



## Strategic Policy Initiatives

The Colorado Office of Economic Development and International Trade has identified several strategic policy initiatives for FY 2019-20 and beyond. For this performance evaluation, the Department has updated progress on the initiatives identified in the FY2020 Performance Plan that capture the Department's strategic and operational priorities, and reflect the overall direction as identified by Department leadership. The updates reflect data as of January 1, 2020.

### **SPI 1: Expand Employee Ownership**

The key strategies to achieve this SPI are as follows:

- Administer \$3 million revolving loan fund (through CHFA) to assist with the transition of existing business to employee-owned businesses
- The Economic Development Commission (EDC) has committed \$500,000 as seed money for this effort. Develop a specific budget and an additional request for funds from the EDC
- Develop an employee ownership pilot program NW Colorado in conjunction with the Rural Funders Network
- Train the 200+ Certified Business Consultants who work with 15 Small Business Development Centers (SBDCs) across the state to:
  - Educate people and communities on the benefits of employee ownership
  - Service as the initial contacts with business owners, and will qualify them before recommending business valuation and legal services
- Convene Employee Ownership Commission, which would do the following:
  - Develop a budget for FY20 for technical support and resources for businesses seeking to convert to an employee ownership model
  - Identify and convene CPAs and attorneys who will provide technical services for businesses
  - Identify barriers to employee ownership development and recommend State actions to remove those barriers (including policy/legislative proposals)
  - Establish Employee Ownership working groups – Finance, Education, Policy and Research

### **SPI 2: Enhance Rural Economic Development**

The key strategies to achieve this SPI are as follows:

- Create a comprehensive asset map of OEDIT and DOLA programs and funding available to rural communities.
- Complete at least 3 rural road shows in 2019 with DOLA, CDA and OEDIT, to educate communities on resources available and gain insights into gaps.
- Calibrate business funding incentives to include increased tax credits and/or strategic fund incentives to incentivize remote working in rural areas.
- Work with local governments, the private sector, the Colorado Association of Funders, and CTO to increase the number of co-working facilities with fast speed broadband access. Currently there are 43 co-working facilities in rural Colorado either in place or planned for this year.
- Work with CDOT to expand Bustang service to rural communities to serve remote workers and co-working facilities.



- Initiate a Hemp working group to explore additional ways to support the growth of the industry in rural areas.
- Promote OEDIT's Rural Technical Assistance Programs (RTAP)
- Host Opportunity Zones and Enhanced Enterprise Zones forums and bring together rural projects and investors.
- Strengthen and provide additional resources to rural SBDCs (such as remote learner).
- Develop legislative agenda to support rural economic development efforts.

### **SPI 3: Foster 100% Renewable Energy**

The key strategies to achieve this SPI are as follows:

- Hold an industry roundtable with Colorado renewable energy companies to identify potential supply chain or professional service companies to recruit to Colorado.
- Attend international and national renewable energy trade shows to help promote export/import opportunities in Colorado.
- Work with coal impacted communities to develop strategies to replace coal based positions with green jobs.

### **SPI 4: Lower Health Care Costs**

The key strategies to achieve this SPI are as follows:

- Conduct business HR stakeholder meetings across the state.
- Promote healthy living business program thru SBDCs and OEDIT marketing avenues (choosecolorado.com).
- Work with other state agency HR reps to create program(s) that businesses can adopt easily:
  - Employee Incentive Plan
- Work with companies that we currently do business with (i.e., give grants to, use job growth incentive tax credit or consult with)
- Work with Economic Developers, Chambers and health organizations to promote program across the state.



