



# Governor's Emergency Council for Economic Stabilization and Growth

## Executive Summary of Council Committees' Short-Term Recommendations

April 3, 2020

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## Energy Committee

### **Committee Members:**

- **Chair:** Federico Pena
- **Staff Leads:** Zach Pierce, Special Advisor on Climate and Energy to the Governor's Office; Will Toor, Executive Director of the Colorado Energy Office; Dan Gibbs, Executive Director of the Department of Natural Resources
- Alice Jackson, President, Public Service Company of Colorado, Xcel Energy
- Bryan Hannegan, President and CEO, Holy Cross Energy
- Kyle Martinez, Director, Delta-Montrose Electric Association
- Chris Brown, President, Vestas' Sales and Service Operations in U.S. and Canada
- Reuben Munger, Managing Partner, Vision Ridge Partners
- Kathryn Swartz, Executive Director, Solar Energy International
- Anne Hoskins, Chief Policy Officer, Sunrun
- Chip Rimer, COO, Whiting Petroleum Corporation
- Roger Hutson, President/CEO, HRM Resources III, LLC
- Carlos Fernandez, Colorado State Director, The Nature Conservancy
- Gov. Bill Ritter, Director, Center for the New Energy Economy at CSU
- Aram Benyamin, CEO, Colorado Springs Utilities
- Duane Highley, CEO, Tri-State Generation and Transmission Association

**Industry Background & Economic Impact of Novel Coronavirus Disease-2019 (COVID-19):** The Colorado energy sector includes electric generation, transmission, distribution and storage, energy efficiency, oil and gas, and other fuels. There are approximately 128,000 people employed in the energy sector, including 36,000 in energy efficiency; 28,000 in oil and gas; 28,000 in transmission, distribution and storage; 16,000 in renewable energy generation; 11,000 in other fuels; and 9,000 in fossil electric generation according to the US Energy and Employment report from 2020, National Association of State Energy Officials. Many of the energy services are critical in providing the energy that is needed for homes, businesses and industry, as well as for ground transportation and aviation.

The energy industry has been impacted by COVID-19 in many different ways, including reduced demand, issues with permitting, decreased revenue from customers' inability to pay bills, and reduced energy prices. The utilities industry will be significantly impacted by the disease, but will also be a critical component in Colorado's response as it continues to operate its hospitals and provide power for the businesses and homes across the state.

### **Top Short-Term Recommendations for Relief:**

1. **Bill Payment Assistance:** Enable the use of Low-income Energy Assistance Program (LEAP) funds to pay electric bills as well as home heating bills for those who have lost their jobs or closed their business.
  - Other actions that can be taken: extend the Leap program to August 31<sup>st</sup>, provide eligibility for other income-qualified programs (Supplemental Nutrition Assistance Program (SNAP), Temporary Aid for Needy Families (TANF), Old Age Pension (OAP), or Social Security Disability Insurance (SSDI/SSI)) via eligibility for LEAP assistance without further application.

- Promote the toll free 1-866-HEAT-HELP (1-866-432-8435) for application processing for LEAP, as well as other assistance resources through Energy Outreach Colorado (EOC) and Colorado Energy Office (CEO).
2. **Service Disconnect Rules:** The Governor could consider:
    - Directing the Public Utilities Commission (PUC) to collect relevant information on financial impact to those public utilities implementing the “Utility Directives” in Executive Order D 2020-012. Collecting this information now will help to inform future decision-making, if applicable, to provide relief to affected utilities and mitigate potential risks to continued utility operations.
    - Establishing a definition of “small business customers” in Executive Order D 2020-012 for those municipal and rural electric cooperative utilities that have not defined this term (or similar) in their electric rates and tariffs in order to clarify supports that should be provided to those small businesses most significantly burdened by the impacts of COVID-19.
  3. **Supporting Critical Infrastructure:** Establish a more formal state process -- drawing from the expertise and resources of the Emergency Operations Center and relevant State Agencies -- to support the critical infrastructure response to COVID-19, including but not limited to the provision of electricity and gas service. Some potential components of a new process could include:
    - Providing guidance and testing support to enable sequestration of control room operators and other essential workers onsite for electricity, gas, refinery and other critical infrastructure operations;
    - Convening key sectors to ensure adequacy and baseline consistency of individual Continuity Of Operations Plans;
    - Establishing a more centralized venue to triage and troubleshoot provision of limited resources for critical infrastructure, if practicable (e.g., personal protective equipment (PPE), testing, disaster relief funds to protect workers from exposure to COVID-19);
    - Formulation and dissemination of guidance and best practice for physical and cyber protection of critical infrastructure entities.
  4. **Clarification of Relevant “Critical Business” Exemptions:** Utilize Governor’s statewide messaging platform and stakeholder networks to further communicate the criteria of “Critical Businesses” as defined in *Amended Public Health Order 20-24 Implementing Stay at Home Requirements*. Anecdotally, members of the Energy Committee -- representing sectors defined as “Critical Businesses” -- have had employees questioned by law enforcement about their compliance with Executive Order D 2020-017. Continued clarification on this matter will ensure continuity of operations for critical businesses.
  5. **Advocacy for Energy Industry at the Federal Level:** Both the Production and Investment Tax Credits are time sensitive. If projects are delayed because of COVID-19, many planned renewable energy projects risk losing these critical funding sources. As part of the Governor’s engagement with the Colorado Congressional Delegation and federal entities, the Governor can advocate for extension of these tax credits to ensure existing renewable energy projects remain financially solvent and planned projects can move forward.

