

OPPPORTUNITY ZONE STEERING COMMITTEE

September 9, 2020
2:00 p.m. – 3:00 p.m.

Meeting Date

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Participants: Trish Thibodo, Karen Blumenstein, Rob Brown, Jeff Kraft, Kim Woodworth, Trent Thompson, Jamie Hackbarth, Wendell Pryor, David Drago

Staff: Jack Tiebout, Mike Landes

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

A. Meeting Minutes – August 11, 2020

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

B. Introduce new committee members, David Drago and Wendell Pryor

- a. Drago introduced himself to the committee. He has a manufacturing business and real estate projects in Opportunity Zones in Montrose. He is happy to be on the committee.
- b. Pryor introduced himself to the committee. He is a governor's appointee to the state Economic Development Commission and has been leading Chaffee County Economic Development for 11 years. He is also excited to be a part of the committee.

C. Program updates

- a. **Recent and upcoming community engagement events**
 - i. Tiebout summarized two virtual events that he facilitated in Olathe and the San Luis Valley. The Olathe event included an overview of the incentive and opportunities to get engaged. The San Luis Valley event was more of an action-oriented convening.
 - ii. Landes summarized his two virtual convenings that he facilitated in Craig and with the EDCC. The Craig event spotlighted OZ projects in Craig and included an presentation of how Craig has featured OZs in its economic development plan. The EDCC event was a general overview of Colorado's OZ program.
- b. **Opportunity Zone Capital Accelerator Program**
 - i. Tiebout shared that applications for the second cohort of the accelerator are wrapping up, and that an initial review of submitted applications shows that OEDIT's efforts to engage more rural communities and communities of color seems to have been successful. Final decisions to be made the following Monday.
 - ii. Tiebout added that the first cohort is doing well so far, and that multiple participants are now meeting with OZ investors. Some participants have

used almost all consulting hours while some have used less than half of their allotted hours, depending on how close to investor-ready the business is.

- iii. Landes added that we are happy with how the program is going thus far, that we've learned many lessons, and that we are still considering doing a second OZCAP for real estate projects.
- iv. Kraft clarified that applicants to the real estate version of the program would need to co-apply with a non-profit.
- v. Dragoo added that housing authorities need to be more involved with OZs and that this could be an opportunity to bring them in.

c. Fremont County Economic Development Grant

- i. Tiebout shared that the Fremont County Economic Development Commission grant was approved by the steering committee last month, and that the FEDC agreed to the committee's suggestion of a public facing addendum.
- ii. Brown added that the public facing addendum was well-received by the commission and that they would be happy to include it.

D. White House Council of Economic Advisors report

- a. Landes summarized the White House Council of Economic Advisors (CEA) report indicating that \$75 billion had been raised in OZs as of the end of 2019 and that one million people had been lifted out of poverty as a result, but echoed an analysis by the Economic Innovation Group that suggested we should take that estimate with a grain of salt.
- b. Landes added that the OZ program is likely to continue, with reforms, regardless of who is president in January. He outlined proposed reforms from the United States Conference of Mayors and the Biden campaign, both of which call for stronger reporting requirements. He added that we are in discussions with the governor's office about getting involved in federal OZ reforms.
- c. Dragoo inquired about the staff and committee's stance on OZ businesses. Landes said that it is a priority, although it is difficult because there is much more variation among businesses than there is among real estate projects. At Kraft's request, Dragoo discussed his firm's strategy with 10-year holds. Dragoo mentioned that there are some ways to get creative with loans and debt finance distribution to allow for some returns during the hold period.
- d. Thompson thanked Landes for the summary and analysis of the CEA report, and agreed that the estimate of one million people lifted out of poverty could be exaggerated. He asked Landes which policy change seems most likely to happen. Landes responded that it is hard to say if anything will happen before the election, and that bills in committee have stalled, and that there will likely be new bills in the coming months.
- e. Landes asked for a motion to adjourn. Thompson moved, Blumenstein seconds. Motion passed unanimously. Meeting adjourned at 2:50 p.m.