INTRODUCE YOURSELF IN THE CHAT

Take a moment to begin introductions and networking

We are the DO-ers.

WESTERN SLOPE REINVESTMENT POST COVID-19 WORKSHOP
June 18th, 2020

downtowncoloradoinc.org

Resource Open House for Eastern Colorado
JUNE 23, 2020 | ONLINE 10:00 - 11:30AM

DOWNTOWN COLORADO inc.

We are the DO-ers.

downtowncoloradoinc.org
AGENDA

WELCOME AND OVERVIEW
UNDERSTANDING IMPACTS IN EASTERN COLORADO
RESOURCES + PARTNER OVERVIEW
SMALL GROUP DISCUSSION
REPORT BACK + FUTURE TOPIC SUGGESTIONS

UNDERSTANDING IMPACTS IN EASTERN COLORADO

A short review of some of the differences that make Eastern Colorado unique and how Covid 19 may impact Eastern Colorado.

Erin Caldwell
National Research Center/Polco
Assessing the Impact of COVID-19 on Colorado’s Local Businesses

Survey of Businesses

- Sponsored by Downtown Colorado Inc. and Colorado and the Colorado Office of Economic Development and International Trade
- Survey open April 9-30, 2020
- Based on 2,391 surveys
- Survey responses statistically weighted by company size, geography and industry type
Survey of Colorado Businesses: Respondent Location by Region

Eastern Plains
- Baca County
- Bent County
- Crowley County
- Elbert County
- Huerfano County
- Kiowa County
- Kit Carson County
- Las Animas County
- Lincoln County
- Logan County
- Morgan County
- Otero County
- Phillips County
- Prowers County
- Sedgwick County
- Weld County
- Yuma County

Front Range
- Adams County
- Arapahoe County
- Boulder County
- City and County of Broomfield
- City and County of Denver
- Douglas County
- El Paso County
- Jefferson County
- Larimer County
- Pueblo County

Western Slope/ Mountains
- Alamosa County
- Archuleta County
- Chaffee County
- Clear Creek County
- Conejos County
- Costilla County
- Custer County
- Delta County
- Eagle County
- Fremont County
- Garfield County
- Grand County
- Gunnison County
- Hinsdale County
- Jackson County
- La Plata County
- Lake County
- Mesa County
- Mineral County
- Moffat County
- Montezuma County
- Montrose County
- Ouray County
- Park County
- Pitkin County
- Rio Blanco County
- Rio Grande County
- Routt County
- Saguache County
- San Juan County
- San Miguel County
- Summit County
- Teller County

Survey of Colorado Businesses: Preparedness

How prepared do you think your business is to meet the needs of the changing economy as a result of COVID-19?

- Very unprepared: 25%
- Somewhat unprepared: 26%
- Somewhat prepared: 39%
- Very prepared: 9%

Eastern Plains
- Unprepared: 46%
- Prepared: 54%

Western Slope/ Mountains
- Unprepared: 49%
- Prepared: 52%

Front Range
- Unprepared: 53%
- Prepared: 48%
Survey of Colorado Businesses: Preparedness

Have you changed your regular business hours due to the pandemic?

<table>
<thead>
<tr>
<th>Business Hours</th>
<th>Eastern Plains</th>
<th>Western Slope/Mountains</th>
<th>Front Range</th>
</tr>
</thead>
<tbody>
<tr>
<td>Completely shut down</td>
<td>33%</td>
<td>31%</td>
<td>36%</td>
</tr>
<tr>
<td>Reduced our business hours</td>
<td>27%</td>
<td>22%</td>
<td>38%</td>
</tr>
<tr>
<td>No change in our business hours</td>
<td>24%</td>
<td>24%</td>
<td>33%</td>
</tr>
<tr>
<td>Expanded our business hours</td>
<td>6%</td>
<td>9%</td>
<td>2%</td>
</tr>
</tbody>
</table>

Note: 32% of respondents were completely shut down and were not asked this question.

Survey of Colorado Businesses: Preparedness

How long do you estimate you could sustain your business in the partial shutdown of the economy?

<table>
<thead>
<tr>
<th>Sustain Period</th>
<th>Eastern Plains</th>
<th>Western Slope/Mountains</th>
<th>Front Range</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than 3 months</td>
<td>22%</td>
<td>29%</td>
<td>36%</td>
</tr>
<tr>
<td>3 to 6 months</td>
<td>28%</td>
<td>34%</td>
<td>34%</td>
</tr>
<tr>
<td>7 to 12 months</td>
<td>10%</td>
<td>17%</td>
<td>14%</td>
</tr>
<tr>
<td>1 year to 2 years</td>
<td>8%</td>
<td>9%</td>
<td>6%</td>
</tr>
<tr>
<td>More than 2 years</td>
<td>4%</td>
<td>6%</td>
<td>0%</td>
</tr>
<tr>
<td>Don't know</td>
<td>12%</td>
<td>15%</td>
<td>8%</td>
</tr>
</tbody>
</table>

Note: 32% of respondents were completely shut down and were not asked this question.
Survey of Colorado Businesses: Impact on Sales and Staffing

Excluding the seasonal changes in sales that you may typically experience, to what extent, if at all have you experienced reductions in sales due to the emergence of COVID-19?