## Labor, Employment & Education Committee

### **Committee Members:**

- **Chair:** Gary Arnold
- **State Leads:** Joe Barela, ED of Colorado Dept. of Labor and Employment; Angie Paccione, ED of Colorado Department of Higher Education
- Dennis Dougherty
- Michael Gifford
- Ron Ruggiero
- Kevin Schneider
- Jimmy Allen
- Mark Elliot
- Joe Garcia
- Rich Meisinger
- Chris Howes
- Steve Fechheimer
- Jamie Simpson
- Kelly Brough
- Tim Barlow
- Stephanie Felix
- Amie Baca Ohlert
- Edie Sonn

### **[Industry Background & Economic Impact of COVID-19 Forthcoming in Future Reports]**

### **Top Short-Term Recommendations for Relief:**

- 1. Encourage contributions to hardship funds:** Including funds available to undocumented immigrants as they may not be able to access federal government relief and medical assistance (Department guidance and listed on state-run COVID-19 response sites). *Note:* For example, [UFCW Local 7](#) has established one response site, and other partners are stepping into this critical space as well, please see New Belgium Brewery efforts [www.newbelgium.com/gives](http://www.newbelgium.com/gives).
- 2. Provide specific guidance on nursing/healthcare clinicals and assessments:** Including Educational Testing Service (ETS), Pearson VUE, and NCLEX. Continue efforts that have been taken already by the Department of Regulatory Agencies (DORA) to relax licensure and get people back to work quickly.
- 3. Encourage employers to maintain health benefits for their current employees:** The state should issue additional guidance to employers to encourage them to maintain benefits for their employees and communicate resources available from federal and state stimulus packages that support employers (Guidance from Division of Insurance, Colorado Office of Economic Development and International Trade (OEDIT), and listed on state-run COVID-19 response sites).

- 4. Advise DORA to continue efforts to enact emergency rule changes:** Continue to encourage DORA to cut red tape to allow Coloradans, no matter their status, to become licensed (especially in healthcare) while maintaining minimum safety standards (Possible rulemaking from DORA).
- 5. Expand the use of the [Work-Share Program](#):** Can provide an alternative to laying off employees by allowing them to keep working but with fewer hours. While an employee is working fewer hours, they should be eligible to collect part of their regular unemployment benefits. Furthermore, the state should invest in efforts to ensure that the Work-Share Program is as simple and accessible as possible (Possible legislative action and rulemaking). *Note:* Rep. Matt Gray has late bill permission to pursue these changes to workshare, if time permits when the legislature reconvenes. Colorado Department of Labor and Employment (CDLE) is also exploring rulemaking authority under existing statutory authority.
- 6. Pandemic Unemployment Assistance for Independent contractors:** Communicate and promote the Pandemic Unemployment Assistance to ensure workers are aware of their eligibility, ability to self-certify employment, and available benefits.
- 7. Fill in the gaps of the federal response:** Start by recommending that employers with more than 500 employees provide two weeks of paid family and medical leave to those who cannot work due to COVID-19 related impacts, including school closures (Executive Order). *Note:* The subcommittee did not reach consensus on this policy recommendation due to concerns about the ability of employers to meet such a mandate, whether state/county/municipalities would be considered large employers, whether guidance and outreach to large employers would be sufficient versus a mandate, and whether the state is able to compel self-funded employers governed by ERISA.
- 8. Increase PPE:** Work to ensure that first responders and essential workers have priority access to Personal Protective Equipment (Executive Order and/or guidance to the Governor's Innovative Response Team).

