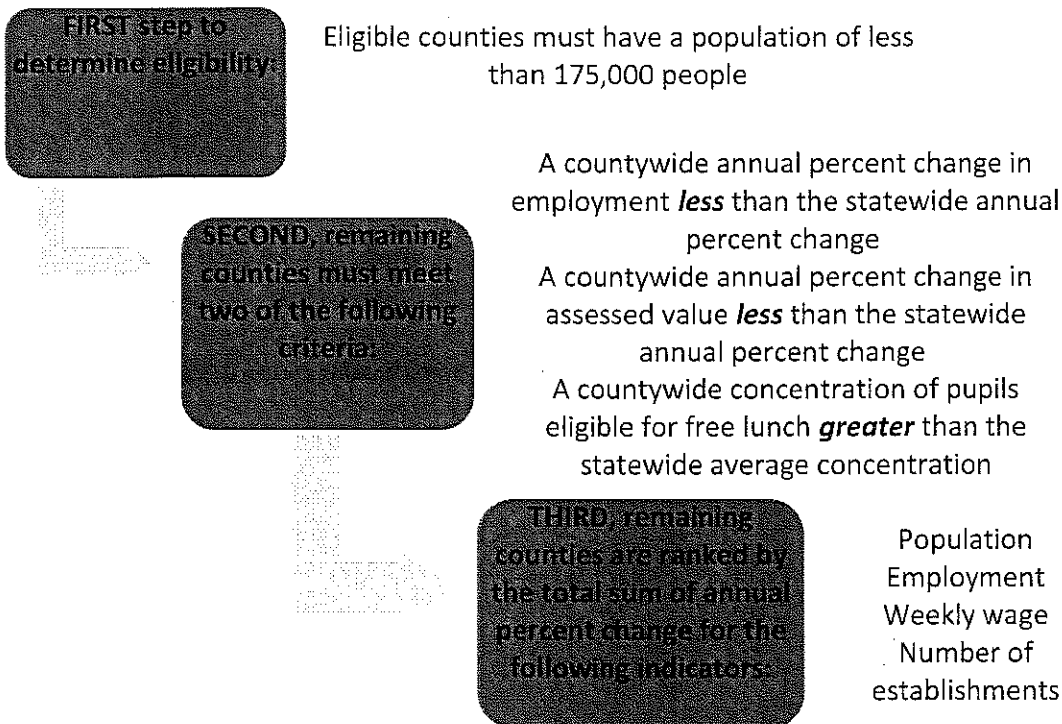


**HB 15-1177 Rural Economic Development Initiative Grant Program
Representatives Willett and Becker K.**

- This bill uses new time-sensitive metrics to identify the most highly distressed rural counties in the state and, in turn, distribute grants to these counties to help retain and attract new jobs and encourage private capital investment.
- This concept is already proven to work. The original REDI program successfully spurred almost \$6 million in projects and 86 new jobs across the state.
- The most distressed regions of the state need all of the help they can get. This bill is a tool to help spur economic development while we work to identify more long-term solutions.

Highly Distressed Rural County Determination



**If determined today, the following counties would be eligible for a REDI Grant
(from most distressed to least distressed):**

- | | | |
|---------------|-----------------|---------------|
| 1. Kiowa | 12. Fremont | 23. Mesa |
| 2. Bent | 13. Cheyenne | 24. San Juan |
| 3. Las Animas | 14. Clear Creek | 25. Morgan |
| 4. Gunnison | 15. Mineral | 26. Montezuma |
| 5. Costilla | 16. Routt | 27. Gilpin |
| 6. Rio Grande | 17. Otero | 28. Custer |
| 7. Baca | 18. Sedgwick | 29. Conejos |
| 8. Jackson | 19. Park | 30. Phillips |
| 9. Prowers | 20. Garfield | |
| 10. Saguache | 21. San Miguel | |
| 11. Delta | 22. Ouray | |

HB 1177 "Rural Economic Development Initiative Grant Program" (Willett & Becker K./Donovan)
Scheduled in Committee: Tuesday, February 17th

