

**ECONOMIC DEVELOPMENT COMMISSION
MEETING SUMMARY**

June 16, 2016
9:00 a.m. – 11:35 a.m.

MEETING DATE

June 16, 2016
1625 Broadway, Suite 2700
Denver, CO 80202

MEETING PARTICIPANTS

A. Commission Members

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

B. Guests

Aldo Svaldi, Ed Sealover, Aaron Young, Kristi Pollard, Peter Carroll, Jep Seman, Anna Gerb, James Sheridan, Mike Haskins, Terri Benson and Terry Harper.

C. Staff

Jeff Kraft, Michelle Hadwiger, Anna Ewing, Holly Shrewsbury, Sam Bailey, Margaret Hunt, Simon Fox, Lauren Sloan, Courtney Potts, Taylor Tschida, Angela Mendez, Laura Blomquist, Katherine Wang, Rebecca Gillis, Ken Jensen and Virginia Davis.

DECISION/ACTION ITEMS

1. The Economic Development Commission approved the EDC Meeting Summary from the May 19, 2016 meeting.
2. The Economic Development Commission approved the following items: Colorado Cancer Center; StartUp Health; Traxler; CBSA Access to Capital; CBSA Market Research Application; CCIA AI Application; CPIA AI Application; RJS Increase in Mesa County's New Hire Allocation; Business Incentive Agreement Policy; Kaart Group; Qmast; Las Colonias Adaptive Recreation Center; Earth Vision Film Teton; Collector Media Works, LLC US Health; Black Mountain Resort Black Lung; and Wrecking Ball Pictures, LLC Different Folks.

MEETING SUMMARY

A. Meeting Called to Order

Ament called the meeting to order.

Murphy moved approval of the May 19, 2016 meeting summary.

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

B. Advanced Industries (AI): Michelle Hadwiger

AI Budget

Hadwiger presented the AI Budget which currently shows a balance of \$4,825,824 available for future projects.

Brown disclosed that she is a founding member of two of the groups that have AI applications in front of the EDC today. She is no longer affiliated with either group.

University of Colorado-Denver/University of Colorado Cancer Center

Hadwiger presented the Colorado Cancer Center project. The Univ. of Colo. Cancer Center (UCCC) is a National Cancer Institute-Designated Consortium Comprehensive Cancer Center. We propose to create the Colorado Cancer Translational Research Accelerator (CCTRA) to fill gaps/meet unmet needs in the NCI grant and to leverage the NCI funds for greater economic impact in Colorado. CCTRA's goal is to more effectively translate promising cancer therapeutic technologies from UCCC researchers to the private sector.

Staff is requesting approval of a matching grant in the amount of \$500,000 in support of this project.

University of Colorado-Denver/StartUp Health

Hadwiger presented the StartUp Health project. StartUp Health Colorado is a unique innovation program designed to create, scale and fund the best companies aimed at transforming the healthcare industry. StartUp Health Colorado will bring together three leading healthcare institutions, University of Colorado, UCHealth System, and the Children's Hospital Colorado with StartUp Health. The aim of this partnership will be to create the first Startup Health innovation hub in the United States that will serve to build, accelerate, scale and fund the best healthcare companies, connect Colorado to the worldwide healthcare innovation movement, and to shine an international spotlight on the healthcare innovation capabilities and opportunities in our state. We are seeking state funding to launch and grow this initiative, and to make its resources widely available to Colorado entrepreneurs and innovators.

Staff is requesting approval of a matching grant in the amount of \$1,500,000 in support of this project.

University of Colorado- Boulder/Traxler

Hadwiger presented the Traxler project. The objective of this proposal is to create a collaborative infrastructure that significantly enhances Colorado's ability to access, interpret, and leverage large satellite-based remote sensing data sets in order to address a variety of civil and commercial business opportunities. This effort brings together large and small businesses, Federal and State resources, and academia to create a world-class capability in Colorado. Our intent is to establish a collaborative R&D development environment within the larger United States Air Force (USAF)-owned facility in Gunbarrel, with Lockheed Martin serving as the infrastructure custodian and CU-Boulder providing oversight to research activities.

Staff is requesting approval of a matching grant in the amount of \$1,467,838 in support of this project.

