

ECONOMIC DEVELOPMENT COMMISSION

MEETING MINUTES

April 16, 2020

830 a.m. – 12:30 p.m.

MEETING DATE

April 16, 2020

Virtual Meeting

MEETING PARTICIPANTS

A. Commission Members

Carrie Schiff, Becky Takeda-Tinker, Benita Duran, Blake Jones, Chris Franz, Jandel Allen-Davis, David Dragoo, Jay Seaton, Wendell Pryor, and Rob Brown.

B. Guests

James Rodriguez, Sam Bailey, Mustafa Al-Shawaf, Chris Ruff, Steven Nielsen, Jack Mousseau, Alan Krcmarik, Chris Johnson, Susan Jewell-Klema, Kristie Melendez, Carl Kohler, John Cullen, Rand Abedrabbo, Wendi Nafziger, Laura Marchino, Marisa Stoller, Sara Lobato, Trish Thibido, Delaney Keating, Bob Cope, John Fogel, Trey Rogers, Jariah Walker, and Stacey Miller.

C. Staff

Betsy Markey, Jeff Kraft, Sean Gould, Ken Jensen, LeeAnn Morrill, Che Sheehan, Tad Johnson, Mariel Rodriguez –McGill, Sonya Guram, Donald Zuckerman, Michelle Hadwiger, Katie Woslager, Jill McGranahan, and Virginia Davis.

DECISION/ACTION ITEMS

1. The Economic Development Commission approved the Minutes from the March 19, 2020 EDC meeting.
2. The Economic Development Commission approved the following projects/items

EZ:	COVID-19 Relief Special Projects from Region 10, Pueblo, Southeast, Southwest, North Metro, and Pikes Peak; New Contribution Projects: Region 10 ICELab, and Pueblo Community Health Center.
RJS:	Jabil Application, Annual Benefits for Violet Gro, Adaptive Towers, Kaart Group and their qualified New Hires.
RTA:	Colorado Springs Amended Waiver and Release Agreement; USAFA Extension.

A. Meeting Called to Order

Schiff called the meeting to order.

Meeting Minutes

Duran moved approval of the March 19, 2020 EDC meeting minutes. Seaton seconded the motion. Motion passed unanimously.

M/S/P - Duran, Seaton – March 19, 2020 minutes approved as presented by staff.

B. Enterprise Zones: Sonya Guram

COVID-19 Relief Special Projects (pre-approved)

Guram presented the following pre-approved COVID-19 Special Projects.

EZ	Project Organization/Owner	Project Name	Project Start Date	Counties Included
REG10	Region 10 League for Economic Assistance and Planning	Region 10 COVID 19 Business Response	3/30/2020	Delta, Montrose, Gunnison, Ouray, Hinsdale , San Miguel
Pueblo	Pueblo County	Pueblo County Covid-19 Business Support	3/30/2020	Pueblo
SE	Southeast Colorado Enterprise Development, Inc.	Region 6-SE COVID-19 Business Support Fund	3/30/2020	Baca, Bent, Crowley, Kiowa, Otero, Prowers
SW	Region 9 Economic Development	Region 9 COVID Business Support Project	3/30/2020	Archuleta, Dolores, La Plata, Montezuma, San Juan
NM	Longmont Economic Development	Longmont COVID19 Business Support	3/30/2020	Longmont. Note: Lafayette and Broomfield did not wish to participate
PP	El Paso County Economic Development	Pikes Peak EZ Business Relief Fund	3/30/2020	El Paso, Teller

New Contribution Projects

Guram presented the following Contribution Projects for approval.

EZ	Project Name	Project Type	Project Category	Completion Date	Project Budget 1 yr.	Projected Credits
REG 10	ICELab	Operations	ED Organization	12/31/2025	\$2,775,000	\$13,438
Pueblo	Pueblo Community Health Center Expansion	Capital Campaign	Community Facility	12/31/2022	\$25,000,000	\$18,750
TOTAL					\$27,775,000	\$32,188

M/S/P – Duran, Seaton – Contribution projects approved as presented and recommended by staff.