## Local, Rural, Women & Minority Led Small Businesses, Entrepreneurs & Nonprofits Committee

### Committee Members:

- **Chair:** Brad Feld
- **Staff Leads:** Glenn Plagens, Director of Business Support & Rural Prosperity
- Erik Mitisek, Representing Entrepreneurs
- Abram Sloss, Representing Front Range Local Business
- Marc Nager, Representing Rural Business
- Eric Drummond, Representing Women and Minority-Led Business
- Renny Fagan, Representing Nonprofits

**Industry Background & Economic Impact of COVID-19:** Business segments covered by this Committee include: local business (rural and Front Range); small business (under 500 employees, including startups, entrepreneurs, sole proprietors, and independent contractors and freelance/gig economy workers); women and minority business; and nonprofits. Colorado local businesses employ approximately 1.1 million people, or 48.2 percent of the private workforce for the entire state. These businesses are key parts of the fabric that makes each community unique while providing important economic viability that makes each community sustainable and attractive for new investment. Many of these businesses will have faced large disruptions to their operations, and have little to no financial resources to sustain themselves through a global pandemic like COVID-19.

### Top Short-Term Recommendations for Relief:

- 1. Creation of a Small Business Recovery & Growth Fund (\$25M):** A complement to the Small Business Administration (SBA)/Coronavirus Aid, Relief, and Economic Security Act (CARES), the Governor could consider creation of a program to assist local businesses. The program could use funds structured in a “fund of funds” model, deploying capital into the existing network of lenders across the state.
  - Criteria: must have applied for an SBA loan.
  - Grants: Up to 5 percent of 2019 revenue; extra points for the smaller the business and those in impacted industries.
  - Other Considerations:
    - Cap of \$5M in 2019 revenue.
    - Commitment to not lay off staff.
    - Administered through Region Loan Funds, CDFI Banks, and a select set of approved partners.
    - Amounts allocated in relation to business activity -- *i.e.*, Gross Domestic Product on a county-wide basis.
- 2. Explore ways to defer sales tax and property tax for small businesses:** Many small businesses will experience extreme economic hardship in the near future and any program to limit the amount of taxes and bills a small or local business has to pay will help them keep their doors open (subject to what is allowed under Taxpayers Bill of Rights (TABOR)).

- 3. Continue Rental and Mortgage relief:** As was done through Executive Order D 2020-012, request that banks, property owners, financial institutions, and other lenders implement rent or mortgage relief or deferrals and 90 day delays for foreclosures.
  
- 4. Request that no new new negative information during this time period be posted on business or personal credit reports:** As businesses are unable to pay loans, rent, mortgages and other business payments, their credit may decline. If credit agencies produce new credit reports during this time, it will hinder small businesses from being able to access certain financial tools and services offered through the state and federal agencies. Personal credit is used to qualify for SBA and other financial instruments. A lowering of score due to COVID-19, conditions beyond an individual's control, could impact the ability to attain the capital necessary to continue operations.

## Infrastructure Committee

### Committee Members:

- **Chair:** Larissa Herda
- **State Leads:** Nicholas Farber, Colorado Dept. Of Transportation; Anthony Neal-Graves, Colorado Office of Information Technology
- Don Hindman
- Angie Rivera - Malpiede
- Christal DeHerrera
- Mike Johnson
- Amy Lynch
- Mark Soltes
- Roberta Robinette
- Eli Veenendaal
- Shaun P Yancey

### **[Industry Background & Economic Impact of COVID-19 Forthcoming in Future Reports]**

### Top Short-Term Recommendations for Relief:

#### **Telecommunication:**

- 1. Waive Permitting Requirements Where Possible:** During the duration of the stay-at-home order and for 90 days following, encourage local governments to waive local permitting requirements for all broadband or wireless facilities in localities within the state that are not accepting or reviewing permits applications, or failing to complete any requirement necessary for network infrastructure deployment, or that are not timely completing necessary reviews or approvals for any reason, including reduced staff, in reviewing and accepting permits.

During the duration of the stay-at-home order and for 180 days following, waive all state and local permitting requirements necessary to deploy and operate broadband infrastructure or equipment (e.g., cells on wheels (COW), Cellular on Light Trucks (COLTS) needed to provide temporary services (e.g., COW), (COLTS), fiber, or power).

Finally, in coordination with the Colorado Congressional Delegation, consider encouraging the Federal Government to expedite or waive approval or permitting requirements in the case of federal rules, including those requirements of the US Forest Service, Bureau of Land Management, and Railroad.

- 2. Streamline Processes:** For remaining cities and localities ensure streamline processes (i.e. blanket permits, expedited approval times, waiver of rules, expedited inspections) for service providers to expedite review and approval necessary for network deployment.

