

Colorado Office of Economic Development & International Trade SMART Act Hearing

Joint Business Committee

1/9/25

Presenters:

Eve Lieberman - Executive Director

Jeff Kraft - Deputy Director/Director of Business Funding & Incentives

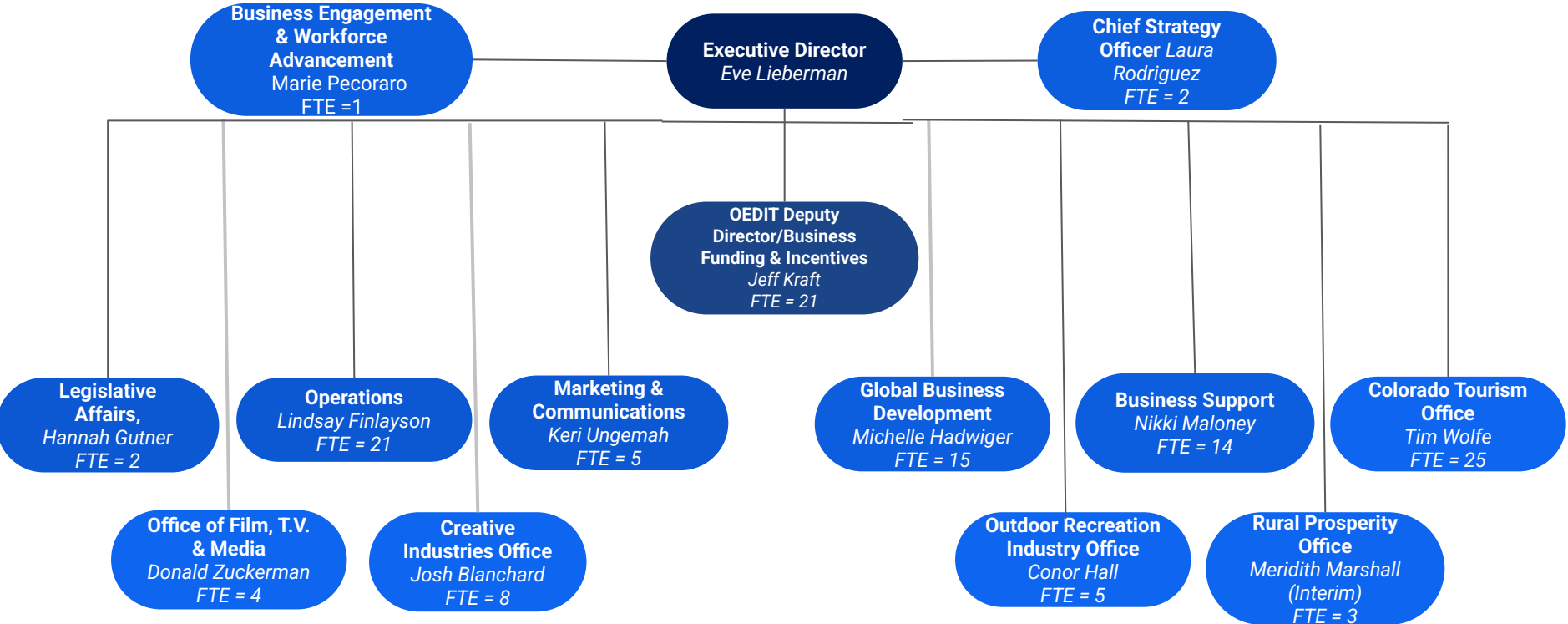
Josh Blanchard - Colorado Creative Industries Director

OEDIT Mission & Vision

OEDIT's Mission: Empower all to thrive in Colorado's economy.

OEDIT's Vision: We envision a future where our quality of life continually improves, great jobs and affordable housing are readily available, economic mobility and resiliency exist, environmental stewardship is valued by all, and international visitors abound.

OEDIT Organizational Chart



OEDIT's FY 2024-25 Wildly Important Goals (WIGs)

OEDIT's FY 2024-25 Wildly Important Goals (WIGs)

Housing Units Supported

3-Year Goal:

Support the creation of 18,600 housing units by June 30, 2027.

FY25 Goal:

6,100 housing units by June 30, 2025.



Context: Successful completion of this goal will increase the supply of affordable housing units for all Coloradans.

