



ASSOCIATED GOVERNMENTS
OF NORTHWEST COLORADO

MINUTES

AGNC EDD BOARD OF DIRECTORS MEETING

November 18, 2020

Online: <https://us02web.zoom.us/j/2510562431>

By Phone: +1 301 715 8592 Meeting ID: 251 056 2431

1:00 pm to 2:00 pm

1:00 P.M. 1. Call to Order – Ray Beck, Chairman
Approval of August 19, 2020 AGNC EDD Minutes

Rural Colorado EDA Revolving Loan Fund – Brian Rose, Deputy Director, Region 9

Brian Rose deputy director of Region 9 provided an overview of Region 9. The region funds a lot of entrepreneurs through a revolving loan fund providing \$6.2 million in loans. He provided an overview of a new loan fund that is about to launch. OEDIT partnered with the Colorado Lending Source enterprise fund and Region 9 to create a statewide EDA loan fund. Previously loans were limited to a specific region, the new loan fund will allow loans throughout Colorado.

EDA awarded the state \$8 million of which \$2,880,000 will be used to support rural located businesses; Region 9 will administer the fund. The program was written to have pretty broad applications and while it's not a lot of money, it can help key industries. Supply chain improvement and export companies are high on the priority list for funding. Funding will target about \$25K lent for each job created or retained. The goal is to support lending going on locally by various loan groups - lenders can make direct referrals to the program. Region 9 wants to strengthen relationships with ED groups in region. Would like to have local participation loans for the region. The loan fund does not create impact to local lenders. Helps keep projects moving forward. Key elements of the program are:

- leverage \$1 EDA for every \$2 of non-EDA funds in the project.
- Maximum Loan to one borrower is \$400,000.
- Maximum loan term – up to 20 years.
- Allowable Purposes: Working capital, equipment, inventory, real estate, tenant improvements.
- Not allowable: Marijuana businesses, construction, GAP for other federal programs, savings, interest payments, or debt consolidation
- Periodic job reports - need to report job retention and creation periodically.

There is a resolution on statewide vs. local funding; use local funds first or if limits exist, then minutes reflect why funds may have been requested from the state plan. The program

is not competing with local programs. Post approval and post loan closing, the statewide EDA may need help from local groups with:

- Loan closings
- Requesting periodic job updates, financials, updated insurance, etc.
- Site visit reports (photos)
- Periodic file updates as applicable
- Maintaining the relationship
- Spreading the word & making referrals
- Marketing will be to the ED offices and BLF's working with businesses

There is a travel budget and OEDIT will also market the program. They will rely on local BLF's to market the fund and find the businesses for referrals. Announcements will be sent when the fund is opened.

Another loan fund available is for businesses is the CO Micro Loan Fund (formerly the statewide rural business loan fund). The state provided money for applicants that just do not meet banking standards, somewhat like character loans. The provisions for the fund include:

- \$271,000 of remaining funds for BLF's access
- 1:1 match of funds in the project from other sources
- Maximum loan \$35,000; minimum \$5,000
- Maximum project cost is \$70,000
- 1 job per every \$15,000 loaned
- Approved locally-eligibility verified by Region 9 and capital is provided.
- Collateralized within your policies/guidelines but generally a UCC filing.
- Becomes revolved for BLF's after 5 years.
- Target: Woman, Minority and Veteran Owned businesses located in CO & low to moderate income and
- Applicants who do not meet bank standards (character loans)

Other programs that can be accessed include:

- SBA MicroLoan Fund – low interest loans
- USDA RMAP and IRP Funding – low interest loans
- Community Development Block Grant ("CDBG)
- The Climber Fund – coming soon – end of 2020 or early 2021 – OEDIT and CHFA will be working with CDFI's, Credit Unions, and Banks to help with loan support for businesses with up to 99 employees.

Interest rates are typically between prime and prime + 4, there is some flexibility and there is up to 4% origination fee. Governments cannot request loans but can send referrals to Brian. Any registered for-profit business or non-profit registered can apply for loans. Under the EDA grant program, the project must link private sector job creation to use of loan funds.

Report on EDD Activities:

Coal to Products Project Update – Jeremiah and Joshua Riley provided an update on the Coal to Products project; they noted that COVID has complicated things. Project should come in on time. A deep analysis has been done of how innovation projects are functioning in the country. In parallel, they are working on coal products research. Some pieces we will need to address to develop consumer market - Joshua walked through the timeline. To this point focus on has been on data points. Working on developing roadmap - looking into counties individually to develop projects locally. Research taking strong emphasis on innovations and will include COVID impacts in the region. Purpose of the project is to provide a roadmap for each county - regional considerations include, what can we do infrastructure wise what investments do we need to make? Utah counties are anxious to know why this is not happening nationally. They have been in touch with Tri-State and have been talking to mines in Utah to get a sense of what they think the near-term future looks like. New administration may create a different dynamic. Want base level of operations at mines. expensive to mine little bit of coal. Wyoming is investing a lot of corporate money trying to keep this from moving to far north. This needs to be part of discussion for Just transition. Crucial narrative to future of coal in that arena. UT trying to find a fast forward for coal in the state. Anything at all before Sept. deadlines will get to right people. They are building a plan trying their best to pull value out of work. Chris how much collaboration are we doing - seems we are in our own silo need to coordinate with stakeholders. Coordinated as much as possible - it is a little outside the scope of this project. How do we leverage the resources available to benefit communities? Some headwinds we are facing regarding coal utilization in NW Colorado. Need to isolate competitive advantage for region. Happy to facilitate any of that - happy to reach out to stakeholders. After the plan is finished, how do we implement it, they are optimistic they will have a good outcome. Work with DOE contacts and will lose these people to some that will not - did not work DOE projects this year. One final piece to look at is DOD as low hanging fruit looking for intermediate markets for targeting.

CARES Grant Update

Tiffany Pehl provided an update on the CARES grant; the GAP was approved so AGNC may go ahead and spend funds. Staff recommends that AGNC set up a new bank account for these funds. Staff is working on RFP's for 2 positions; one to write an ERRP and another for an economic development coordinator for the region. Laura Kay filled the administration position which was made possible with the partnership planning grant received by the AGNC Economic Development District.

Trent Thompson provided an update on the Craig grant application. AGNC would like to host a broadband conference to identify gaps in that service in early 2021. USDA awarded Yampa Valley Electric a \$6 million grant to expand broadband in Moffat and Routt counties.

The meeting adjourned at 2:14 p.m.

Attendance:

Ray Beck, Moffat County
Mike Samson, Garfield County

Bonnie Petersen, AGNC
Brian Rose, Region 9

Tiffany Pehl, AGNC
Kris Melnikopf, Town of Collbran
Melonie Matarozzo, Town of Collbran
Grady Hazelton, Town of New Castle
Chris Nichols, City of Craig
Christina Oxley, CO Workforce Center
Jeff Comstock, Moffat County
Trent Thompson, Colorado EDA
Alyssa Logan, Senator Bennet's Office
614-519-2547

Carolyn Tucker, CO Workforce Center
Laura Kay Houser, AGNC
John Bristol, Steamboat ED
Carly Thomson, Rio Blanco ED
Jessica Valand, CO Workforce Center
Jeremiah Riley, Uintah Group
Joshua Riley, Grow Economy

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