**Operational Measures**

**SPI 1: EXPAND EMPLOYEE OWNERSHIP**

Measure	Q1 YTD FY20	Q2 YTD FY20	Q3 YTD FY20	Q4 YTD FY20	1-Year Goal	3-Year Goal
Engage no fewer than 1000 businesses through the Employee Ownership Commission by June 30, 2020	69	228			1,000	3,000

**NARRATIVE:**

- Created EO Pilot Loan Program to finance transaction costs for transition to a co-op; Colorado Bankers Association will be hosting an event focused on the EO Loan Program.
- Hosted two Employee Ownership Legal Roundtables to engage and educate top Denver attorneys on the benefits of EO for law firms

**SPI 2: ENHANCE RURAL ECONOMIC DEVELOPMENT**

Measure	Q1 YTD FY20	Q2 YTD FY20	Q3 YTD FY20	Q4 YTD FY20	1-Year Goal	3-Year Goal
Increase new businesses (per SoS definition of new business start) in rural counties (population 50k or less) from 10,400 to 11,000 per year by June 30, 2020	2,802	5,740			11,000	33,000

*\*\*Seasonality Trend Note: From 2015-2018, 28% of a year's business starts happen in Q1, 25% in Q2, 24% in Q3, and 23% in Q4. If we were applying these figures to our 11,000 for the year goal, we would want to see about 2,654 starts from July through September. Assuming rough equivalence throughout each quarter (with volatility of course) we would hope to see about 885 starts in July. Under the baseline, we would expect to see 2,509 in Q3 2019, and a third of that is 836*

**NARRATIVE:**

- Hired 3 location neutral rural representatives who will represent OEDIT and be responsible for overseeing and executing multiple projects to advance Colorado's rural communities.
- Accepted into the NGA Policy Academy, which will help the State to implement a new programmatic approach to drive economic growth through stewardship and conservation in rural Colorado.
- Recognized by Forbes as one of the top 20 opportunity zone funds committed to achieving equitable economic growth in underserved and overlooked communities.
- Venture Capital Authority came to terms with outside investors who will contribute more than \$2M to the Greater Colorado Venture Fund for rural start-up investment.
- Rural Jump Start program presenting an expansion to include Fremont County.



**SPI 3: FOSTER 100% RENEWABLE ENERGY**

Measure	Q1 YTD FY20	Q2 YTD FY20	Q3 YTD FY20	Q4 YTD FY20	1-Year Goal	3-Year Goal
Increase EDC approved awards for net new jobs in the renewable energy sector from 2,574 jobs to 3,074 jobs by June 30, 2020	0	489			3,074	9,222

**NARRATIVE:**

- An early-stage Colorado-based company that is looking to build and operate a waste-resource conversion facility turning municipal trash and tires into synthetic gas and fuel pellets, was approved for a job growth incentive tax credit for 52 jobs. The jobs would pay an average salary of \$46,865 – 110% of Morgan County’s average annual wage – and would come with a \$150 million capital investment.
- Planned and accompanied the Governor on a Trade Mission to India and Nepal focused on renewable energy, e-mobility, and clean technology. In Nepal, the Colorado delegation met with the Independent Power Producers Association and the Nepal Energy Regulatory Commission.
- Continuing to work with partners on legislative proposals for extension of EZ ITC benefits for renewable energy investment
- Xcel certified for \$26M EZ ITC for a large wind project where they invested more than \$800M, including 300 Vestas wind turbines, in Elbert County (which will earn millions in local tax revenues).

**SPI 4: LOWER HEALTH CARE COSTS**

Measure	Q1 YTD FY20	Q2 YTD FY20	Q3 YTD FY20	Q4 YTD FY20	1-Year Goal	3-Year Goal
Promote a healthier Colorado workforce through the creation of a health and wellness toolkit (focused on outdoor activities) by December 2019 and recruit 50 businesses to sign an MOU agreement to implement toolkit by June 30, 2020	0	Assessment complete and draft resource page ready for launch on 2/1			50	150

**NARRATIVE:**

- Finalized the “Get Outdoors” assessment and sent it to 15 pilot businesses. Official launch scheduled for 2/1.
- Mapped out the components of the toolkit, which includes: Assessment; Report Card w/ Recommendations; Connection to OEDIT Resource Page; Eligibility for Governor’s Healthy Business Award
- Identified target industries as tourism, outdoor rec, manufacturing and start-ups. Continuing to build list of business leads.
- Scheduled to present to DPA and all state agency deputies on January 14th to encourage state participation in using the toolkit as part of their health and wellness initiatives.