Colorado Bioscience Institute- Access to Capital Application

Hadwiger presented the Access to Capital Application project. The Colorado Bioscience Association (CBSA) connects innovators within the life science industry to investors, infrastructure, research and talent. While Colorado remains a competitive player within the bioscience industry, there is a crucial lack of funding for early stage research, development and product commercialization within the state. CBSA plans to equip our bioscience companies with the resources and opportunities to engage with and attract investors outside of Colorado. CBSA proposes a specialized program that will help our companies succeed. Through participation in investor conferences these companies will have the opportunity to secure a wider variety of funds. This grant will assist companies with offsetting registration related expenses for attending investor conferences that align with the networks and investor portfolio necessary for the stage of each relative participating company.

Staff is requesting approval of a matching grant in the amount of \$75,000 in support of this project.

Colorado Bioscience Institute- Market Research Application

Hadwiger presented the Colorado Bioscience Institute Market Research project. The Colorado BioScience Association (CBSA) is respected for connecting innovators to funding, infrastructure, research and talent,

and leading business expansion policies to advance the industry in our state. As CBSA enters its second decade of leadership for the life science sector, the organization's leadership seeks to launch a market research project to identify top-of-mind state life science industry needs to inform CBSA organizational direction and strategy, identify gaps in service offerings across the industry, enable the CBSA team and board of directors with information and recommendations to best position and develop programs, partnerships and advocacy for continued success as the voice of the state's life science industry and understand the value CBSA brings to the sector, and identify what level of ROI members and CBSA constituencies attain from CBSA and its activities.

Staff is requesting approval of a matching grant in the amount of \$20,000 in support of this project.

Colorado Cleantech Industry Association Application

Hadwiger presented the Colorado Cleantech Industry Association project. CCIA is a statewide organization dedicated to promoting Colorado's cleantech industry through advocacy, public policy leadership, development and education in the cleantech sector. CCIA is requesting state funding to attend the Global Cleantech Capital Conference. The Global Cleantech Capital Conference will provide a showcase for research and emerging technologies within Colorado State University, Colorado School of Mines and University of Colorado. State funding will prove to international investors that the state is a legitimate, robust business development destination. It will signal to existing clean tech companies that their capital needs are being filled in Colorado, and it will allow for a sophisticated day-long event, that is professionally planned, marketed and managed.

Staff is requesting approval of a matching grant in the amount of \$36,050 in support of this project.

Colorado Photonics Industry Association Application

Hadwiger presented the Colorado Photonics Industry Association project. Colorado Photonics Industry Association (CPIA) is an association of Industrial, University, and Government entities involved in research, development, and/or the sale of products or services that involve photonics technologies. CPIA has been in the process of developing new ideas on how to provide workforce development and education for the Colorado photonics industry. Two areas within education have come to the forefront of CPIA's attention, helping to create an associate's degree technician program, and ongoing workforce education in the form of short courses.

Ongoing education or subject matter education of our workforce is a difficult problem for any company. The reason is that education is almost always done at a college and has a significant impact on the availability of the employee because it requires as much as 2 to 3 hours out of the day (almost always during working hours) for 2 to 3 days a week (usually not a weekend). For this reason, companies usually look unfavorably towards any sort of continuing education for its workforce. The CPIA believes the solution to ongoing education is with short one or two day courses. While it is still a little disruptive, the companies tend to like the intensive nature and not having an ongoing disruption 2 or 3 days a week for 4 months a semester.

Staff is requesting approval of a matching grant in the amount of \$45,370 in support of this project.

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

EDC Approved Project Updates

Hadwiger provided an update of previously approved projects saying that Webroot, known confidentially as Project Vesper, has selected Broomfield to expand their operations. Romano's Macaroni Grill, known confidentially as Project Fare, has selected Denver for the relocation of their corporate headquarters. ReadyTalk, known confidentially as Project Operator, has selected Denver to expand their headquarters.

Global Business Development (GBD) anticipates several larger projects to be brought to the Commission in July and August primarily focused on bioscience, information technology, and advanced manufacturing.