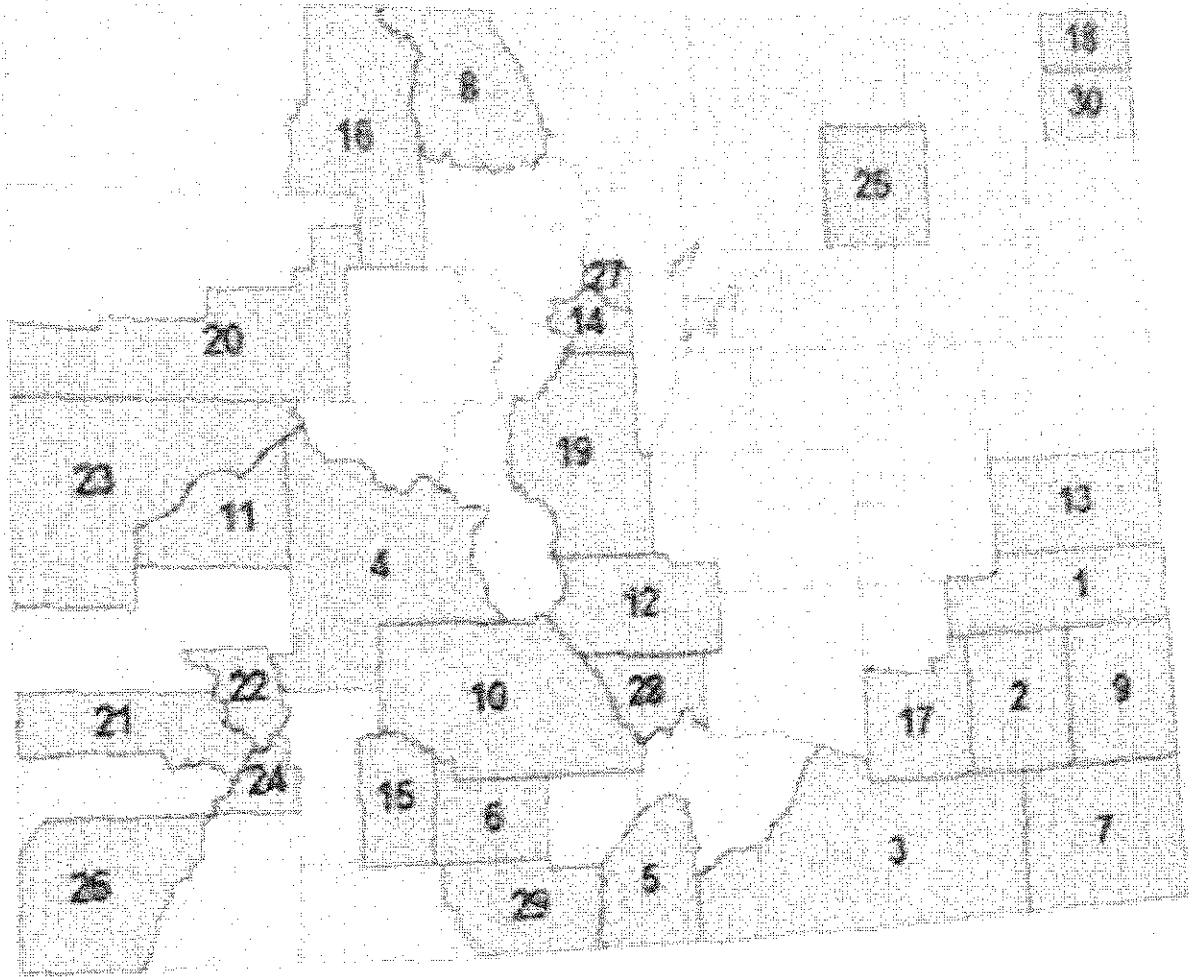
What does this bill do?

- Uses new time-sensitive metrics to identify the most highly distressed rural counties in the state
 - It is imperative that we use relevant and time-sensitive data metrics to identify areas of the state that need the most help now.
 - Many programs, such as enterprise zones, are re-evaluated every two years. This bill will re-determine eligible counties annually so that we can be sure that these grants are going to areas of the state that are in high distress at that moment in time.
 - This bill uses the following metrics to identify highly distressed counties: counties with a population of 175,000 or less, countywide annual percent change employment, countywide annual percent change in assessed value, and countywide concentration of pupils eligible for free lunch, population, employment, weekly wage, and the number of establishments.