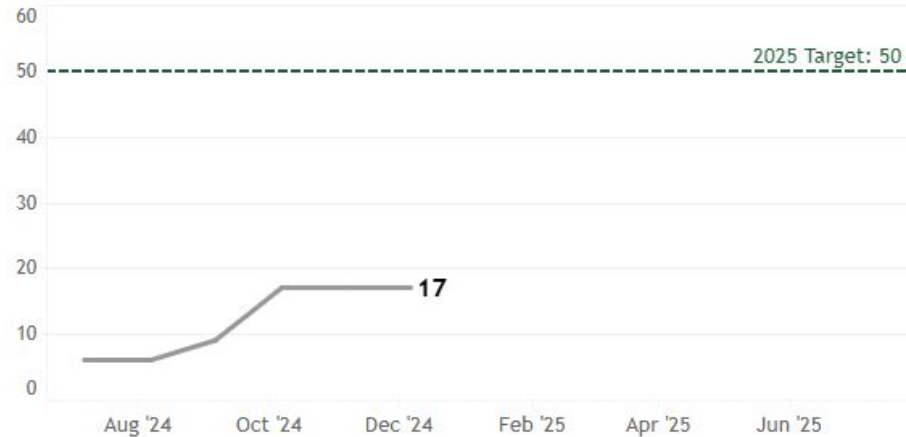
How OEDIT will accomplish the WIG

OEDIT will achieve this goal through the following leading indicators:

Raise program awareness and promote state funding opportunities for housing at 230 industry engagement meetings by June 30, 2025.



Support 50 housing developments located in transit-oriented and walkable areas by June 30, 2025.



OEDIT's FY 2024-25 Wildly Important Goals (WIGs)

3-Year Goal:
Support rural communities by creating or retaining 16,300 jobs by June 30, 2027.

FY25 Goal:
5,300 jobs by June 30, 2025.

Job Creation and Retention

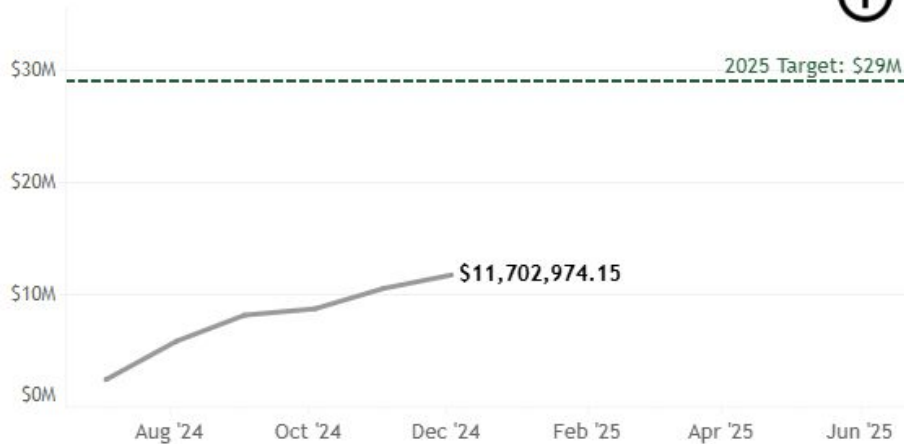


Context: Successful completion of this goal will mean that rural communities are establishing the business environment necessary to attract and retain businesses, thereby paving the way to create and sustain jobs for years to come.

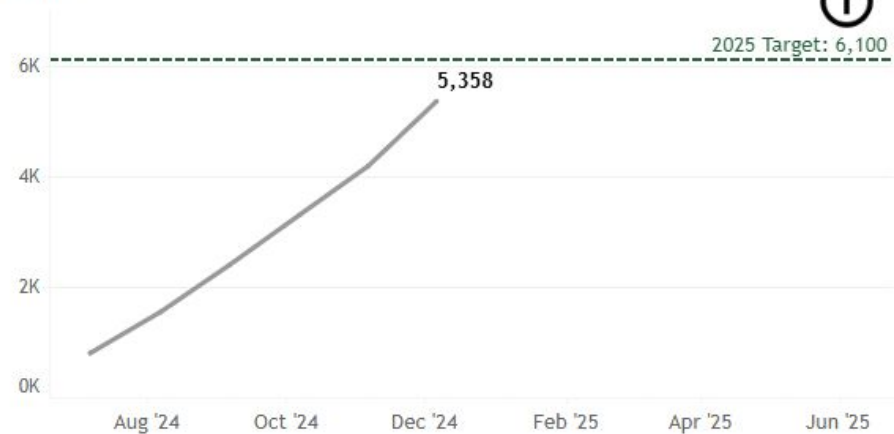
How OEDIT will accomplish the WIG

OEDIT will achieve this goal through the following leading indicators:

Deploy \$29,000,000 in state incentives to increase rural businesses access to capital by June 30, 2025.



