

**ECONOMIC DEVELOPMENT COMMISSION
MEETING SUMMARY**

October 20, 2016
9:00 a.m. – 10:45 a.m.

MEETING DATE

October 20, 2016
1625 Broadway, Suite 2700
Denver, CO 80202

MEETING PARTICIPANTS

A. Commission Members

J. J. Ament, Dick Monfort, Carrie Schiff, Mashenka Lundberg, Noel Ginsburg, Jay Seaton, Denise Brown, Millete Birhanemaskel and Benita Duran.

B. Guests

Aldo Svaldi, Ed Sealover, Greg Thiessen, Sarah Schumacher, Craig Project Abel, John Project Abel, Steve Project Zygote and John Project Zygote.

C. Staff

Fiona Arnold, Jeff Kraft, Anna Ewing, Jenifer Doane, Rebecca Gillis, Donald Zuckerman, Lauren Sloan, Angela Mendez, Simon Fox, Cathy Ritter, and Virginia Davis.

DECISION/ACTION ITEMS

1. The Economic Development Commission approved the EDC Meeting Summary from the September 29, 2016 meeting.
2. The Economic Development Commission approved the following items: Project Abel; Project Zygote; and Northern Colorado Regional Tourism Board appointees.

A. Meeting Called to Order

Ament called the meeting to order.

MEETING SUMMARY

Monfort moved approval of the September 29, 2016 meeting summary.

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

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

Project Abel

Hadwiger presented the Project Abel. Project Abel, headquartered in Denver, Colorado, is an existing business founded in 1989. The company is a leading manufacturer of quality food merchandising and service equipment including food shields, sinks, and refrigeration units that are installed in education facilities, hospitals, hotels, stadiums, and other businesses. Project Abel is a retention project, as the company recently learned it must relocate due to eminent domain. Currently, the company occupies 100,000 square feet in a space specifically designed to suit its research and development and production processes. The company is considering a relocation to Adams County, Colorado, while simultaneously analyzing other markets in closer proximity to the East Coast.

Staff is requesting approval of a performance-based JGITC in the amount of \$371,771 for the creation of 48 net new full-time jobs with an average annual wage of \$49,608, 100% of Adams County's average annual wage, in support of this project.

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

Project Zygote

Hadwiger presented Project Zygote. Project Zygote is an energy company specializing in the production of natural gas, oil, condensate, and gas liquids extracted from both conventional and unconventional rock formations. The company is deploying new technologies across its holdings to become more competitive in today's energy market. As a subsidiary of a large international firm, the business was established to operate autonomously from its parent, managing only on-shore assets. Currently, Project Zygote is headquartered in Houston, Texas and has approximately 1,172 employees in the U.S.

Project Zygote is the result of the organization's desire to expand its business activities in Colorado, New Mexico and Wyoming. Project Zygote's operations will revolve around overseeing the company's functions in these markets, and will initiate a major corporate presence in the region. Project Zygote's leadership has acknowledged the likelihood of establishing a corporate headquarters in Denver should the company choose Colorado, partly due to the organization's pre-existing business interests in the state.

Staff is requesting approval of a performance-based JGITC in the amount of \$8,985,670 for the creation of 328 net new full-time jobs with an average annual wage of \$64,480, 100% of the targeted county's average annual wage, in support of this project.

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

Update of Previously Approved Project

Hadwiger provided an update of a previously approved projects. Charter Communications selected Arapahoe County for the creation of 922 net new full-time jobs at a new state-of-the-art \$31 million dollar facility. Viveve, known as Project Duke, has selected Douglas County for its headquarters and the creation of 130 net new full-time jobs. Viveve is a bioscience company with a patented medical device focused on remodeling and restoring collagen and tissue.

Greg Thiessen and Sarah Schumacher of Velocity Global talked about the company's progress. Velocity Global, approved in May of 2016 chose to stay in Denver rather than move its global headquarters to other markets.

Confidentiality

Hadwiger followed-up with the Commission on a discussion at the previous EDC meeting regarding Confidentiality of clients. OEDIT will provide to the EDC in the project update list the actual company name of confidentially approved projects that have selected Colorado for their job creation project and plan to proceed with the incentive contracting process. We will ask that the EDC maintain the confidentiality of the project until they make their public announcement.

The board agreed with this process update and directed staff to move forward.

C. Regional Tourism Act (RTA): Jeff Kraft

Go NoCO

Kraft presented the Northern Colorado Regional Tourism Board proposed remaining appointees for approval, Tiffany Villavicencio, Peggy Ziglin and Glenn Couch.

Staff is requesting the board approve the proposed appointees.

M/S/P – Schiff, Seaton – appointees approved subject to staff validation of property ownership.

Kraft said over the next two meetings the RTA project representatives will be coming in to provide their semi-annual in person updates.

D. Colorado Tourism Office (CTO): Cathy Ritter

Ritter presented the Colorado Tourism Office Program and the offices deepening focus and strategy.

E. EDC Budget: Jeff Kraft

Kraft presented the EDC Budget which currently shows a balance of \$17,050,823 available for future funding.

F. Other: Fiona Arnold

OEDIT Update

Arnold said that we are in budget season and working through our requests. One of the items we are working on for the Commission is that the EDC expires next year so we need to get the board renewed. As part of that the General Fund Component of \$5M for the Strategic Fund needs to be renewed as well. Pursuant to the conversations we've had at the last few meetings regarding our strategic plan moving forward and how to better utilize the funding tools that we have.

Arnold talked about implementing a scoring system for the available funds that would give a maximum amount of credits to companies bringing jobs to rural areas of Colorado and hold \$10M in Strategic Fund dollars for the possible recruiting of the bigger companies that want to move their headquarters to Colorado.

Arnold asked the Commissioners to review the information for further discussion.

Next Meeting

Ament said the next EDC meeting will be November 17, 2016.

With all items discussed, the meeting was adjourned.