In response to COVID-19, what percentage of your workforce, IF ANY, do you anticipate you will have laid off by the end of the next 6 months?

Note: 32% of respondents were completely shut down and were not asked these questions.

Survey of Colorado Businesses: COVID Impacts on Revenue

Because of COVID-19, most businesses are expecting lower revenues than they projected at the outset of the year. How do you think your actual 2020 revenue will compare to your original budget projections?

Note: 32% of respondents were completely shut down and were not asked this question.
Survey of Colorado Businesses: Top Challenges

Please rate how much of a problem, if at all, the following issues are to your business as a result of the COVID-19 pandemic? (Percent reporting “major problem”)

<table>
<thead>
<tr>
<th>Issue</th>
<th>Eastern Plains</th>
<th>Western Slope/Mountains</th>
<th>Front Range</th>
</tr>
</thead>
<tbody>
<tr>
<td>Decline in business/sales</td>
<td>52%</td>
<td>65%</td>
<td>67%</td>
</tr>
<tr>
<td>Business closed or hours reduced by government ban</td>
<td>79%</td>
<td>75%</td>
<td>72%</td>
</tr>
<tr>
<td>Not having the funds to pay your employees</td>
<td>46%</td>
<td>50%</td>
<td>53%</td>
</tr>
<tr>
<td>Not having the funds to pay your employees health care insurance</td>
<td>44%</td>
<td>48%</td>
<td>49%</td>
</tr>
<tr>
<td>Ability of employees to pay rent/mortgages on reduced income</td>
<td>41%</td>
<td>46%</td>
<td>48%</td>
</tr>
<tr>
<td>Difficulty paying our commercial rent, commercial mortgage or lines of credit</td>
<td>43%</td>
<td>47%</td>
<td>49%</td>
</tr>
<tr>
<td>The emotional health of our employees</td>
<td>35%</td>
<td>38%</td>
<td>40%</td>
</tr>
<tr>
<td>Lack of events to promote our downtown/business area</td>
<td>34%</td>
<td>40%</td>
<td>42%</td>
</tr>
<tr>
<td>Concern about the well-being of our employees being exposed to COVID-19 on the job</td>
<td>30%</td>
<td>34%</td>
<td>37%</td>
</tr>
<tr>
<td>Ability to stay in business (permanent closure)</td>
<td>20%</td>
<td>19%</td>
<td>22%</td>
</tr>
<tr>
<td>Concern about the liability of our employees being exposed to COVID-19 on the job</td>
<td>26%</td>
<td>29%</td>
<td>32%</td>
</tr>
<tr>
<td>Daycare/child care challenges for our employees</td>
<td>19%</td>
<td>17%</td>
<td>16%</td>
</tr>
<tr>
<td>Lack of technology for employees to work from home</td>
<td>15%</td>
<td>10%</td>
<td>8%</td>
</tr>
<tr>
<td>Getting the supplies we need</td>
<td>15%</td>
<td>11%</td>
<td>8%</td>
</tr>
<tr>
<td>Absenteeism of employees due to illness</td>
<td>13%</td>
<td>12%</td>
<td>13%</td>
</tr>
<tr>
<td>Lack of technology/web resources to complete on-line sales</td>
<td>12%</td>
<td>12%</td>
<td>13%</td>
</tr>
</tbody>
</table>

Top Three Concerns:
- Concern for employees
- Income/revenue/payments
- Having to permanently close or declare bankruptcy
Following a reduction in COVID-19 cases and loosening of social distancing requirements, how quickly do you think it will take for your business to return to pre-COVID levels?

Survey of Colorado Businesses: Resilience

Please indicate how important the following would be to your business recovery efforts from COVID-19. (Percent reporting “very important”)

What can the local government or the Chamber of Commerce do to better assist your business during this pandemic? (Top responses from Eastern Plains)

- Better information/communication overall (includes resource consolidation)
- Provide assistance for obtaining grants/loans/relief funds (e.g. PPP)
- Marketing, advertising, communication assistance
Thank you.

Questions?

Polco: www.polco.us
National Research Center: www.n-r-c.com

Erin Caldwell: Erin@n-r-c.com

Statewide COVID-19 Impact Surveys

Survey of Businesses
Partnership between Downtown Colorado Inc. & the Colorado Office of Economic Development and International Trade
- Businesses across Colorado reported on the impacts of COVID-19 on their revenue, staffing and business practices. The biggest challenges and assistance needs were assessed.