#### **Transportation:**



- 1. Support transportation infrastructure investments at the state level by:** Maintain the existing commitments under Senate Bill 17-267, while considering the acceleration and deployment of Certificates of Participation (COP) while interest rates are low, and look to future fee revenue to help pay long-term debt service costs. Maintain the \$50 million annual general fund transfer to cover the CDOT portion of the COP debt service.
- 2. Focus immediate funding on quick-delivery state of good repair:** Ensure projects get money quickly and boost public confidence with high visibility construction work.
- 3. Advocate for a federal stimulus package:** Utilizing existing formula programs, encourage the Colorado Congressional Delegation to ensure a fair share for Colorado through programs that provide flexibility for states with minimal federal red tape. In addition, shore up important credit and Transportation Infrastructure Finance and Innovation Act (TIFIA) programs, and investment in job training to bring new workers into high-paying construction jobs. Engage key transportation stakeholders including in the business community to help make the broader case for aid to states and localities to help with overall budget solvency in order to avoid painful cuts to programs across the state budget, including transportation.
- 4. Find opportunities to maintain progress on other important state objectives:** improving transparency and accountability in transport spending, Investing in vehicle electrification, working with industry to help auto business weather tough economic times while maintaining long term focus on providing consumers with electric vehicle options as the economy rebounds and sales pick up, and maintaining efficiency of permitting while preventing elimination of environmental protections in the National Environmental Policy Act (NEPA) or other environmental protections.

**Construction:**

- 1. Accelerate shovel ready projects:** Identify projects with completed project schedules and begin construction as quickly as possible, for example complete three-year projects in one year).
- 2. Keep public projects that have already been funded on schedule, as practicable:** The Governor could encourage the completion of projects that have already begun to avoid disruptions due to project postponement by the private sector.
- 3. Consider Construction a Critical Service:** The Governor could consider allowing construction as a critical service under the Stay at Home Order. Industry has developed best practices for job site safety including meeting the social distancing requirements under Public Health Order 20-24, phased start times, tool disinfection, and temperature screening. Nationwide construction accounts for \$1.3 trillion of GDP annually.

## Financial Services Committee

### **Committee Members:**

- **Chair:** Blair Richardson, Managing Partner & CEO, Bow River Capital
- **State leads:** Jeff Kraft, Director of Business Funding & Incentives at OEDIT; Mary Wickersham, Office of State Treasurer; Dave Young, State Treasurer
- Congressman Ed Perlmutter
- Phil Kalin, CEO, Pinnacol
- Doug Freidnash, Shareholder, Brownstein Hyatt Farber & Schreck
- Don Childears, President & CEO, Colorado Bankers Association
- Greg Anton, Chairman & CEO, ACM Accounting

**Industry Background & Economic Impact of COVID-19:** The financial services industry is a large employer in Colorado, with more than 6,000 firms employing more than 110,000 workers, but is also the key provider of capital to the private sector and a critical partner for deploying federal funds. In addition, the financial services industry loans their own capital and is thus vital to the value chain of every other sector of Colorado's economy. Financial service providers are located in every community in Colorado, supporting small businesses and individuals in gaining access to capital for homes, new business ideas, expansions, and much more.

The COVID-19 event has impacted banks, credit unions, financial services companies, and non-profit lenders because their customers cannot afford mortgages and loans. Without federal programs to stimulate the economy, there could be a huge financial impact on lenders in Colorado. The industry will also be a key player in supporting businesses and distributing funds to help stabilize and reinvigorate the economy during and after these extraordinary times.

### **Top Short-Term Recommendations for Relief:**

- 1. Marketing & Education Campaign to Access Federal Resources:** We must support a massive marketing and education campaign among small businesses, in coordination with lenders and Small Business Administration (SBA) lenders to ensure as many businesses as possible receive SBA loans, including Paycheck Protection Loans (PPL).
  - OEDIT, the Secretary of State (which has a database of every registered Colorado business), every state agency, associations and trade groups, and the General Assembly have done massive outreach to stakeholder groups in Colorado to prepare businesses to apply for these loans as soon as federal guidance is finalized and the application window is open.
  - We should track and publish success metrics by working with the SBA and banks to understand the number of Emergency Injury Disaster Loans (EIDL) and PPL applied for, and approved by, the SBA.
  - As of April 1, there are many risks and uncertainties associated with how the PPL program will work, which are hindering banks' ability to roll the program out. OEDIT is gathering questions and pushing for clarity with the SBA and other federal channels.
- 2. Understanding Federal Gaps:** Understanding the gaps in the federal CARES Act and other access to capital programs is critical to securing relief for businesses with more than

500 employees, venture-backed businesses who violate SBA affiliation rules, cannabis businesses, and very small businesses to help plan for future efforts. As those gaps become clear, the Committee will develop recommendations for state programs to fill them and further requests to the federal government for legislative and regulatory action.