C. Rural Jump-Start: Ken Jensen

Jabil

Jensen presented Jabil for participation in the RJS program.

Jabil is a worldwide multi-billion dollar contract manufacturer based in Florida. The company intends to set up a new division to offer vertically integrated high-tech manufacturing for the aviation, aerospace, and defense industries in Grand Junction. This new division has applied to the Rural Jump-Start Program. OEDIT has reviewed this application and concludes that the new division of Jabil meets all the requirements of the Rural Jump-Start Program.

Staff recommends approving this new division of Jabil for the Rural Jump-Start Program.

M/S/P – Seaton, Franz – Jabil approved as presented and recommended by staff.

Annual Tax Benefits

Jensen presented the following Annual Tax Benefits for approval.

Employee 1	Adaptive Towers	\$50,509.50
Employee 2	Adaptive Towers	\$45,720.00
Employee 1	Kaart Group	\$58,934.27
Employee 2	Kaart Group	\$54,882.09
Employee 3	Kaart Group	\$127,200.06
Total		\$337,245.92

M/S/P – Takeda-Tinker, Duran – Annual Tax benefits approved as presented and recommended by staff.

Late Annual Report Filings

Jensen said both companies that have not filed their annual report (Foothills Housing and Dude Solutions) were sent a 60 days’ notice on March 12. This step is required per the RJS program manual. Therefore, if these companies have not submitted their annual reports by May 11, OEDIT will suspend the company from the Rural Jump-Start program. If a company is suspended from the program, the company must submit a plan for corrective action in order to be re-instated in the program, and neither the company nor its employees will receive benefits for that year.

Given the pandemic, OEDIT requests a motion to extend the 60-day deadline to Thursday May 21 (a 10-day extension), which is the date of the next EDC meeting. At that time, OEDIT will bring any companies that have not submitted their annual reports to the EDC for a determination on suspension from the program.

M/S/P – Allen-Davis, Brown – Extension approved as presented and recommended by staff.

D. Start-up Colorado: Delaney Keating

Keating provided an update of the programs work done in 2019 and the pivot to virtual assistance due to COVID-19 with the following:

- Releasing two, 5-10 minute podcast interviews weekly: Crisis Solutions by Entrepreneurs for Entrepreneurs
- Developed a Shared Basic Task Force Tutorial & Tracking Document
- Expanded communication service to all 55 rural counties
- Working very closely with Glenn Plagens, RORs, and many other state agents
- Shift to Virtual, Social Media, Virtual Meetings, Webinars, Emails
- 4 Weekly Calls: NE, NW, SE, SW
- Virtual Platform for Rural Entrepreneurs
 - By rural, for rural: Steering Committee & Entrepreneur Surveys
 - PROJECT EXPEDITED: 4 Weeks to Launch
 - Peer-to-peer and mentor network
 - Long term resource hub for all levels of ecosystem:
 - Rural Entrepreneurs > Region > State
 - Scale the network

The board thanked Start-up Colorado for the work they are doing and the steps they’ve taken during this time.

**E. Regional Tourism Act: Ken Jensen, Jeff Kraft, Che Sheehan
RTA Program Update**

Jensen provided the following RTA monitoring update.

Project/Element	Status	Planned Opening Date (or other summary info)	Key Next Steps	Immediate Items for EDC
Aurora-Gaylord		Opened	Proposed expansion currently on hold.	
USAFA Welcome Center		Changed from red to green with yellow border per 11/21/19 EDC meeting where commencement was approved	Hit required March 31, 2020 milestones:	USAFA Welcome Center
Downtown Stadium and Arena	Commenced	Downtown Stadium and Arena		
Go NoCO (Must Commence by 11/12/20)			OEDIT Staff presented to NCRTA at a meeting on March 20 th .	Semi Annual Update from Project representatives.

Go NoCO

Kraft said staff had a virtual meeting with the Go NoCO stakeholders a few weeks ago. Two projects are moving ahead. The two projects in Loveland are looking at a merged project to become one. The Film Center is moving ahead with various parts of that project.