Provide technical assistance to 6,100 rural businesses by June 30, 2025.



OEDIT's FY 2024-25 Wildly Important Goals (WIGs)

Federal and Private Advanced Industries Investments

3-Year Goal:

Bring \$200,000,000 in federal and private investment into the state to support Colorado's knowledge intensive and innovation ecosystems by June 30, 2027.

FY25 Goal:

\$120,000,000 invested by June 30, 2025



Context: Successful completion of this goal will ensure Colorado remains a national leader in advanced industries and position the state to expand further into emerging innovative and knowledge intensive markets.

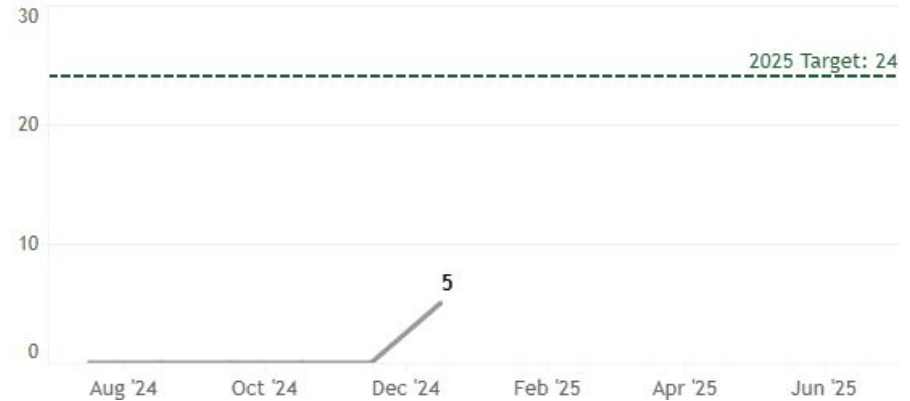
How OEDIT will accomplish the WIG

OEDIT will achieve this goal through the following leading indicators:

Leverage \$21,000,000 in state incentives to support Colorado's knowledge intensive industries by June 30, 2025.



Award 24 grants to support market research, implementation, or marketing of Colorado's knowledge intensive industries in rural communities by June 30, 2025.



OEDIT's FY 2024-25 Wildly Important Goals (WIGs)

3-Year Goal:

Increase international visitors into Colorado from 900,000 to 1,200,000 by June 30, 2027.

FY25 Goal:

1,000,000 visitors by June 30, 2025

Increase International Travelers



Context: Successful completion of this goal will mean that Colorado remains a world class destination that is capable of attracting leisure and business travelers for years to come.

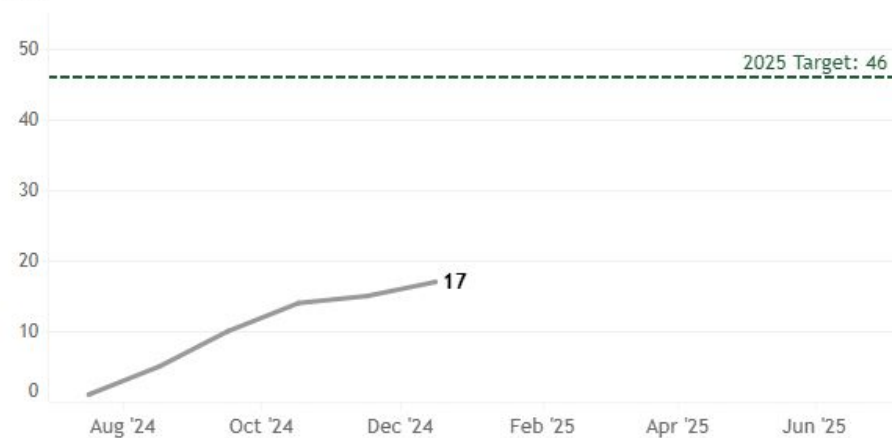
How OEDIT will accomplish the WIG

OEDIT will achieve this goal through the following leading indicators:

Attend 20 domestic and international meetings or conferences that support international tourism by June 30, 2025.



