

OPPPORTUNITY ZONE STEERING COMMITTEE

July 14, 2020

11:00 a.m. – 12:00 p.m.

Meeting Date

July 14, 2020

Participants: Trish Thibodo, Rob Brown, Jeff Kraft, Kim Woodworth, Kate Guibert, Benita Duran

Staff: Jack Tiebout, Mike Landes

Meeting Summary: The meeting was called to order at 11:05 am.

A. Meeting Minutes – May 12, 2020

- a. Landes calls for a motion to approve, Thibodo moves, Brown seconds. Motion passed unanimously.

B. Program updates

a. Webinar recap

- i. Landes provided general details on the event. About 90 people were in attendance, with national experts including EIG, Snell & Wilmer, Governance Project and local leaders including 4 Points Funding and the City of Colorado Springs.
- ii. Kraft requested summary of OZ investor sentiment in response to Covid. Landes shared that, according to EIG, some OZ funds have stalled, but seem to be more stable than stock market. Webinar panelists were optimistic that funds would continue to flow and that OZs would make a good recovery tool, although it may take a while before we see impact on OZ funds self-reported investments.
- iii. Brown said that there were some key takeaways for him and his colleagues in Fremont County. First, the projects in their area still have hope. Second, they need to provide more input and content to engage investors. Documentation and marketing has been key for Fremont County getting projects to move forward.
- iv. Kraft added that there could be some policy uncertainty around reforms for reporting and possible changes in designated zones, which could be an impetus for projects to move forward quickly.

b. Updates on Opportunity Zone Capital Accelerator Program

- i. Tiebout provided update on OZ Capital Accelerator Program. Since the committee last met, OEDIT and CC4ICC have selected the first cohort of six businesses participating in the program. The first cohort includes rural, urban, minority-owned, and women-owned businesses from a wide variety of industries. Capital campaigns run from \$500,000 to \$5,000,000.

Opening second round of applications on July 20. Outreach efforts will focus on rural and minority-owned businesses.

- ii. Woodworth offered to help with outreach efforts. Landes said that we will follow up soon with shareable program materials.
- iii. Kraft provided some more context for the committee, noting that what we are now calling the OZ Capital Accelerator Program was once the Capital & Transaction Advisor RFP. Compared to a direct grant, funds would go further as they lead to large capital raises with a possible multiplicative effect if it creates a template for future OZ investments into operating businesses throughout the state. Kraft added that we may do another version of the program, but geared toward impactful real estate projects.

c. OZ program outlook for the next fiscal year

- i. Landes discussed the OZ program goal of holding 20 virtual events throughout the year. The OZ team is targeting Craig, Alamosa, Fort Collins, and Grand Junction.
- ii. Landes added that as the OZ team looks to improve statewide coverage, they will review designated zones to assess whether they are meeting goals and expectations from 2018 designations.
- iii. Duran inquired as to whether the state has the authority change designations. Landes clarified that the state does not have the authority to change zones, but that we can use the assessment to share best practices across comparable communities.
- iv. Landes outlined the second OZ program goal, which is to continue to promote and support investments into operating businesses in OZs. In addition to the Capital Accelerator Program, he and Tiebout will raise awareness of the possibility of OZ funding for operating businesses. Tiebout added that this can be an effective way to engage communities with concerns about OZ real estate projects.
- v. Landes discussed the program's third goal for the fiscal year, which is to improve collaboration within state government. These efforts include planned and ongoing collaborations with the Broadband Deployment Board, Just Transition program, and Covid recovery efforts.
- vi. Woodworth applauded the broadband efforts, which aligns well with statewide priorities. Brown said that cross-departmental collaboration would help demystify state programs for our stakeholders across the state. Guibert added that there could be plenty of opportunity for alignment with DOLA.
- vii. Duran added that there may be opportunities to collaborate with the employee ownership program given that businesses are shrinking. Landes shared that we actually have a call planned on that topic for the following week.
- viii. Landes shared other updates that will be presented to the Economic Development Commission. He and Tiebout will request extending the program by one year given that the program has been underspending. The OZ team is also exploring other ways to highlight promising projects and

success stories. Brown said that he fully supports the case study idea, which could help projects across the state with marketing to investors. He also supports adding one more year of funding.

d. **Discuss review process for OZ Technical Support grant application from Fremont County**

- i. Tiebout shared that OEDIT received an application from Brown for the Opportunity Zone Technical Assistance Grant. Tiebout outlined the process for reviewing grants and asked for volunteers to review the application. Duran and Thibodo volunteered to review.
- ii. Brown provided some background on his application on behalf of Fremont County. The project the grant would support is a youth sports facility that would include lodging for athletes, hotels, an RV park, and infrastructure improvements. Infrastructure improvements would be very beneficial for the community and have a significant trickle-down effect. The grant request would support feasibility studies in the face of the Covid crisis.