New York to provide a case-study proposal as to why the company should expand in Colorado.

Staff is requesting approval of a performance-based JGITC in the amount of \$4,336,364 for the creation of 193 net new full-time jobs with an average annual wage of \$64,480, 100% of Denver County's average annual wage, in support of this project.

M/S/P – Duran, Ginsburg – project approved as presented and recommended by staff.

### **Project Maurizio**

Hadwiger presented Project Maurizio. Project Maurizio is an advanced manufacturing company whose products are sold to multinational vendors of various consumer goods. The company's production functions are carried out at several locations internationally and it has approximately 10,000 employees worldwide, with 2,164 currently in Colorado. Project Maurizio will augment the company's already-established presence in Colorado. The scope of the project involves the creation of a manufacturing and testing center. The hardware being built and tested at this location will support and grow the subsidiary's existing production capabilities.

Staff is requesting approval of a performance-based JGITC in the amount of \$5,828,732 for the creation of 484 net new full-time jobs with an average annual wage of \$86,210, 100% of Broomfield County's average annual wage, in support of this project.

M/S/P – Ginsburg, Schiff – project approved as presented and recommended by staff.

### **Update of Previously Approved Project**

Hadwiger provided an update of previously approved projects. 2U Inc., has selected Denver for the expansion of 485 net new full-time jobs after being approved at the July 20th EDC meeting for a JGITC of \$8.35M. LogRhythm, formerly known as Project Traverse, will add 74 net new full-time jobs at their Boulder location. The company was approved at the July 20th EDC meeting for a JGITC of \$2.2M. Agilent Technologies, formerly known as Project Apothecary, selected Frederick, Colorado to establish a new manufacturing facility. The company plans to hire 170 net new full-time employees and invest over \$150 million dollars in a new state-of-the-art facility. Agilent Technologies as approved in January 2016 for a JGITC of \$2.3M. The company made a formal announcement on August 9th.

Brown requested that as the projects select Colorado and it goes public, staff should continue to update the company names column on the project update list.

Hadwiger said that it might always remain a project name. Companies may announce but they haven't given us permission to disclose the company name. Unless a formal request has been made by the company to disclose the company name we don't proactively announce it. We as staff do not take it upon ourselves to disclose the company name.

Brown expressed some concern that as these projects close we don't learn the name of the company.

Hadwiger said staff can provide that information to the EDC as a confidential working document.

Schiff asked if the companies that do not choose to move forward in Colorado give staff a post-mortem on their decision.

Hadwiger said some of them do. Staff will work on presenting some of that information going forward.

Kraft said speaking to the confidentiality of companies, if the name of a company was requested through a CORA process we would always release that once the Company's decisions have been made. There are pieces of the information that might need to be redacted or withheld. Before a company makes a decision there can be market-place and employer-retention consequences so we are very protective in those early

stages while they are working through the dynamics of their decision. If the company is not looking to publicize it we don't publicize it proactively but it is public information.

Bailey said that some of the companies are concerned about any signaling to their competitors nationwide or internationally.

Hadwiger says we sign an NDA and we respect the language in the NDA.

Brown said she would like to see the name of the company on the report going forward.

Hadwiger said staff will do that.

### **C. Enterprise Zone (EZ): Sonya Guram**

Guram updated the board on the EZ Administrator meeting noting that Brown was invited and participated in the two-day discussions.

Guram presented the following Enterprise Zone Contribution Projects:

<b>EZ – Project Name</b>	<b>Project Type</b>	<b>Completion Date</b>	<b>1 yr. Projected Credits</b>
South Central - Mt. San Rafael Hospital Facility Improvement Project	Community Development	2018	\$13,125
South Central - Building Expansion Two Peaks Fitness	Community Development	2018	\$12,125
Southeast - Prowers County Fairgrounds Upgrades	Community Development	2021	\$21,875
South Central - Stonewall Century Ride	Community Development	2018	\$6,125
South Central - Trinidad History Museum Heritage Tourism	Community Development	2021	\$10,625
Pueblo - El Pueblo History Museum Heritage and Agritourism	Community Development	2021	\$20,000
Mesa - John McConnell Math and Science Center	Economic Development	2019	\$27,500
Mesa - Children's Nature Center	Community Development	2019	\$2,625

M/S/P – Murphy, Brown – projects approved as presented and recommended by staff.

### **D. Regional Tourism Act (RTA): Jeff Kraft**

Kraft presented a letter received from Gast Johnson, & Muffly, a law firm in Fort Collins who is representing Loveland Laser Tag. The letter compliments the Commission on the guardrails put on the Go NoCO project. It also expressed concern the family entertainment portion of the Waterpark hotel could compete with some locally owned businesses like the Loveland Laser Tag Center and other similar family-owned businesses in Northern Colorado. They want this letter filed for the record and are asking the Commission if they are going to put any additional conditions on this project to potentially solidify what was presented in the Go NoCO application which was that the business model of the Waterpark Hotel Resort would only let in paying visitors to the hotel and wouldn't market the attraction as day passes to local community members.

Also Arnold sent a follow-up letter to Go NoCO from the July 20<sup>th</sup> meeting. The letter basically asks Go NoCO to put in writing specific concerns they have and give legal analysis and justification for what authority the Commission has to make any changes. We did ask them to do that within thirty days which would allow us to do that at the September meeting. They did write back and say they are working on this.

The thought would then be at the September meeting to have legal counsel available to have some legal discussion in executive session regarding the project and any current request.

Kraft presented the Q2 Reports from the Pueblo, Aurora, and Colorado Springs Projects.

**E. Outdoor Recreation Office (ORec): Luis Beneitz**

This presentation was cancelled and will be rescheduled at a future date.

**F. EDC Budget: Jeff Kraft**

Kraft presented the EDC Budget which currently shows a balance of \$12,061,828 available for future funding. Because we have not officially closed our fiscal year books from an accounting perspective the budget is still showing through June 30, 2016.

Kraft presented a summary result of the annual tax credit payout which shows a total payout of \$31,288,810 for a job creation count of 5,249.

Duran asked if there was a way to complete the picture by telling the story of what type of jobs are created in these areas.

Kraft said we do get detailed reports from the companies. Staff will work on a possible report to present.

Ament asked if these are use it or lose it tax credits.

Kraft said they are carry forward for ten years. Ultimately if they can't use it they don't get paid out. These tax credits are not tradeable or refundable.

Duran asked that the report capture the county and jurisdiction as well.

**G. Other: Jeff Kraft**

The next EDC meeting will be September 28<sup>th</sup> and 29<sup>th</sup> in Greeley and Northern Colorado.

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