Taxing Entity (BID, DDA, URA) Survey
- A survey to understand the impacts of COVID-19 on BIDs, DDAs, and URAs. These questions are aligned to a similar survey sent out by DOLA, CML, CCI, and SDA to many local governments.

Business Support Organizations: Non-Profit Survey
- For business support organizations, 501c(3,4,6) including Chambers of Commerce, Economic Development Councils, and non-profit entities that partner to support business, Creative Districts, and Main Street Programs. This survey focused on tracking the types of support being offered and will help us compare to identify gaps in service.
RESOURCES + PARTNER OVERVIEW

Sallie Clark
United States Department of Agriculture (USDA)

Mike O’Donnell
Colorado Lending Source

Stanley Lindstadt
StartUp Colorado

Greg Thomason
Office of Economic Development and International Trade (OEDIT)

Cory Finney
Greater Colorado Venture Capital

Eastern Colorado Resources
Sallie Clark, Colorado State Director
Jaki Polich, Business Programs Specialist
USDA RD is a catalyst for rural prosperity by:

- Providing affordable rural housing;
- Connecting rural skillsets to jobs of the future;
- Modernizing roads, bridges; and water systems;
- High-speed internet access;
- and ensuring communities have access to healthcare

It’s as easy as remembering the ABCs…..

Affordable Housing
Funding for homeownership loans, home repairs, and rental complexes.
Business & Economic Development
Funding for Technical Assistance, Business Start Up, Marketing and Feasibility Studies.

Community Infrastructure
Funding for the bricks and mortar of infrastructure needs in a community.
B&I CARES Act Program: Eligibility

- Eligible B&I borrowers are defined in 7 CFR 4279.108
- Agricultural producers are eligible borrowers, with conditions
- Any B&I CARES Act Program borrowers must have been in operation on February 15, 2020

B&I Guaranteed Loan Program: Eligible Lenders

Lenders need the legal authority, financial strength and sufficient experience to operate a successful lending program.

Pre-approved lenders include:
- Federal or state-chartered banks.
- Savings and loans.
- Farm credit banks.
- Credit unions.
### B&I CARES Act Program: Different than the (Regular) B&I Program

#### Limited Loan Purposes:
Working Capital Loans Only!
- Includes: Payroll Costs, Healthcare Benefits, Salaries, Principal and Interest Payments, Rent/Leases, Utilities, Inventory and Supplies

#### Modified Terms:
- Repayment Up to 10 Years
- Deferrals – Principal up to 3 Years
- Interest up to 1 year

#### Loans have a 90% Guarantee, 2% Guarantee Fee

#### Capital & Equity Requirements
- Collateral Discounting by the Lender is not Required

#### New Eligible Purposes:
Expanded to Include Ag Production

#### Maximum Loan Amount:
$25 million

### Contact and Program Information

**Colorado Contacts:**
- Jaki Polich, jaki.polich@usda.gov
- Sallie Clark, sallie.clark@usda.gov


**USDA RD Program Eligibility Website for all our programs** - [https://eligibility.sc.egov.usda.gov/eligibility/welcomeAction.do](https://eligibility.sc.egov.usda.gov/eligibility/welcomeAction.do)

Visit [www.rd.usda.gov/co](http://www.rd.usda.gov/co) and follow us on Twitter at @RD_Colorado
Questions?

- Visit our website – www.rd.usda.gov/co
- Follow us on Twitter - @RD_Colorado

USDA is an equal opportunity provider, lender and employer.

Eastern Colorado Resource Open House
June 23, 2020

Mike O’Donnell
mike@ColoradoLendingSource.org
About us

Celebrating 30 years of lending, Colorado Lending Source cares about small business, creating long-term alliances with our lending partners and borrowers, being a resource to empower entrepreneurs, and making Colorado the best state in the nation to start and grow a business. We partner with local lenders, government agencies, and other small business resource to make access to capital more attainable. As a mission-based lender and small business-financing expert, we are committed to fostering the economic growth of diverse small businesses within our communities. Since 1990, we’ve funded over 3,800 loans helping to create nearly 29,000 jobs injecting over $4.7 billion into the economy.

2019 IMPACT...

225 Loans Approved

1,405 Jobs Created

$330.1 Million Economic Impact

OUR MISSION IS TO FOSTER THE ECONOMIC GROWTH OF DIVERSE SMALL BUSINESSES WITHIN OUR COMMUNITIES.
Eastern Colorado Small Business Loans

**Who?**
Rural-based small businesses and nonprofits challenged to access traditional financing, with a focus on businesses providing essential services in their communities, woman-owned, minority-owned and veteran-owned businesses creating impact through job creation and retention, and environmentally sustainable practices.