Kraft introduced Fogel who is the current chair of the NCRTA.

Fogel introduced the Go NoCO team.

Rogers said we did have a meeting with OEDIT. We discussed a number of items, in particular the upcoming deadline of Commencement of Substantial Work. OEDIT made it clear that the expectation is if there is a need or request for a one-year extension, that request should not come at the last minute. That requires some planning and communication with the EDC and staff. We are aware of that and understand. It does now appear that at least the two Loveland projects and perhaps the Estes project will require some additional time so that will be a request we will bring to the board in the coming months.

The request by the Stanley to have its own financing entity has been presented to the NCRTA. The board is fine with this with a few requirements which seem to be acceptable to the Stanley. We have discussed that issue with OEDIT. In following up on these discussions, we had a call with all the legal counsels and talked through a number of issues. Matt Gray, SFC legal counsel, is working on a legal proposal. Once we have that, we will take it to the NCRTA board for review and approval and then to EDC for review and approval. We expect that to be happening in the coming weeks to a couple of months.

Mousseau architect for SFC provided an update. I'll walk you through the slides which show both what the SFC current planning looks like and where we are currently on the project. There has been a lot of exciting activity. There is construction related to the project that is actually underway today. SFC is really kind of divided into three components that we are working on both together but independently. The slides provided renderings of the site plans and the three components of the project which include the Film Center, the Carriage House and the Concert Hall.

Cullen said the SFC is moving forward despite the present circumstances. The Stanley is shut down right now and we are taking advantage of that time to do hard core infrastructure projects. The counsel for Go NoCO has indicated the discussion regarding separation of financing entities. I have had discussions with the Town of Estes Park who has agreed in principal to become the financing entity/agent for that process. That requires going to a town vote to approve such a contract. Counsels will likely meet virtually in the next seven to ten days to try and find a document that then can be submitted to OEDIT. My goal here is to get the separation done, get the financing documents done with the Town of Estes, and the buyer of those bonds when they return to their offices in New York, hopefully within the next month or two, and be under construction by the end of the year.

Fogel said I want to make clear that while we have discussed at the Go NoCO RTA level the principal of the separation, we haven't seen any formalized documents and before our Board can approval those and forward them on to OEDIT we would need to see all those documents from your group. Next up will be the presentation by P3 Partners, Steven Neilson on the Whitewater project.

Neilson gave some background of P3 Partners and the work they have done on other projects. P3 Partners is a Strategic Planning and Development Company with a holistic approach to solving community needs through a combination of for-profit and non-profit financing. We have assembled a team of local Colorado experts in their respective fields to ensure that the Loveland Whitewater Adventure Park is a long-term economic success through the enhanced development of the \$15 Billion dollar a year Sports Tourism Market and a source of job creation during and after construction.

The Loveland Whitewater Adventure Park combines two previously approved projects; the themed hotel and indoor water park and the whitewater rafting center. These great projects had stalled for several reasons, however, when the two are combined, we can create a year-round destination and the critical mass necessary for financial success.

As indicated through our research, P3 Partners has determined that the most successful site for the Loveland Whitewater Adventure Park will be in the general vicinity of the I-25/I-34 interchange. We have either met with or discussed acquisition with four (4) potential site owners. Two of the ownership groups/managers reside outside of Colorado and two are in the general area.

Recent state-wide travel restrictions, have prohibited us from completing our analysis and due diligence on the subject properties as well as continued meetings with the property owners.

We have had meetings with the City of Loveland departments and completed a preliminary review of the prototype plan to understand zoning, land use, water, transportation, and approval process issues.

P3 Partners has over \$2 billion dollars in privatized development experience and works with the Municipal Development Foundation (MDF), a non-profit company, to provide a vehicle for low cost tax-exempt and taxable bond financing. This is a critical element in financing the seasonal outdoor water-based amenities within the overall project. Through MDF, we can work directly with local bond issuing authorities, as well as have a long-standing relationship with the Phoenix Industrial Development Authority who can issue bonds anywhere in the U.S.