Host 46 international delegations visiting Colorado by June 30, 2025.



More Information

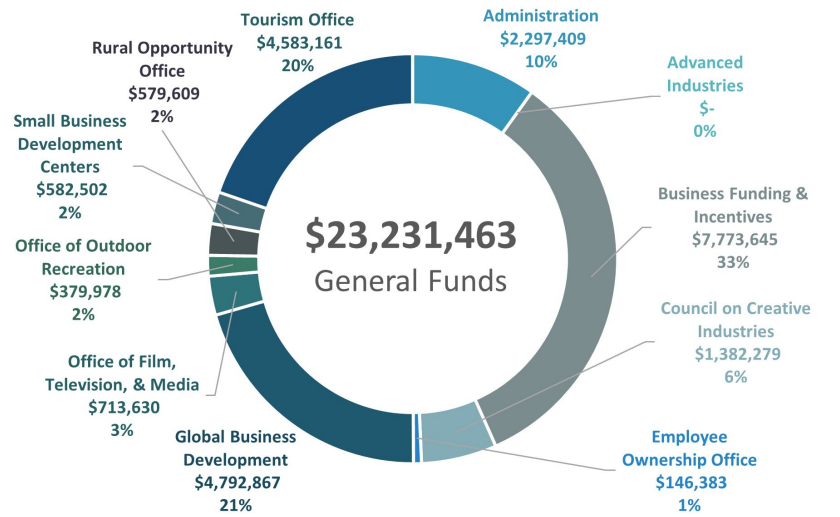
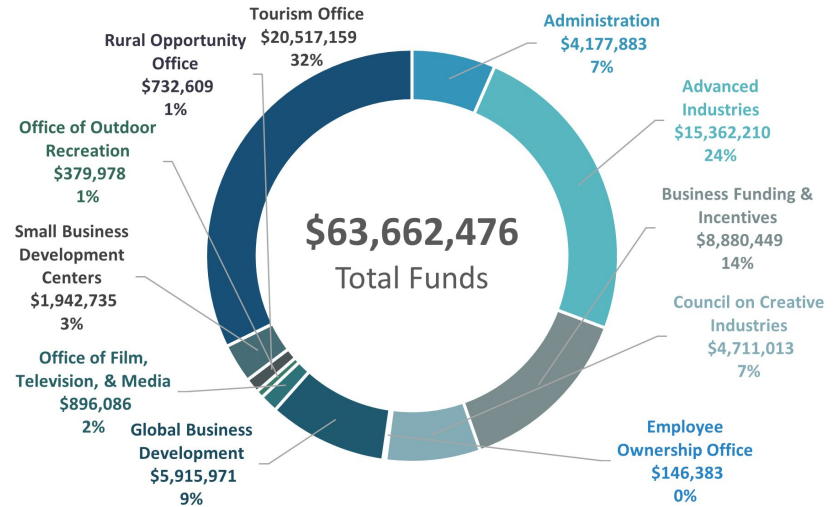
To view monthly updates on Wildly Important Goals and corresponding lead measures, please visit the [Governor's Dashboard](#).

For more information on additional Department goals and context, view our [FY 2024-25 Performance Plan](#).

OEDIT FY 2025-26 Budget Request

FY 2025-26 Budget Request Snapshot

FY 2025-26 Total Funds: \$63,662,476
 FY 2025-26 General Funds: \$23,231,463
 FY 2025-26 FTE: 80.8



OEDIT's Select FY 2025-26 Budget Requests

OEDIT's FY 2025-26 Budget Request includes the following:

- R-01 General Fund Increase for Global Business Corporate Development
- R-02 Minority Business Office & Leading Edge Entrepreneurship Innovation
- R-03 Colorado Aerospace Ecosystem Development
- R-04 Administrative Funds Reappropriation
- R-05 Reductions to Skill Advance Appropriation
- R-06 1% General Fund Reduction
- R-07 Universal High School Scholarship Program Cash Fund (Opportunity Next) Transfer
- R-08 Advanced Industries Transfers Reduction

Legislative Agenda

The Department respectfully requests the General Assembly consider legislation on the following:

- Reauthorize Advanced Industries Tax Credit
 - This bill will extend the Advanced Industries Tax Credit, cap it to \$2.5M/yr, and modify eligibility to include scalable manufacturing.
- Reauthorize Employee Ownership Tax Credit
 - This bill will extend the initial employee ownership tax credit, cap it to \$3M/yr in the near term, and modify certain criteria to improve access to the credit.