- 3. Longer-term Recommendation for Loan Program:** The Committee is also exploring the development of a large (working estimate of \$250 million) fund to make working capital loans to small businesses based on the assumption that the economic downturn continues after the immediate public health crisis improves. State capital (working estimate of \$50 million) would provide a first loss guarantee to the investors who would include institutions, such as public pension funds, insurance companies, banks, and foundation PRI funds, which would expect a return on investment in the range of 4 to 6 percent. The fund would be run by a private sector manager.

## Arts & Culture Committee

### **Committee Members:**

- **Chair:** Deborah Jordy, Executive Director, Science and Cultural Facilities District
- **State Leads:** Margaret Hunt, Director, Director of Colorado Creative Industries Division at OEDIT & Donald Zuckerman, Colorado Film Commission
- Ginger White, Director, Arts & Venues Denver
- Andrea Fulton, Deputy Director, Denver Art Museum
- Brian Vogt, President & CEO, Denver Botanic Gardens
- Janice Sinden, President & CEO, Denver Center for the Performing Arts
- Tatiana Hernandez, President, Emily Griffith Foundation
- George Sparks, President & CEO, Denver Museum of Nature and Science
- Linda Weise, CEO, Colorado Springs Conservatory
- Jim McDonald, Director Cultural Services, City of Ft. Collins
- Kent Rice, Former Director, Arts & Venues Denver
- Kennedy Pugh, Actor and Educator
- Andrew Schneider, Executive Director, Southern Colorado Repertory Theater
- Mandy Ritter, Board member Sterling Creative District, Sterling City Council Member
- Tami Graham, Manager KSUT Radio, Ignacio CCI Council member
- Dr. Jeffrey Taylor, Board Member Crested Butte Creative District, Professor, Western University
- Robbie Breaux, CO Creative Industries Council member, Grand Junction Creative District, professional artist
- Armando Silva, Artist and board member, Greeley Creative District
- Jeff Litchford, Vice President, Deck Nine Games
- Alex Forsett, Western Colorado Regional Director, Rocky Mountain PBS
- Gregory Howell, Creative Consultant for Watertower Place, Pueblo Regional Film Commission
- Lisa Kennedy, Reporter, Film & Theater Critic
- Joanie Leonard, Executive Director Durango Film Festival, 4Corners Film Commission

**Industry Background & Economic Impact of COVID-19:** Colorado’s arts and culture sector plays a vital role in the state’s economy, providing tens of millions in state income, employing 225,293 people and generating \$11.3 billion in revenues, accounting for over 4.3 percent of the state’s GDP. Despite its importance in society, the nonprofit and for-profit arts and culture sectors have, for the most part, operated on very small margins and in an extremely fragile state. In Metro Denver, 87 nonprofit arts and culture organizations are likely to shutter within three months, and another 56 are at risk of doing the same within six months. Without immediate financial support, at least 10,000 jobs are at risk of being lost over the next 90 days in Metro Denver alone.

Outside Metro Denver, arts and culture organizations face even greater hardship. The state’s rural areas lack the philanthropic capital needed to weather this economic crisis, which is occurring precisely during the peak-season for presenting organizations (theaters, music festivals, etc.). Committee member, Dr. Jeffery Taylor, states in the attached report, “The COVID-19 event has already caused calamitous damage to the arts and cultural economy of Colorado, and because of the nature of its workforce and the way they earn money within this sector, the situation is set to become exponentially worse.”

### **Top Short-Term Recommendations for Relief:**

- 1. Consider establishing a \$15 million economic relief package** for vulnerable nonprofit arts and culture organizations (those with less than 90 days of reserves).
- 2. Consider establishing a \$2.5 million economic relief package** for artists, culture workers and culture bearers (\$500 stipends for 5,000 people).
- 3. Consider passage of HB 20-1354**, a film transferable tax credit program, as a catalyst to reignite Colorado's film industry, creating immediate jobs and injecting necessary dollars into rural towns across the state.