Hotel and Indoor Waterpark financing will be traditional 65% debt and 35% equity from a partnership with Schulte Hospitality and a hedge fund. Schulte Hospitality currently owns and/or manages 154 hotels in 34 states.

The specific details for financing will be completed upon site selection and completion of preliminary design and cost estimates.

P3 Partners was retained by the City of Loveland on November 25, 2019 to develop a Strategic Real Estate Development Plan for a combination themed hotel/indoor water park and a whitewater rafting center. We have made significant progress with our planning and market feasibility study to feel confident in saying that the Northern Colorado market area can easily accommodate the intended uses; that there is significant financial resources to fund this project, and we have teamed up with an amazing group of Colorado companies to design and develop the project.

Unfortunately, the COVID-19 virus has significantly impacted the current hospitality and entertainment markets as well as travel, impacting our ability to meet the November 2020 deadline for start of construction. We would request that the Economic Development Commission consider a one-year extension, subject to monthly progress meetings and/or reports.

Brown said one of the big tenets of this project is net new visitors to the state and job creation. I would like to hear comments on both of those components.

Neilson said in terms of jobs we have not done the analysis. I can tell you in terms of job creation our intent during construction is all local. Jobs are important considerations in economic development. I can tell you the model for the Whitewater Rafting Center in Charlotte South Carolina, we have visited it multiple times and I can tell you it generates over 500 jobs annually. We can do an analysis. We would be better prepared to give you that analysis in the near term. We've stopped at this point in terms of our design until we have a finite site. Our interests are aligned and that is the reason for our selecting this

intersection in the 5 mile radius is because this has something like 700,000 cars a day that can travel through this area. It's all about attracting the families that are in the area, local businesses and that sports tourism traveler and making it work. I prefer to be more specific but I don't have that detail yet.

Krcmarik said in our application that we did five years ago, we did a summary of all the economic impacts on page 55 of our application. Some of these numbers have obviously changed but we were showing from the two Loveland projects total ongoing jobs about 600 from the Indoor Waterpark Resort and about 700 that were related to the Whitewater Adventure Park. We used an IMPLAN model for these numbers so the direct jobs were 442 and 544 and then you had indirect and induced. Labor income was projected at \$17.5M for the Waterpark and \$20.1M for the Whitewater Adventure Park. So I hope that's responsive. That's what we submitted 5 years ago. We think there will be some adjustments between what we submitted then and what P3 comes up with.

Kraft said he appreciated the presentation. A couple of offline conversations with Neilson. We need to talk to you about how you procured your partners and some of the requirements the RTA has. Also to let the EDC and NCRTA know that we are going to have another presentation in a minute from Colorado Springs. We will then go into executive session to discuss some of the questions that were raised here including the extension and we will then come back to open session and we will have some feedback for you.

Schiff said it is exciting to see what you are pulling together for the Loveland projects and excited to see the complete integration of the Whitewater and Indoor Water Park hotel and restaurant. I will direct you to work with staff on the requirements for requesting a formal extension. It was also nice to see the update from the SFC. It looks like a lot of the projects for Go NoCO are beginning to come together and that is really exciting for the state.

Colorado Springs/USAFA

Kraft said as you recall at the last EDC meeting, because of the disruptions to the financial markets due to the COVID-19 crisis, we extended the requirement for the Air Force Academy to issue bonds from March 31st 2020 through December 31st 2020 we just did had the vote on that but it was obviously subject to getting a revised Release from the entities in Colorado Springs. We said we would get that revised Release and they would get it to us and then we would vote on accepting and signing that Release and making a formal change to our Motion and our requirements. That's the high-level information. We approved that pending feedback from Colorado Springs and them getting the Release done. Che will walk us through the details.