Equity, Diversity, and Inclusion

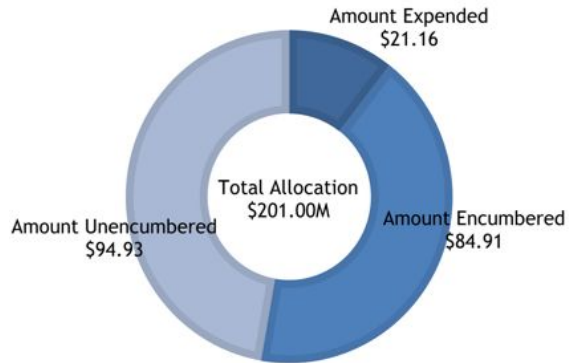
In accordance with the Governor's Executive Order [2020 175](#), OEDIT's Inclusion, Diversity, Equity and Accessibility (IDEA) Committee created a strategic plan in the spring of 2024. The goals are as follows:

1. Integrate inclusivity, diversity, equity, and accessibility (IDEA) into performance management processes.
2. Create a culture of inclusion and belonging at OEDIT.
3. Refine and update OEDIT recruitment and hiring processes through an equity and diversity lens.
4. Improve data utilization across OEDIT to identify gaps and ensure equitable distribution of funds and services.
5. Increase trust and awareness of OEDIT across the state with communities and stakeholders.
6. Create a toolkit to standardize community engagement for design, implementation, evaluation, and modification of OEDIT programs.

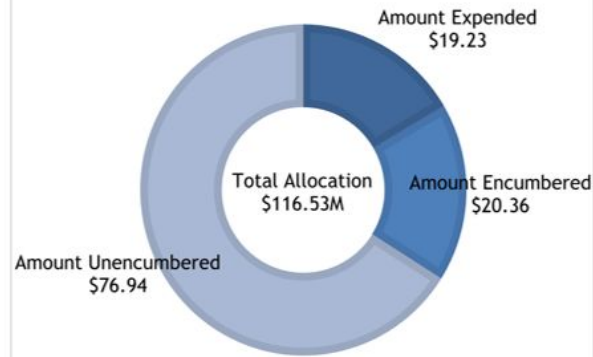
Stimulus Funding Implementation

Overall Spending Status - OEDIT

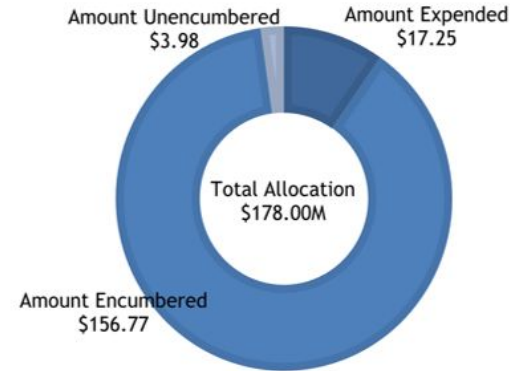
ARPA State & Local Fiscal Recovery Funds (SLFRF)



Direct to Agency Awards (DAA)



State Stimulus



Data as of 9/30/2024.

Community Revitalization Grant & Tax Credit

The **Community Revitalization Grant (CRG)** program provided gap funding capital investments for creative industries. All funds have been awarded.

- Focused on workforce housing for creative sector, commercial spaces, performance and community spaces, childcare centers, and retail partnerships.
- The program received 3 funding tranches; SB21-252, HB22-1409 and ARPA funds totaling \$98 million. 59 projects were awarded, resulting in 764 housing units.
- 56% are located in rural areas, 40% are located in Opportunity Zones, 85% include energy efficiency improvements or renewable energy
- \$231.6 million was leveraged with other public and private funding sources. The program has produced 266 creative sector jobs and 2,346 construction jobs.

