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SB 19-067 Rural Development Grant Program

SB 19-067 creates a Rural Development Grant Program to be housed in the Office of Economic Development and International Trade (OEDIT). The program promotes access to capital for early-stage rural businesses, where there is often a market gap in private sector funding, and complements existing OEDIT grant programs to ensure rural entrepreneurs have the financial and administrative support necessary to launch -- and maintain -- a successful business.

The Rural Development Grant Program is a natural fit within OEDIT's existing portfolio of programs.

OEDIT has deep expertise and experience in funding businesses through the management of grants and programs like Colorado Microloans, Cash Collateral Support and Colorado Credit Reserve, the Venture Capital Authority, the Advanced Industry Accelerator grant program and Revolving Loan Funds (in partnership with DOLA). The launch of the Rural Development Grant Program would require neither an expansion nor a departure from OEDIT's current scope or role in ensuring that businesses across Colorado have access to capital support and in fact will facilitate the use of multiple programs to help fill out companies' capital stacks.

OEDIT has the necessary state-wide resources and relationships to support new rural businesses. Through existing programs, including OEDIT's Small Business Development Centers, which have 14 locations across Colorado, OEDIT has developed a state-wide network of boots on the ground -- incubators, accelerators, partner stakeholders like StartUp Colorado and local economic developers. Businesses participating in OEDIT's Rural Development Program would have immediate access to key business-specific resources and mentors to help secure their success.

The Rural Development Grant Program ensures OEDIT can support rural businesses for their full lifecycle. As it stands now, only certain types of businesses are eligible for early-stage funding through OEDIT. The Rural Economic Development Bill helps provide a key piece of the early stage capital stack for rural businesses, which could be combined with other OEDIT programs to help build out their funding for their lifecycle. Filling this gap ensures that OEDIT can fulfill its core mission and to the benefit of all Colorado businesses, no matter their corner of the state or their lifecycle stage.