Sheehan said just a point of clarification there I believe that the outcome at the last EDC meeting was that you didn't extend it at the last meeting but you put those March 31st conditions in abeyance. November 21st at the EDC had those additional conditions that needed to be met by March 31st and the USAFA team has worked really hard and diligently to meet those and as Jeff alluded to the capital markets have been so volatile they have not been able to bond but they were able to meet all the other requirements for the March 31st deadline. The motion that we have for you today outlines that the COVID-19 was declared a disaster emergency on March 10th and the Governor issued an executive order related to that. The Motion that we have for you for consideration would be to extend the two requirements related to bonding to December 31st, 2020 which is consistent with the timeline for the actual Air Force.

Similar to the November 21st EDC meeting, we have in your board book an amended Waiver and Release which references the same disaster emergency and has been signed by the Mayor of Colorado Springs, the ED of the URA and Jariah Walker the project manager. The idea would be that Schiff would sign this document and we would include that into the record.

Kraft asked Cope and Walker if they had anything to add.

Cope said last month we did a more formal presentation and talked about how all of the business structure had been completed on this project and all the governmental approvals had been obtained. A preliminary offering was sent out to investors. We had lined up orders for bonds and when we got down to March 10th, that was the day the financial markets collapsed and that was the day we were supposed to close and the investors backed away. We are confident that if there is stabilization in the bond market we will be able to get those bonds issued. In the meantime we are pursuing other strategies. We think there is some opportunities through the CARES Act that might allow these bonds to get purchased earlier. We are also looking at different ways to maybe enhance the bonds just to make sure that one way or the other we are able to sell these bonds prior to December 31st.

Brown said, pursuant to Colorado Revised Statutes Section 24-6-402(3)(a)(II), I move that we go into executive session with our attorney for the purpose of receiving legal advice about the RTA Program. Allen-Davis seconded the motion. Motion passed unanimously.

The EDC is now in Executive Session.

Brown moved the EDC exit Executive Session. Allen-Davis seconded the motion. Motion passed unanimously.

The EDC is now in Open Session.

Colorado Springs/USAFA

Schiff said we will first entertain the request from Colorado Springs regarding the amended waiver and release agreement and the motion to approve the extension. Before we do that, the EDC wants to direct OEDIT staff and counsel to please enhance the background information in the record that we considered before entertaining these motions. That background includes the detailed testimony we received from Mr. Moellenberg who was the investment banker with the Royal Bank of Canada. He presented to us at the March 19th meeting. He also had a written and verbal correspondence with OEDIT staff discussing both the pending sale of the bonds that was all but closed before the collapse of the financial markets and then the further verification provided that it was the collapse of the financial markets due to the COVID-19 virus that caused the bonds to not be sold. That will be amended for the record.

Kraft said that direction was received and acknowledged and staff will work on that.

Schiff entertained a motion to enter into the amended Waiver and Release Agreement.

Franz moved approval to authorize the EDC to enter into the amended Waiver and Release Agreement. Takeda-Tinker seconded the motion. Motion passed unanimously.

M/S/P – Franz, Takeda-Tinker – Authorization to enter into the Amended Waiver and Release Agreement approved as presented and recommended by staff.

Schiff entertained a motion on the Extension.

Franz moved that the Commission modify its approval of the USAFA Visitor Center project element as recorded in the motion on pages 15 and 16 of 78 of section 5 of our board book. Takeda-Tinker seconded the motion. Motion passed unanimously. The motion reads as follows:

I move that the Commission modify its approval of the Visitor Center Project Element of the City for Champions Regional Tourism Act Project (“Project”) as follows and direct OEDIT staff and legal counsel to incorporate the following new conditions of approval and other related provisions that apply only to the Visitor Center Project Element into an amended Resolution No. 3 for adoption by the Commission *nunc pro tunc* at a later meeting:

1. Unless otherwise specified in this motion, all capitalized terms in this motion have the same meaning as defined by and used in the Colorado Regional Tourism Act, §§ 24-46-301 through -310, C.R.S, Resolution No. 3, as amended through and including November 21, 2019, or both.