C. Rural JumpStart (RJS): Ken Jensen
Mesa County Request to Increase New Hire Allocation

Jensen presented the Mesa County Request to increase the new hire allocation. The Mesa county RJS zone is currently limited to 200 new hires. The Commission will be reviewing Mesa County companies today and if they are approved the six RJS companies in Mesa will have 174 new hires allocated. The Grand Junction Economic Partnership has informed staff that there are at least two more companies planning to apply to the RJS program in the next several months.

Staff is requesting an increase of RJS new hires in Mesa County from 200 to 300. The statutory maximum is 300 new hires in any RJS zone.

M/S/P – Brown, Schiff – increase approved as presented and recommended by staff.

Proposed Policy on Business Incentive Agreement

Jensen presented the Proposed Policy on the RJS Business Incentive Agreement. After the discussion at the last EDC meeting, staff and legal counsel conferred and are proposing the following revisions to the RJS business incentive agreement. 1) The EDC approves a company for participation in the Rural JumpStart program; 2) OEDIT creates the business incentive agreement for the business, detailing the rights and responsibilities of each party; 3) OEDIT's Executive Director will sign the business incentive agreement, retains the original, and sends a copy to the business via certified, return receipt U.S. Post Office mail. The text of the agreement includes a clause to the effect that lack of challenge to the contents of the agreement will be taken as a sign that the company agrees to the terms; and 4) OEDIT also emails the document to the business, with receipt confirmation. Note that there is no counter-signature by the business.

Staff is requesting authority from the EDC to make minor changes to the document consistent with the EDCs approval, the statute and the program guidelines, and authority for the OEDIT's Executive Director to sign the document. The EDC would still review and approve all businesses and key terms, and they would do so with the understanding that benefits would begin on the date of approval once the document is finalized, and that soon after the EDC's approval, staff would finalize the document.

M/S/P – Murphy, Schiff – proposed policy approved as presented and recommended by staff.

Kaart Group, LLC

Jensen presented the Kaart Group, LLC request. Kaart Group collects geophysical data in the form of street-view imagery via on the ground surveys of local areas. This data is then post-processed as vector geographic data. Kaart Group is a collection of brands and projects consolidated into a single company, and has been in operation for seven years. These brands and projects create geographic data for vehicle navigation, and is used by Garmin GPS, Apple iOS and Google Android devices in more than 50 countries. This application is for a new division of Kaart that will focus on South America, generating highly accurate geographical information through ground surveys, and processing the data in Grand Junction.

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

Qmast

Jensen presented the Qmast request. Qmast has developed a patented technology to enhance the production of oil shale via high powered microwave systems. They plan to manufacture these systems in Mesa County. This application is only for the manufacturing operations of Qmast, and does not cover any other business lines, such as oil field services or exploration and production.

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

Researching Potential Competitors

As staff receives applications from businesses for the Rural JumpStart program, we continue to refine the process of reviewing applications, especially around the competition clause. Having researched a number of companies, we believe that the competition review process should be expanded to include the option of reaching out to local economic developers to gather information as needed, including reaching out directly to identified potential competitors. If staff believes that there are potential competitors, further research will be done by staff per the competition review flowcharts. Staff believes this change will result in greater information on the potential competition for any given applicant, resulting in a more accurate process.

The Commission directed staff to move forward with this process.

D. Enterprise Zone (EZ): Jeff Kraft

Kraft presented the Las Colonias Adaptive Recreation Center project reminding the board that the Organization had a project proposal brought forward at the last meeting that was tabled. Staff is bringing a revised proposal back focused on the capital improvements which complement a larger area plan and the potential for tourism, noting the urgency to have the project reviewed as a broader re-development effort in downtown Grand Junction along the river.

This contribution project is for a capital campaign to fund the construction of an adaptive sports center on land leased from the City of Grand Junction, and is coupled with other Las Colonias Park improvements. This new adaptive sports center will provide space for administration offices, equipment storage and maintenance, and program staging. Program offerings include cycling, rafting and kayaking, and camping, for people with disabilities. Colorado Discover Ability currently has operations and equipment in different locations making it difficult to offer programs.

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

E. Office of Film, Television and Media (OFTM): Lauren Sloan

Sloan presented the OFTM Budget which currently shows a balance of \$93,796. OFTM will be receiving their new budget allocation of \$3M in July. If the projects before the Commission today are approved the budget balance will be \$1,865,163 available for future projects.