- Distribute grants to highly distressed counties for projects that retain and attract new jobs and encourage private capital investment.
 - This bill is primarily based on the Rural Economic Development Initiative (REDI) program but with some very key changes (which is why I have started calling this bill REDI 2.0):
 - The grant program will be run by DOLA in collaboration with the OEDIT.
 - Eliminates the requirement for evidence of dependence on a single large employer
 - The original purpose of the REDI program was to help communities diversify their economy if they suffered a prison closure. This is no longer a primary concern so we want to ensure all struggling economies have an opportunity to apply for these grants.
 - The original REDI program was extremely successful. It successfully spurred almost \$6 million in projects and 86 new jobs across the state. Since this program will be available to more areas of the state, I am hopeful it will be able to spur even more positive economic development across the state.
 - Recipients of this grant program are required to provide a match which ensures that local government or private grant recipients have "skin in the game".

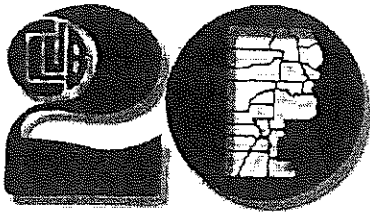
Why is this bill necessary?

- Although the Front Range, and more specifically the Denver-metro area, has seen rapid economic growth over the past few years, this is not the case in rural Colorado.
- Rural Colorado is hurting. Delta County, which is in my district, has suffered a number of mine closures in the past year which has decimated the economy.



EXHIBIT

A3



"Voice of the Western Slope since 1953"
A coalition of counties, communities, businesses & individuals

(970) 242-3264 ★ FAX (970) 245-8300
P.O. Box 550 ★ Grand Junction, CO 81502-0550
www.club20.org

February 16, 2015

The Honorable Yuellin Willett
State Capitol
Denver, CO 80203-1792

The Honorable KC Becker
State Capitol
Denver, CO 80203-1792

EXHIBIT

B

Dear Representative Willett and Representative Becker:

CLUB 20 supports HB15-1177, concerning the creation of the rural economic development initiative grant program for highly distressed rural counties. Rural counties throughout western Colorado have experienced significant economic impacts as a result of new regulations and a struggling economy.

Western Colorado is riddled with unique economic development challenges, including "Boom-Bust" cycles, historic drought conditions, new regulation, and economic hardships that are not improving. Through these challenges, western Colorado has endeavored to be a place of economic prosperity and diversity while providing a motivated workforce, strong work ethic, and an outstanding quality of life to those who call it home.

Through the most recent recession, however, rural communities throughout western Colorado have been hit the hardest and have lagged behind the rest of the state in economic recovery. In fact, many communities are just now coming to their peak lows as far as job creation and job growth are concerned, with some communities experiencing historically high unemployment rates. For these reasons programs, such as the Rural Economic Development Initiative, are of great assistance in promoting economic development that create new jobs, assist in the expansion of current business, and aid in the training and educating of the current and future workforce.

CLUB 20 has been a strong voice in advancing the economic strength, diversification, and sustainability of rural communities and will continue to work to help build a vibrant and resilient economy throughout western Colorado.

EXHIBIT

C



February 16, 2014

TO: MEMBERS OF THE HOUSE BUSINESS AFFAIRS & LABOR COMMITTEE

HB 1177 Concerning the creation of the rural economic development initiative grant program for highly distressed rural counties.

The Action 22 territory consists of 22 counties in Southern Colorado. Of these 22 counties, 14 have the highest poverty levels. Resources are very much needed in the area to attract businesses to locate. In addition to providing a hand-up effort, such as this legislation, needed infrastructure such as an east-west double highway (Highway 50 from Kansas to Pueblo; Hwy. 160 from Walsenburg to Durango) assists in the economic development effort.

Action 22 likes the idea of creating an initiative grant program for our highly distressed rural counties. Of concern, however, is the "matching portion" of the grant. Many of our county areas have not applied for grants due to the lack of resources to match those grants. Perhaps you may wish to consider allowing "regions" to apply for those grants – in other words – counties coming together to apply for grants thus spreading the cost of matching the grant.

Action 22 believes the Office of Economic Development & International Trade needs to focus in on those areas needing job creation and business development and this is one way for them to focus in.

Action 22 likes this idea which we believe will help our distressed counties. As mentioned, the Action 22 territory has the highest poverty levels in the state and is losing its younger generation as they go out of the area to seek work.

Action 22 urges your "yes" vote on HB1177 to assist in spreading economic growth throughout the state.