San Francisco, Seattle, and New York have established similar funds to the two funds described above, and Arizona and Illinois recently announced similar efforts. The subcommittee believes it is important to address this issue at the state level, due to lack of access to philanthropic and public support in rural areas of the state. The subcommittee estimates approximately \$10 million is needed per month to secure the payrolls of nonprofit arts and culture organizations over the next 90 days in the Metro Denver region alone. That figure increases to \$15 million per month if organizations that are high risk within the next six months are included. Arts and culture entities in Colorado do not have the luxury of waiting for federal programs to get up and running. Aid is needed immediately or else the sector will be decimated.

\*\*\*OEDIT recognizes where some of these recommendations fall short in terms of actionability and fiscal feasibility but is passing along recommendations that received broad consensus from the private sector representatives on the Committee as priorities.

## Tourism Committee

### **Committee Members:**

- **Chair:** Richard Scharf, President & CEO, VISIT DENVER
- **State Lead:** Cathy Ritter, Director of the Colorado Tourism Office
- Sonia Riggs, President & CEO, Colorado Restaurant Association\*
- Courtney Frazier, Executive Director, Colorado Dude & Guest Ranch Assn\*
- Amie Mayhew, President & CEO, Colorado Hotel & Lodging Association
- Chris Romer, President & CEO, Vail Valley Partnership
- Doug Price, President & CEO, Visit Colorado Springs\*
- Lucy Kay, President & CEO, Breckenridge Tourism Office\*
- Bob Stinchcomb, SVP for Sales, Alterra Mountain Company\*
- David Farahi, Monarch Casino, President, Colorado Gaming Assn
- Kieran Cain, VP of Resort Marketing, Vail Resorts\*
- Melanie Mills, President & CEO, Colorado Ski Country USA
- Matt Skinner, COO, Colorado Flights
- Don Degnan, The Kitchen Restaurant Group

\* Also Members of the Colorado Tourism Board

**Industry Background & Economic Impact of COVID-19:** Colorado tourism cuts across food and beverage, lodging and resort, conventions and meetings, outdoor recreation, ski resorts, gaming, cultural organizations, amateur and professional sports, events, entertainment, group travel, and more. Historically, this sector has been an economic powerhouse: Colorado visitors in 2018 directly supported 174,400 Colorado jobs; they spent \$22.3 billion; and they generated \$1.37 billion in state and local tax revenues, with 61 percent of that amount going to local budgets. These numbers do not capture the spending impact of locals who patronize Colorado restaurants, attractions, ski resorts, and hotels. Eating & drinking establishments are the single biggest employer in Colorado, with 294,000 employees.

Due to necessary COVID-19 containment actions, the state's single biggest employment sector has been shuttering venues and shedding hundreds of thousands of jobs. This week, Common Sense Policy Roundtable released "Observations on the Economic Impacts of COVID-19 on Colorado," an analysis that examines the overall, potential impacts of social distancing policies: A 50 percent potential reduction of business in four key sectors, including: retail, arts, entertainment & recreation, accommodation, and food services & drinking places. The report estimated employment could be reduced by more than 183,000 jobs. Despite recent estimates forecasting that the state will face a \$1 billion reduction in revenue from previous projections for the next budget cycle, it appears that those estimates will likely be revised to be more significant.

### **Top Short-Term Recommendations for Relief:**

- 1. Indemnify tourism-related businesses to allow for accommodation of COVID patients:**  
By Executive Order, create indemnification for owners and employees to allow hotels, convention centers and other suitable businesses to accommodate potential overflow of coronavirus patients from accredited public health facilities.
- 2. Advocate for additional federal relief immediately:** The Governor could consider:

- Advocating for provision of federal relief for 501 C (6) organizations in a fourth stimulus package. This relief would provide vital support for chambers and destination marketing organizations, such as VISIT DENVER, Visit Colorado Springs and nearly every statewide trade association supporting the tourism industry.
- Advocate immediately to secure Colorado’s share of \$2 billion in discretionary Community Development Block Grant (CDBG) funding designated by the CARES Act. These funds are aimed at giving U.S. Housing & Urban Development (HUD) flexibility to help hard-hit states and localities to offset impacts of COVID-19, and they could be used to support marketing grants for communities across the state to engage in tourism promotion as a disaster-relief strategy. (OEDIT secured similar support in the past to help Colorado recover from the 2013 floods.)
- Supporting federal relief for public lands ski areas in the form of a waiver of rental charges due to the U.S. Treasury from ski areas until May 31, 2021.