Specifically, the program is open to small businesses and nonprofits located in: rural Adams County, rural Arapahoe County, Baca County, Bent County, Cheyenne County, Crowley County, rural El Paso County, Elbert County, Huerfano County, Kit Carson County, Kiowa County, Las Animas County, Lincoln County, Logan County, Morgan County, Otero County, Phillips County, Prowers County, rural Pueblo County, Sedgwick County, Washington County, rural Weld County, and Yuma County.

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Eastern Colorado Small Business Loans

**What?**
Loans are repayable over 48 months with no payments due for the first six months.

<table>
<thead>
<tr>
<th>Loan Amount</th>
<th>Monthly Payment first 6 months</th>
<th>Monthly Payment remaining 42 months</th>
</tr>
</thead>
<tbody>
<tr>
<td>$ 5,000.00</td>
<td>$ 0.00</td>
<td>$ 127.45</td>
</tr>
<tr>
<td>$ 10,000.00</td>
<td>$ 0.00</td>
<td>$ 254.90</td>
</tr>
<tr>
<td>$ 15,000.00</td>
<td>$ 0.00</td>
<td>$ 382.34</td>
</tr>
<tr>
<td>$ 20,000.00</td>
<td>$ 0.00</td>
<td>$ 509.79</td>
</tr>
<tr>
<td>$ 25,000.00</td>
<td>$ 0.00</td>
<td>$ 637.23</td>
</tr>
</tbody>
</table>
Eastern Colorado Small Business Loans

**Why?**
To provide emergency working capital loans to rural based firms located in Eastern Colorado.

**How Much?**
A 1.00% fee collected from loan proceeds plus $15 wire transfer fee. No prepayment fees. The loan may be repaid in part or full at any time without penalty.

**Non-eligible Entities**
Marijuana businesses, liquor stores, consumer cooperatives, dealers of rare coins and stamps, businesses that derive more than 10% of annual gross revenue from gambling, racetrack operations, golf courses, cemeteries, R & D projects that involve technology not commercially available, pyramid sales schemes, real estate investment firms, and firearms dealers.
**Thesis:** Investing in Rural Markets Will Create Outsized Returns

Traditional venture is blind to the opportunity and ill-equipped to address it.

- Return multiples have proven higher in previously underserved markets like the Midwest and South vs. the coasts.\(^1\)
- New businesses in rural markets have higher success rates (72% vs 67%).\(^2\)
- Banks have been vanishing in small towns in response to consolidation & regulations\(^3\)
- Millennials are leaving cities faster than ever before.\(^4\)

Know Your Customer: Finding deals by meeting entrepreneurs at their ‘office.’

---

**We are Funding innovators in the blindspot**

GCVF is pioneering venture capital for the forgotten half of America’s innovators.

**State of Funding**

- 600,000 companies born in the U.S. each year\(^5\)
- 100,000 will seek external financing\(^6\)
- 1% Only 1% receive venture capital\(^7\)

State of Venture

- Over 50% of venture capital goes to three metropolitan areas\(^8\)
- The other 50% is reserved for the rest of America’s urban centers\(^9\)
- Half of our country is not served by current risk capital markets.

Meanwhile, private lenders have grown to a $85bn industry...

Amidst an estimated $500Bn credit shortfall for 2013-2018 from bank pullback.\(^10\)
Capital Landscape for New Businesses

- Non-Dilutive Financing
  - Grants
  - Business Plan Competitions
  - Credit Cards
  - Second Mortgage
- Traditional Debt
  - Banks
  - Loans
- Venture Capital - Equity
  - Friends and Family
  - Angel Investors
  - Family Offices
  - VC Funds
- Later Stage Financing - Equity and Debt
  - Private Equity
  - Late Stage VC Funds
- Public Markets - Equity

The Team

Marc Nager
Partner
- Built and sold Up Global to Techstars, where he served as the Chief Community Officer.
- Scaled Up Global (home to Startup Weekend, Startup America, Startup Week, and Startup Digest) to $10M in Revenue and 75 people with activity in 140 countries and over 4,000 events, impacting over a half million entrepreneurs.
- Director of Telluride Venture Accelerator

Cory Finney
Partner
- Active partner at Kokopelli Capital, a Colorado venture capital firm with over 20 investments
- Led finance and fundraising curriculum for 44 companies during his tenure as Entrepreneur in Residence at Boomtown Accelerator.
- Founded, built, and sold his first company, SnowGate, within three years.

Jamie Finney
Partner
- Responsible for supporting startup ecosystem growth as Western Region Director of Startup Colorado.
- Cofounder and Partner at Kokopelli Capital
- Analyst/Biz Dev at Strength in Members.
- Director Startup Summer
Small Group Discussion:

We will now take some time to ask the speakers questions
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