Cathy Garcia
President/CEO

THE ONLY ADVOCACY ORGANIZATION

Action 22 is the only regional advocacy organization in southern Colorado . It is a volunteer-driven membership organization of individuals, cities, communities, counties, associations, businesses and organizations in a 22 county



**MESA
COUNTY**

EXHIBIT

D

COLORADO

BOARD OF COUNTY COMMISSIONERS

District 1 - John Justman 970-244-1605
District 2 - Scott McInnis 970-244-1604
District 3 - Rose Pugliese 970-244-1606

P.O. Box 20,000 544 Rood Avenue Grand Junction, Colorado 81502-5010 mcbocc@mesacounty.us Fax (970) 244-1639

February 17, 2015

Dear Chairperson Williams and Committee Members:

On behalf of the Board of Commissioners of Mesa County, please accept this Letter of Support in favor of the passage of HB15-1177, in lieu of testimony.

Many counties on the Western Slope were hit hard by the economic downturn that began in 2008, and for many reasons, such as low commodity prices, regulatory pressures and an over-abundance of federally-controlled land, we have yet to see the economic recovery that other areas of Colorado are currently experiencing.

HB 15-1177 would provide capital, through a carefully managed grant system, for private companies and local governments to initiate economic development projects in order to help breathe life into struggling rural economies.

Just as importantly, this bill will allow for the use by the State of data that more accurately reflects the current and ongoing economic situations in counties such as Mesa. The unemployment rate is a good economic indicator; however, it often does not tell the whole story.

Mesa County, for example, has seen our unemployment rate drop in recent years, but that figure does not take into account the drop in our population, as businesses, entrepreneurs, workers, and their families have left the region in search of jobs elsewhere. Nor does it account for the sharp reduction in wages that we are seeing in the county, as the high paying jobs that were lost are being replaced by lower-paying or part-time jobs. These are important factors to consider when evaluating the economic health of a particular county.

Thank you for the opportunity to provide this Letter of Support for HB15-1177 and we urge each of you to vote in support of the bill.

Sincerely,
Mesa County Board of Commissioners

Rose Pugliese, Chair
Board of Commissioners

John Justman
Commissioner

Scott McInnis
Commissioner



Gunnison County Board of County Commissioners

Phone: (970) 641-0248 • Fax: (970) 641-3061

Email: bocc@gunnisoncounty.org • www.GunnisonCounty.org

February 13, 2015

EXHIBIT

Representative Yeulin Willett
yeulin.willett.house@state.co.us

E

RE: House Bill 15-1177

Dear Representative Willett,

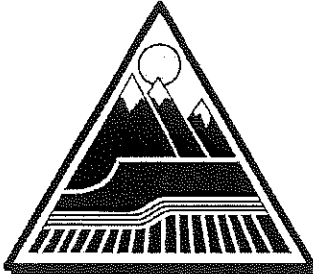
Thank you for sponsoring HB 15-1177. The creation of the Rural Economic Development Initiative Grant Program is imperative to assist rural counties to rebound from economic devastation. In rural communities, a significant job loss event not only affects laid off employees and their families, but also local schools, businesses and the economy as a whole. Due to the sparseness of population, most rural communities rely on one or two major industries to drive their economy. When one of those drivers collapses, there is not the opportunity to divert to other drivers.

This grant program will be the tool needed for these communities to entice diversity in their economies and rebound from devastation. I would like to make one suggestion on this bill, the program should be housed in the Department of Local Affairs. DOLA already has extensive working relationships with local government and communities. DOLA understands the struggles and barriers these rural communities face and can utilize this program in conjunction with the other programs they already have in place to ensure success.

Thank you for sponsoring this very important legislation. Representing Gunnison County, I fully support HB15-1177.

Sincerely,


Paula Swenson, Chairperson



DELTA COUNTY, COLORADO

BOARD OF COUNTY COMMISSIONERS

COUNTY COURTHOUSE • 501 PALMER STREET • SUITE 227 • DELTA • COLORADO • 81416-1796

PHONE: (970) 874-2100 FAX: (970) 874-2114

www.deltacounty.com

Dist. 1: C. Douglas Atchley - Dist. 2: C. Bruce Hovde - Dist. 3: J. Mark Roeber

February 13, 2015

EXHIBIT

F

Representative Yeulin Willett
State Representative-District 54
200 East Colfax
Denver, CO 80203
Email: yeulin.willett.house@state.co.us

Dear Representative Willett,

Delta Board of County Commissioners fully supports HB 15-1177. The creation of the Rural Economic Development Initiative Grant Program is imperative to assist rural counties to rebound from significant economic impacts. In Delta County as with many other Colorado counties, a significant job loss event not only affects laid off employees and their families, but also local schools, businesses and the economy as a whole. This has become the reality in Delta County with the significant reductions experienced in the jobs related to our coal mining industry.