**3. Deploy a suite of strategies to protect businesses from collapse and support restoration of tourism- and hospitality-related activity and employment as rapidly as possible:** The Governor could consider:

- Utilizing every avenue to create support for business cash flow, including guaranteed loans and loan forgiveness when possible; delayed or abated collection of state and local taxes and fees; and by Executive Order, declare a grace period for payment of mortgage, leases and insurance for a maximum of 90 days or until federal/state business loans are secured, whichever comes first.
- Encouraging the Colorado General Assembly to place a moratorium on creating laws that place new fiscal burdens on Colorado business until Jan. 1, 2022, to allow for a full year of recovery in 2021.
- Extending temporary suspension of home alcohol delivery and relaxation of insurance requirements for delivery personnel through August 1, 2020, or as long as possible, to support restoration of restaurant business activity.
- Allowing communities to access TABOR emergency funds to support local budgets.
- Taking steps to require/support payment of claims by insurance carriers for “business interruption” during the period of time businesses were forced to close by a civil authority (even those policies that have “virus exclusions”).

**4. Ensure additional funding for the Colorado Tourism Office marketing budget to reignite the tourism economy as swiftly as possible:** The Governor could consider:

- Protecting the existing Colorado Tourism Office (CTO) budget from COVID-19 funding impacts to support delivery of a powerful promotional campaign to inspire high-potential travelers to drive activity at Colorado restaurants, hotels, retail outlets, indoor and outdoor attractions, etc., at the earliest opportunity.
- Ensure that the CTO also is funded to field an in-state campaign and support special events aimed at inspiring Coloradans to get out of their homes and support the travel and tourism economy. (Planning needs to start immediately.)
- Ensure that the CTO also is funded to field an unprecedented fall marketing campaign to attract high-potential travelers who put off travel plans and who could backfill lost revenues by visiting in a high-capacity season. (Planning for a fall campaign needs to start immediately.)

## Outdoor Recreation Committee

### Committee Members:

- **Chair:** Ken Gart, Principal, The Gart Companies
- **State Leads:** Nathan Fey, Director of the Office of Outdoor Recreation Industry & Dan Prenzlou, Director of Colorado Parks & Wildlife
- Lise Aangeenbrug, Executive Director, Outdoor Industry Association
- Jason Badgley, CEO, Phunkshun Wear
- Jason Bertolacci, Consultant, Berbur LLC
- Nicole Bonn, Sr. Executive Legal Professional, Osprey
- Scott Braden, Consultant, Lodore Consulting
- Chris Castillian, Executive Director, GOCO
- David Drago, Founder & Executive Chairman, MayFly Outdoors
- Paul Dreyer, CEO, Avid4Adventure
- Carlos Fernandez, Executive Director, The Nature Conservancy
- Vickie Hormuth, Executive Director, American Institute for Avalanche Research & Education
- David Leinweber, Owner, Angler's Covey
- Tony Lewis, Executive Director, The Donnell-Kay Foundation
- Kim Miller, CEO, Scarpa North America
- Gloria Schoch, Director, VF Foundation & Global Impact
- Sarah Shrader, Owner & Co-Founder, Bonsai-Designs
- Jason Robertson, Regional Deputy Director, U.S. Forest Service
- Len Zani, CEO, Big Agnes

**Industry Background & Economic Impact of COVID-19:** Colorado's Outdoor Recreation Industry is composed of a variety of sub-sectors, including the manufacture and wholesale of equipment and clothing, education and training pathways that meet the needs of the industry, and the promotion and preservation of the environment and outdoor spaces for outdoor recreation. Colorado's outdoor recreation industry generates \$62.5 billion in economic impact annually; it accounts for \$37 billion in consumer spending; and it generates \$9 billion in federal, state, and local tax revenue. Those who work in the industry collectively earned over \$21 billion in wages and salaries in 2017, with significant growth year-over-year.

The COVID-19 pandemic has significantly impacted outdoor recreation companies and activities that employ nearly 20 percent of the state's workforce and provide many of the main recreational draws for residents and visitors in Colorado. The Outdoor Recreation Industry Office has created and disseminated a survey to better understand the economic impacts of COVID-19 on outdoor businesses. This survey was shared on April 1 and will provide self-reported data about what businesses have already done to mitigate impacts (*i.e.*, furloughs, work hour cuts, closures, etc.) and what resources businesses are requesting from the State.

### **Top Short-Term Recommendations for Relief:**

1. **Set criteria for outdoor manufacturing to secure exemption under Executive Order D2020-017:** The industry requests that the Governor and the Outdoor Recreation Industry Office work with manufacturing businesses to identify how to obtain an exemption and



remain open during the Order. This will allow businesses to retain highly trained and skilled workers, and avoid re-training a new workforce once the closure is lifted.