Earth Vision Film, Life Tectonic

Sloan presented Earth Vision Film's, Life Tectonic project. Boulder-based Earth Vision Film has submitted an application to produce a feature-length documentary entitled Life Tectonic. The film follows James Balog as he explores an epic force that is altering Earth's systems: a force Balog calls Human Tectonics. These are the changes brought about by our need for food, water, clothing, and shelter, multiplied by the size of our population, amplified by the power of our technology, and intensified by our desire for comfort and affluence. Today, Human Tectonics are running on overdrive.

The project has a total preliminary Colorado budget of \$770,610. Earth Vision Film plans to hire a crew of 12 Coloradans. The film is estimated to spend \$421,210 in payroll and \$349,400 in Colorado vendor spend. The estimated qualified local expenditures of the application would result in a maximum rebate of \$154,122.

Brown asked staff to add an annotation to materials on where the public might access the final product.

Sloan said staff will add that going forward.

Ament asked if we would be paying rent for the building they already occupy.

Sloan said no. Staff reviews the application and budgets to make sure we are not subsidizing the current company. We also take out promotion and advertising along with other elements.

Ament asked if they normally do their post-production here since they are based here.

Sloan said not always. New York and LA are huge post-production hubs especially since their rates are often more competitive.

Brown asked about a line item on the budget that was for a Physical Plant.

Sloan said it was her understanding that it was a location fee. Staff will double-check on this line item.

Sloan reminded the board that all of these projects have to go through an audit process and if there is anything that is not eligible will not be covered.

Seaton said pending staff review of the line item, he will move approval.

M/S/P – Seaton, Duran – approved contingent upon review of the Physical Plant line item for this project.

Collector Media Works, LLC, HēLō

Sloan presented the Collector Media Works, LLC, HēLō project. Collector Media Works, LLC is applying for the Colorado film rebate, on behalf of HēLō, to produce 2 original television commercials for the University of Colorado Health.

HēLō is partnering with Colorado's Daniel Junge to film two commercials for UC Health, one of which features Payton Manning. Both commercials will be filmed on location at the UC Health Center in Aurora and will be broadcast throughout Colorado.

For this project, Collector Media Works, LLC has a total preliminary Colorado budget of \$268,164 comprised of \$177,334 in payroll and \$90,830 in vendor spend. Collector Media Works, LLC anticipates hiring 30 Colorado crew members and 9 cast members for a total Colorado workforce of 39. Collector Media Works, LLC is requesting approval to utilize the state rebate program. The estimated qualified local expenditures of the application would result in a maximum rebate of \$53,632.

The Commission asked where else could this actually be filmed other than in Colorado.

Sloan said they have to shoot the exteriors here but the interiors can be shot anywhere. UC Health is currently under construction and it would be more difficult to shoot it at UC Health.

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

Black Mountain Resort, Black Lung

Sloan presented the Black Mountain Resort, Black Lung. Black Mountain Resort has submitted an application to produce a feature film entitled Black Lung written and directed by Chase Palmer. The film is a supernatural thriller that takes place in a coal mining town.

The project has a total preliminary Colorado budget of \$5,062,900. The film is estimated to spend \$2,652,500 in payroll and \$2,410,400 in Colorado vendor spend. Black Mountain Resort plans to hire 87

Coloradans comprised of 62 Colorado crew members and 25 Colorado cast members. The estimated qualified local expenditures of the application would result in a maximum rebate of \$1,012,580. OFTM is requesting conditional approval for Black Mountain Resort for funding from FY 2016/17, which begins July 1, 2016. If the project is approved by the board, and OFTM receives its anticipated \$3M from the general fund, Black Mountain Resort will commence production after July 1, 2016 and be eligible for FY 2016/17 funds.

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

Wrecking Ball Pictures LLC, Different Folks

Sloan presented the Wrecking Ball Pictures LLC, Different Folks project. Wrecking Ball Pictures LLC seeks to produce a family-friendly feature film entitled Different Folks. Different Folks is a family comedy centered on Abby, a shy 15-year-old high schooler who wishes for a perfect life like the one her neighbors have.