Prior to the significant lay-offs in the coal industry, mining in Delta County directly employed 1200 families and supported an additional 300 in the energy service and supply businesses. There are approximately 7800 households in Delta County, therefore mining represents 15 percent of the families in Delta County. Delta County has seen a 50% decrease in mining jobs in the last two years.

Delta County urges this bill to be modified to house this program in the Department of Local Affairs (DOLA). DOLA already has extensive working relationships with impacted governments and communities. DOLA understands what counties are facing and utilize this program in conjunction with the other programs they already have in place to ensure efficiencies and success.

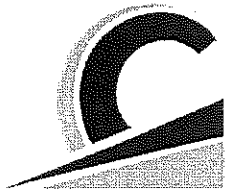
Delta Board of County Commissioners looks forward to working with Representative Willett in working on this significant problem for many of our rural Counties.

Sincerely,
Delta Board of County Commissioners

J. Mark Roeber, Chairman

C. Douglas Atchley, Vice Chairman

C. Bruce Hovde, Commissioner



Grand Junction Area
CHAMBER
OF COMMERCE

EXHIBIT

G

February 13, 2015
Delivered via Email

RE: HB15-1177

Dear Business Affairs and Labor Committee:

The Grand Junction Area Chamber of Commerce would like to add its voice to those who support the Rural Economic Development Grant Initiative (REDI) Program. We urge you to approve HB15-1177.

The Grand Junction Area Chamber of Commerce represents close to 1000 business members and over 40,000 employees. We support timely and updated definitions of distress outlined in HB15-1177 as being more reflective of the true distress we see locally and in real time. An unemployment rate of 5%, for instance, in Mesa County does not reflect the 9,000 people that have left our workforce and our county because they could not find work or the net loss of over 600 small businesses. Failing to consider these expanded indicators on an annual basis can lead to a less accurate assessment of current economic conditions.

Designating \$3 million to the REDI program and allowing communities the flexibility to tailor the funds, which will be matched locally to meet their individual needs in order to create jobs will help stimulate economic development where it is needed most in this State. Such an effort will insure that we are moving forward in such a way that all Coloradoans can begin to share in the prosperity that we have seen in the Front Range metro areas.

We thank you for your consideration of this legislation and again urge you to support the passage of HB15-1177. Please let us know if you need additional information from us.

Sincerely,

Diane Schwenke
President/CEO
Grand Junction Area Chamber of Commerce

The Grand Junction Economic Partnership (GJEP) is the official economic development organization for Mesa County. GJEP is supportive of this legislation as it is intended to strengthen economies of rural Colorado. Additionally, building off the success of the original REDI program makes sense as a way to further diversify these rural economies. Please don't hesitate to contact me should you have any questions. Thank you for your consideration, Kelly Flenniken Executive Director Grand Junction Economic Partnership

Kelly Flenniken

EXHIBIT

H

Representative Willett,

The Economic Development Council of Colorado (EDCC) is a state-wide, nonprofit organization dedicated to successful, responsible economic development. EDCC professionally represents the collective economic development interests of both the private and public sectors. Our mission is to strategically retain, expand and attract primary employers.

EDCC is committed to:

An equitable, balanced, public/private partnership.

Growing the economic climate of Colorado to the mutual benefit of employees, employers, governments and citizens.

The EDCC Board supports this legislation that is critical to rural Colorado and urges you to also support the bill.
Thank you very much!

I

Rep Willett,

Please add Pro 15 to your list of supporters of HB 1177. In our discussions yesterday, we feel this bill will help provide some access to money to some of our more distressed counties. We would like you to consider some adjustments in the criteria, especially with the free and reduced lunches. In counties that have a strong agriculture population, they might not meet this criteria because they typically don't apply for such programs, however their counties are losing population, property values and could certainly make use of this type of grant. We discussed you might use the Enhanced Rural EZ designation for this program also.

However, whatever the final makeup of the criteria Progressive 15 is certainly in support of any legislation that will enhance the rural areas of our state that is targeted to growing the economy.

Thank you,

Cathy Shull

Executive Director

Ex. J