2. The following conditions of approval for the Visitor Center Project Element must be fulfilled by or before December 31, 2020:

(a) The USAFA Visitor Center Business Improvement District (the “BID”), that was formed with the approval of the Colorado Springs City Council, shall issue Bonds that will generate at least \$50 million in net proceeds (thus qualifying the Visitor Center as a Bond Funded Element), to finance the design and construction of the Visitor Center and associated infrastructure improvements; and

(b) The net proceeds of the Series B Bonds must total at least \$25 million, must be held in a Proceeds Account (the “Series B Proceeds Account”) maintained by the Bond Trustee and, except as hereinafter provided, must be disbursed solely to pay for or reimburse the Eligible Costs of designing and constructing the physical building in which the Visitor Center will be housed subject to the exception set forth in paragraph 6(a) of the November 21, 2019 motion adopted by the Commission. Disbursement of the Series B Bonds proceeds shall only occur upon receipt by the Bond Trustee of a requisition signed by the BID and the Financing Entity, together with certifications by an independent engineer and an independent certified public accountant as required by Resolution No. 3, as amended through and including April 16, 2020.

3. Except as expressly modified by this motion, all of the terms and conditions of approval of Resolution No. 3, as amended through and including November 21, 2019, shall remain in full force and effect.

M/S/P – Franz, Takeda-Tinker – Written Motion for the Visitor Center Project Element of the City for Champions Regional Tourism Act Project approved as presented and recommended by staff.

NCRTA/GO NoCO

Schiff thanked the team for the presentation today. It is clear there are new people involved and you are bringing a lot of fresh energy to it. But we need to advise you that you are walking into five years of history at a time when it is really important that these RTA projects succeed and that they pay for themselves. I am again going to provide you with some general guidance that we are going to ask you to follow through on if you intend to make a formal written request to the EDC for a one year extension. Noting that the one year extension provides you with just one year to get to Commencement. Given what we were presented today, we are asking ourselves if this is going to be a successful project on time that will pay for itself.

I want to remind you that the goals of the RTA projects are to bring in net new out of state visitors. There was a comment in the presentation that was making reference to placing the project so that you could attract folks from Northern Colorado to it, and really the goal of the RTA project is to bring in net new out of state visitors. So please refresh yourselves on the basic components that are required for RTA projects. The other thing I want to do is refer you to the guidance that was provided. There is information in the statute about what it takes to Commence and what the Extension requirements are but we provided more detailed guidance at our meeting last March and in the letter from Betsy Markey as well. You met with OEDIT staff about 3 weeks ago where we had outlined guidance on what we would want to see in order to consider a formal written request for an extension. I believe that it is a lot of work for you to accomplish. We recognize that. But it is something we will require so please refresh yourself on those guidelines for an extension. Know that we will want to see not just a written request but the written documentation as backup in support of your accomplishment of those goals. We're as anxious as you are to make sure this project comes online and is successful but at the same time, we are stewards for the people of Colorado and we really need to make sure that this particular RTA legislation is used appropriately. We offer the same kind of support that you receive from OEDIT. They are well versed in and have been very successful in trying to help groups move these projects along. So to the extent that you need additional clarification or information, please reach out to Jeff and his team. Hopefully we'll see more from the team on a regular basis providing us with detailed updates on your specific progress.

Fogel said I am new to the Chairmanship of this board and with some term limits kicking in we will be losing some of our board members and doing replacements as so many cities throughout the state are doing. What I would request of the board and of the staff would be a consolidated check sheet of what is necessary with some specifics for a nice transition into asking for the extension. We've got enough paper scattered from here to there to paper the highway between us. I would just like a check sheet. I think that would be the easiest way to make sure that you've stated what you're looking for and that we are able to accomplish it in the time frame that you're asking for. So a check sheet on how to go about applying for an extension, including the things you would request the things you would request from us on a consolidated spot because I really don't want to go back and forth and take care of ten of your needs and forget number eleven just by oversite or to the email going back and forth not getting to where it was. For instance, none of us are perfect on email and I wasn't even invited to this meeting. That had to be sent to me by one of my staff. So I think that would be the cleanest way to go about this. Does the EDC have any thoughts.

Schiff said we can provide you with the guidance that has been provided several times in the past so you can have that at your fingertips and then if you have any questions about it, I would encourage you to reach out to Jeff and the team.