The project has a preliminary Colorado budget of \$1,080,266 comprised of \$587,231 in payroll and \$493,035 in spend to Colorado vendors. Wrecking Ball Pictures LLC estimates a total Colorado workforce 64 comprised of 38 crew members and 26 cast members for this project. The estimated qualified local expenditures of the application would result in a maximum rebate of \$216,053. OFTM is requesting conditional approval for Wrecking Ball Pictures LLC for funding from FY 2016/17, which begins July 1, 2016. If the project is approved by the board, and OFTM receives its anticipated \$3M from the general fund, Wrecking Ball Pictures LLC will commence production after July 1, 2016 and be eligible for FY 2016/17 funds.

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

F. Data on Colorado's Economy: Laura Blomquist, Katherine Wong

Blomquist and Wong presented a data analytic report on Colorado's economy. The objective is to report on how occupations in Colorado are suited for current and future state, national, and global trends and determine the type of occupations (and companies that support these occupations) that should be retained or recruited to meet current and future demands.

G. Colorado Creative Industries (CCI): Margaret Hunt

Hunt presented the Colorado Creative Districts and the Space to Create Programs that are a part of CCI.

Creative Districts

The Creative District enabling legislation passed in 2011 and in 2013 offers vetted districts access to grant funding, tailored technical assistance, networking and training programs and access to advocacy tools. The Boettcher Foundation is a partner of the CCI in establishing the Colorado Creative Districts Program. Since July of 2012, CCI has supported the development of Creative Districts across the state to create hubs and clusters of economic activity, promote a community's unique identity, and enhance areas as appealing places to live, conduct business and attract visitors.

Space To Create

Space to Create Colorado is the first state driven initiative for affordable housing for artists and creative sector workers in the nation. Our mission is to develop affordable housing and work space, including commercial space, for artists and arts organizations and to position Colorado as the nation's leader in artist-led community transformation in rural communities.

H. Regional Tourism Act (RTA): Jeff Kraft, Jep Seman Pueblo

Kraft presented the Pueblo Q3 2015/2016 report saying that the signing of the Amended Resolution has caused a burst of energy in Pueblo in terms of work on the PBR University.

Go NoCO

Kraft said that Go NoCO will be cutting new ground for the state in the RTA program. Unlike all of the previous projects that reside in a single municipality, for Go NoCO it is not as appropriate to use a single existing Urban Renewal Authority to be the fiduciary agent for receiving the funds. The RTA contemplated was the creation of a Regional Tourism Authority which Go NoCO applied for in their original application and was approved as part of the original application and Go NoCO is putting that into action. There is a role for the EDC to play in this process in their appointments to this Authority.

Seman said the Go NoCO board did authorize the filing of the formation documents to put the Authority in place. We have shared those documents with Kraft and Morrill for their input and they will be adjusted accordingly. We anticipate filing the documents by the end of the June. Our local government entities think it will take four to six weeks to get their people appointed. We would like to coordinate with the EDC on their appointments so that might happen at the same time.

Pat Brady our board chair asked that I communicate to the EDC, to the extent possible, we would like to morph over the existing board for Go NoCO into the Authority board. There are two reasons for doing that. We currently have a group of people who are up to date and familiar with what this project is about and we don't have that many people who are interested in being on the board. The fact that we have people who are knowledgeable and passionate about the project we'd like to have them on the board to the extent that we can.

The Authority will be virtual. Our hope is to contract with a private company to run the Authority. There isn't any money in our application request for the administrative costs of an Authority so our hope is to do this as lean as possible.

Kraft said in terms of Go NoCO contracting those services out, there is nothing in statute that hinders that in any way. From a staff perspective the request to leverage some of the existing members on the Go NoCO board makes sense.

Seman said they would like to get the Authority formation approved by the July EDC meeting.

The Commission directed staff to continuing working with the Go NoCO team to execute the formation of the Authority.

I. EDC Budget: Jeff Kraft

Kraft presented the EDC Budget which currently shows a balance of \$12,520,053 available for future funding. This budget number does not reflect the next fiscal year appropriation of \$5M.

J. Other: Jeff Kraft

Kraft said staff is working on scheduling an offsite meeting in Greeley which will take place in September. We will be reaching out to board members to check availability for the proposed dates of September 28th and 29th.

The next EDC meeting will be on Wednesday, July 20th at Coors Field.

With all items discussed, the meeting was adjourned.