- 2. Classify outdoor retail as Critical Business:** Outdoor retailers of all sizes that do not sell firearms are disadvantaged under current Executive Order D2020-017. Gun stores and outdoor retailers, such as Sportsman’s Warehouse, Bass Pro, and Cabela’s, that sell outdoor equipment in addition to firearms remain open, driving sales away from retailers that specialize in non-firearm related outdoor activities like REI, Dicks Sporting Goods, and smaller, Colorado-owned shops across the State. Outdoor retailers and their employees could benefit from a broadening of the designation of critical business to enable all outdoor retailers to remain open, with critical social distancing measures in place, and retain employees to serve an important economic activity.
- 3. Work with the outdoor recreation industry to advance critical support and growth mechanisms for the industry via next phase stimulus efforts:** The Governor could consider:
  - Encouraging Congress to pass the Land and Water Conservation Fund funding and Rec. Act funding as critical infrastructure to the Outdoor Recreation Economy.
  - Encouraging Congress to create grants to states/municipalities to build trails and other outdoor infrastructure, particularly in underserved communities so that all Americans have access to close to home recreation opportunities.
  - Encouraging Congress to deploy Conservation Corps/Civilian Conservation Corps to work on Federal or State lands to provide jobs and improve outdoor recreation economy and provide crucial mental and physical health opportunities nationwide.

## Food Security & Agriculture Liaison Report

**Tom Lipetzky**, the Food Security Task Force Liaison & Director of Marketing Programs & Strategic Initiatives at the Colorado Department of Agriculture provided the below. Council liaisons participate in full Council meetings but do not have their own Council Committee. They will ensure that the Council and other relevant task forces -- in this case, the Food Security Task Force within the Colorado Department of Agriculture -- are collaborating and coordinating on any overlapping efforts.

**Industry Background & Economic Impact of COVID-19:** Colorado's food and agriculture industry ranks among the state's most important economic drivers. According to a 2018 study completed by Feeding the Economy, Colorado's food and agriculture industry, inclusive of input suppliers, production agriculture, value-added processing, and retail (such as grocers and restaurants) generates more than \$50 billion in direct economic activity annually and supports more than 400,000 jobs.

Colorado's agriculture industry is broad and diverse, with production valued at about \$7 billion annually. With more than 38,900 farms and ranches encompassing nearly 32 million acres, Colorado consistently ranks among the top 10 nationally for production of a variety of agricultural products, including alfalfa hay, barley, cattle and calves, cattle on feed, dry beans, fresh market potatoes, millet, sheep and lambs, sorghum, sugar beets, sunflower, winter wheat, and wool. The food and agriculture industry will be critical in supporting the food supply chain for millions of people across the state during this global pandemic.

### **Top Short-Term Recommendations for Relief:**

- 1. Help farmers, ranchers and local food companies expand market opportunities:** Producers and food companies whose primary distribution was to foodservice or farmers' markets are now in need of developing new sales channels. Rapid-response mini grants would help jump start efforts to develop new sales and distribution channels, build-out online and delivery systems, and promote their products.
- 2. Ensure the health and well-being of the agriculture workforce:** Protecting the workers who provide food to our communities is critically important. It is essential that these workers and the industry have access to hand soaps, sanitizers, and PPE as practicable as well as proper training and support to be able to continue to operate in the safest manner possible. Efforts to increase testing for COVID-19 statewide should continue, especially to rural areas and agribusinesses, encouraging the use of rapid-test kits to ensure the health of workers and to minimize operational impact. The Governor should consider classifying the entirety of the food and agriculture supply chain, as Tier 2, consistent with the designation of food and agriculture as essential infrastructure.
- 3. Help producers navigate the maze of loan and financial assistance programs:** Producers need clear and concise guidance to determine what assistance may be available to them through the U.S. Department of Agriculture (USDA), SBA, and the recently passed stimulus bill and how to apply. This concept is also covered in the financial services recommendation.

- 4. Improve access to food for Colorado's more vulnerable population:** Provide an immediate infusion of funding to the Food Pantry Assistance Grant Program to assist in purchasing local food products and helping meet basic food needs for many Coloradans. Colorado should also urge USDA to expand pilot programs enabling SNAP recipients to utilize benefits online so that vulnerable populations can order food from the safety of their homes.
  
- 5. Improve producer access to farm workers:** The state should encourage the U.S. Departments of Labor, Homeland Security, and other agencies to fast-track approvals and processes for H-2A workers to gain entry to the U.S. for purposes of farm work. Colorado's Workforce Centers could also be central to matching workers temporarily out of work with producers in need of workers. Additionally, Colorado State University and CDLE could potentially assist in retraining of workers, preparing them for employment in food and agriculture.