Fogle well he's on here so that's what I'm doing.

Schiff said, right. So, we will again make sure you get another copy of the guidance that was provided in March and then from the meeting that was had three weeks ago and then that was forwarded ahead time by Betsy in her letter. We'll provide that to you again and if you have any questions about that specific guidance, once you've had a chance to review it, you can reach out to Jeff and his team.

Fogle said based on today's presentation I would encourage them to give us any insight they have on what needs further clarity and what other information that would like on the specific things that have already been presented.

Kraft said we will work with you on that. Having had a chance to absorb the presentation we do have some thoughts and will work with you and the developer on that.

Schiff said thank you and we look forward to hearing more from the Go NoCO team.

F. Board Education on Colorado Office of Film, Television, and Media: Mariel Rodriguez-McGill, Donald Zuckerman

Rodriguez-McGill and Zuckerman provided training on the COFTM Program and the responsibilities of the EDC for this program as required by C.R.S. 24-3.7-102.

**COVID-19 Update, SF Concept, Good News: Betsy Markey, Jeff Kraft, Michelle Hadwiger
Governor's Council on Economic Stabilization and Recovery**

Markey said I will start off with the negative news first. As I mentioned the state as a result of businesses being closed and the disruption in our economy, we are as a state facing very serious shortfalls for FY21. This will impact all of our legislative initiatives that were brought forth to the Governor's office and OSPB. I know that they are having to make some very painful decisions on what Colorado's budget is going to look like next year. A lot of tough decisions will have to be made over the next few weeks and I will keep you updated.

On the positive side of things, I want to point out that unlike some other states where the virus is hitting very hard, Colorado has a very diverse economy. We have the third lowest unemployment rate in the country at 2.5%. Obviously that has changed but unemployment in Colorado is still lower as a percent of our population than most of the majority of other states in the country.

Our personal income growth was the top in the nation at 6.1%. We continually see growth in the professional services, tech, biosciences, construction industry. As we look toward recovery, the fact that we have a lot of diversified industries should come back. Our aerospace industry funded by federal dollars should be in good shape as well. Our critical industries of tourism, food service and retail have been particularly hard hit. It will take some time before they come back as well. And our largest industry is healthcare and our largest employer is DIA.

All of this information is being looked at by the Governor's Economic Council on Stabilization and Growth. That started out as a small group of high level trusted advisors to the Governor to advise on as we start to reopen the economy how do we do that in a way that provides public safety and health first and provides confidence to consumers. The Council is chaired by Frederico Pena and the co-chair is Brad Feld. There are now eight committees that range from Energy, Workforce, Small Business Entrepreneurship, Tourism and others. The Committees have between five and twenty members on them. Last week the Council presented short-term recommendations to the Governor. Many of those were ones that we asked the federal government for. Some were executive orders and a few of them also had a fiscal impact as well.

One of the things that our office has been focused on is making sure that Colorado is getting its fair share of federal dollars from the CARES Act. Just two days ago some numbers came out from the SBA on the PPP monies. Colorado has 1.7% of the U.S. population and we have 2% of the countries small businesses. With the PPP loan right now we are averaging about 2.4% of the dollars in the program and 2.8% of the number of loans that have been distributed. So we are doing well as a state in getting these dollars. We're hoping that another tranche of the PPP money will be coming shortly as we know the current allocation is running out soon. We have put a lot of time and effort into making sure we are reaching our small business community, our gig workers and artist community. Our CCI and Film offices have done a great job reaching out via webinars and youtube. We have a hotline set up with 35 people trained so the business community can talk with a live person. The last thing I want to update you on is while we are working on making sure we are getting federal dollars we are also looking closely at where the gaps are and the populations not receiving this money. We are looking at standing up a state private loan fund in the next few weeks. We are going to be coming to the EDC for use of Strategic dollars to get that program

off the ground. The SF dollars will be seed dollars and the rest will be private dollars. A formal request will be coming.

The EDC thanked staff for all the good work being done.