The **Community Revitalization Tax Credit (CRTC)** is a state income tax incentive used to support capital projects that bolster creative industries and mixed-use spaces from HB24-1295. (Effective 1/1/26 - 1/1/33)

- Amounts equal to 25% of the amount of eligible expenditures, not to exceed \$3 million.
- \$10 million available per year (2025-29) up to \$50 million total over the life of the program.
- The pre-application is expected to open in early February, 2025.

CLIMBER Small Business Loan Program

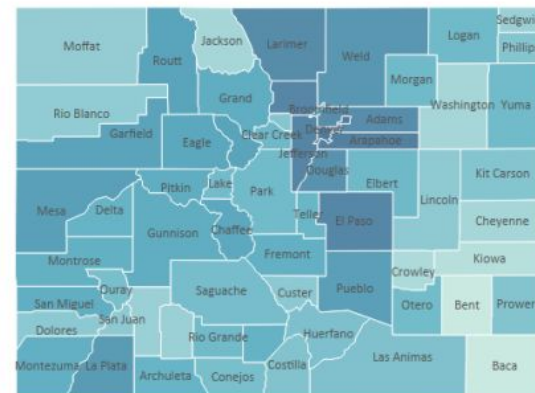
The CLIMBER Program was created by the legislature in 2020 to support Colorado's existing small businesses by providing low cost loan capital. This public/private partnership leverages \$50 million in tax credits to create a fund of up to \$250 million using private funding sources to make below market rate loans to Colorado businesses that struggle to access capital and are under 100 employees in size.

- In 2021, the first year of operation, CLIMBER closed on 6 small business loans, 13 loans in 2022, and 127 loans in 2023.
- As of the close of quarter ending September, the program has closed on 78 loans in 2024 bringing the total to 224 loans with over \$27 million in new capital deployed, helping to retain over 1,800 jobs and create 242 new positions.
- 37% of loans were made to minority owned businesses, 10% to rural businesses, 40% to women owned businesses, and 37% to Veteran owned companies.
- The Legislature has made improvements to the program in order to better support Colorado businesses and transferred the management of the program from the State Treasurer to OEDIT September 1, 2024. The CLIMBER Annual Report was presented to the JBC in November 2024.

Small Business COVID-19 Grant Program Review

- Overview of Small Business COVID-19 Grant Program
 - The grant program put more than \$25 million into the hands of small business owners who had been hard hit by restrictions enacted to stem the spread of COVID-19.
 - The program launched on August 1, 2020 through a collaborative effort led by OEDIT, the Colorado Housing and Finance Authority, and Energize Colorado.
 - The program awarded \$25M to businesses throughout the state that were underserved by federal programs.

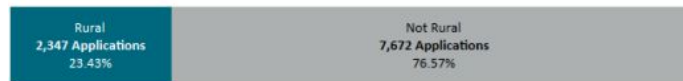
Number of Awarded Grants by County



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Rural vs. Non-Rural

Total Applications Received



Awarded Grants



Environmental Justice Lens in OEDIT

In response to the Governor's directive in his veto letter of SB24-150 and as a result of conversations with Representative Froelich and Senator Cutter, OEDIT has had an ongoing discussion to administratively bolster Colorado's support for environmental justice and increase cross-departmental synergy on this issue. The actions OEDIT plans to take in the coming year include:

- Connecting CDPHE's Office of Environmental Justice with local economic development organizations
- Collect additional information related to environmental justice in the incentive application review process
- Companies that work with CDPHE's Green Business Network receive additional consideration for discretionary incentive awards

Furthermore, OEDIT will continue to prioritize ongoing conversations with environmental justice and advocacy groups to discuss how we can better partner to ensure environmental justice is top of mind when administering OEDIT's programs.

2024 Talent Pipeline Report

The 2024 Talent Pipeline Report will be published later this month. The report identifies:

- Top jobs & critical industries
- Key features of the current labor force
- Strategies to align supply with industry demand

Policy Recommendations:

- Strengthen support for employers' talent development.
- Increase the availability of career-connected learning opportunities.
- Ensure the Design of Colorado's talent development ecosystem is optimized for innovation, governance, and results.

Questions?