Good News

Hadwiger provided articles on Fidelity Investments and a hiring event they hosted. They are hiring 2000 people across the U.S. and Colorado will capture some of that employment. This is good news for the financial services industry. And General Atomics Electromagnetic Systems, based in San Diego has added three times their capacity here in Colorado for satellite production integration and testing.

G. Transferrable Tax Credit: Ken Jensen, Mustafa Al-Shawaf

TTC Program Update

Jensen provided a program update. In this fiscal year, the EDC has the authority to issue the final \$10 million in precertifications for transferability. If the projects for Evraz and VF Corporation proceed as planned, Evraz will receive a precertification of \$6.9 million this fiscal year (for a total of \$17 million), and VF Corporation will receive a precertification of \$3.1 million this fiscal year (for a total of \$13 million). These two precertifications total \$30 million over three years, which is the statutory maximum.

OEDIT is currently working with VF Corporation to establish that the requirement to make a Strategic Capital Investment of \$100 million has been met. When OEDIT has this documentation, it will be brought to the EDC for confirmation. OEDIT is working with VF Corp to present the project status at the May EDC meeting.

Project 5000 (Evraz) needs to complete an engineering study before they can make a determination as to whether to commit to their project. In a recent conference call with OEDIT, Evraz has stated that the announcement of this decision is expected on June 16 of this year. Evraz has sent the OEDIT a project timeline (which follows), and Mutsafa Al-Shawaf, a representative of Evraz, will be available by phone to present the status of the project and answer any questions the EDC may have.

Also, the Transferable Tax Credit Program expires in statute on June 30 of this year. OEDIT is working to extend the program's expiration date by 3 years. No changes are anticipated for the structure of the program.

EVRAZ

Al-Shawaf introduced Carl Kohler. In February 2020 EVRAZ appointed Kohler as VP in charge of this project. Kohler brings more than 40 years of project management and construction experience in the petrol, chemical and heavy industrial process industries.

Throughout 2019 the project team has been completing the engineering and design phase of the project. We spent approximately \$19M on advancing the project in 2019. At this time contracts have been pre-awarded for all major equipment and engineering nearly complete. In conjunction with this project, in September we announced our partnership with Lightsource BP and Xcel Energy to make EVRAZ Pueblo the first steel mill in North America to rely on solar power. In recent months we've continued demolition and abatement work at the site and continued engineering work for the facility and equipment. Dozens of contractors have been engaged for demolition, engineering, construction management, and equipment. Further engineering costs optimizations are underway and the project investment decision by the EVRAZ board of directors is planned for the coming months.

Kraft asked Al-Shawaf to confirm that EVRAZ has chosen Colorado but they are waiting their board's final decision to say the project is a go.

Al-Shawaf said that is correct. We are hopeful that we can have a final board decision before the end of the fiscal year but that is not something we can guarantee.

Kraft said that by our June EDC meeting, the EDC will need to finalize our certifications of the final \$10M of this fiscal year. The expectation is that some of them would go to VF Corp and some to EVRAZ and if we do it they would both have gotten the credits that we earmarked for them informally.

Kohler said he and his team are working on finishing the cost estimate to provide to their board in the next few weeks.

Duran said I just wondered if you could just comment on, as it relates to costs, what are current economic conditions how that impacts your cost estimating process that you're engaged in.

Kohler said typically on large capital projects and they spend their money during a downturn because they know they can make a better drawl. We're not going to let that influence our cost estimating. We're not changing our philosophy just because of the downturn.

Schiff thanked Al-Shawaf and Kohler for the update.

H. Other: Jeff Kraft

EDC Budget

Kraft said in the interest of time, we will not present the budget that has been provided in your board materials. Staff will provide the general presentation at the next meeting. The budget shows a current balance of 5,198,585 remaining for future projects

AI Budget

Woslager provided the AI budget which shows a current balance of 5,085,694 of remaining funds available.

Next Meeting

The next EDC meeting is scheduled for May 21, 2020.

With all items discussed, the meeting was adjourned.