

REGION 9

Economic Development District of SW Colorado



2020 CORPORATE ANNUAL REPORT



VISION

TO ENHANCE ECONOMIC CONDITIONS THROUGHOUT SOUTHWEST COLORADO

The Region 9 Economic Development District of Southwest Colorado Inc. (referred to as Region 9, or the District) is a nonprofit, 501 (c) 6 public private partnership that promotes and coordinates economic development efforts throughout Southwest Colorado. Region 9 includes five counties, ten municipalities and the only two Native American Tribal lands in Colorado (Ute Mountain Ute and Southern Ute).

Incorporated in 1989, Region 9 has a board of directors with 17 representatives from local governmental jurisdictions and nine from the private sector. Activities include business loans and financing, producing the Comprehensive Economic Development Strategy (CEDS) and data reports, Enterprise Zone Administration, special projects, the Southwest Accelerator Program for Entrepreneurs (SCAPE) and serving as fiscal agent for the San Juan Development Association (SJDA).



STAFF

(From left to right) Terry Blair-Burton, Program Administrator Jenny Stollar, Business Loan Officer Heather Otter, Economic Development Project Manager
Shirley Jones, Comptroller Laura Lewis Marchino, Executive Director Brian Rose, Deputy Director Stephani Burditt, Office Manager
(not pictured) Elizabeth Marsh, SCAPE Brittany Cupp, SCAPE Fort Lewis College School of Business Interns: Matthew Farmer Blake Common

MISSION

TO BE A REGIONAL LEADER, WORKING COOPERATIVELY WITH THE PRIVATE AND PUBLIC SECTORS TO IMPROVE THE REGION'S ECONOMIC PROSPERITY.

REGION 9 IS AN EQUAL OPPORTUNITY LENDER & EMPLOYER

REGION 9 ECONOMIC DEVELOPMENT DISTRICT OF SOUTHWEST COLORADO OFFICE LOCATIONS

Cortez

27880 Hwy 160
Inside Dolores State Bank
Thursdays by appointment

Durango

135 Burnett Dr. Unit 1
Durango Tech Center

Pagosa Springs

305 Hot Springs Blvd.
Inside Bank of the San Juans
Wednesdays by appointment

(970) 247-9621

scan.org

HINDSIGHT IS 2020

The Region 9 Team joins many of you in putting 2020 behind us. However, Region 9 was extremely lucky to have weathered 2020 and continues to grow as an organization and leader in the State. We were able to participate in several state and local partnerships to assist our area businesses with both grant and loan funds. We played a key role with the 2020 Census and economic recovery task forces in all our counties.

Highlights from this past year include:

- Approved as partner in statewide EDA grant to provide loans throughout rural areas of the state.
- Responded to 1,228 inquiries covering business resources, grant and data requests, slightly up from 1,176 in 2019.
- Facilitated 4 communities and 4 counties to participate in the Colorado Rural Jumpstart incentive program.
- Approved as an SBA microlender.
- Received National Association of Development Organizations (NADO) award for microloan program partnership with the Colorado Office of Economic Development & International Trade (OEDIT).
- Processed \$1.4 Million in COVID-19 recovery to 234 businesses.
- Provided 38 Disaster Assistance Loans for a total of \$239,250.
- Funded an additional 27 loans for \$1,751,900 for business expansion and job retention purposes.
- Secured \$3,730,874 in capital for future lending to small businesses.
- Secured \$81,000 for an Economic Recovery Coordinator in Archuleta County.
- Region 9's Executive Director will Chair the Economic Development Council of Colorado Board of Directors in 2021.

As our region moves towards recovery and greater resiliency, please outreach us if we can assist your community or business in 2021.

Sincerely,

Laura Lewis Marchino, Executive Director



Teri Simmons,
R9 Lender of the Year



Mary Jo Coulehan,
Ed Morlan Economic Development
Leader of the Year

PROGRAMS

Region 9 provides technical assistance for grant and data research, information on business incentives and project coordination. Region 9 oversees the region's strategic plan for economic growth, known as the Comprehensive Economic Development Strategy (CEDS). Region 9 also helps local governments access federal and state funding for infrastructure improvements and community amenities that result in job creation/retention, or that are of economic benefit to a community.

Region 9 is a Colorado State Data Center local affiliate, and provides reliable, unbiased, and timely regional socio-economic data to citizens and policymakers. All the District's reports and economic impact studies can be found at www.scan.org.

KEY PARTNERS

- 17 governmental jurisdictions
- County-level economic development groups
- Southwest Colorado Small Business Development Center (SBDC)
- Southwest Colorado Accelerator Program for Entrepreneurs (SCAPE)
- Fort Lewis College School of Business
- Economic Development Administration (EDA)
- Office of Economic Development & International Trade (OEDIT)
- United States Department of Agriculture Rural Development (USDA)
- Area financial institutions
- Colorado Housing and Finance Authority (CHFA)
- Colorado Lending Source



Touring mutual loan clients with CO officials
from USDA-Rural Development and the SBA



Typical 2020 R9 staff meeting



Ed Morlan Day Food Drive



Pagosa Mountain Sports



Bangers Bar & Pizza



Zuberfizz / Durango Soda Company



High Desert Life Outdoors & Exchange

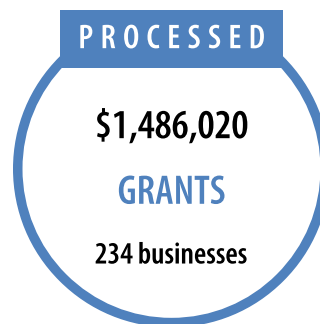


The Avon Hotel

BUSINESS LOAN FUND

As the “lender of first resort” for start-up businesses, Region 9 provides commercial loans within our five-county service area. Loan funding supports businesses creating or retaining jobs, leveraging other funds, or exporting a good or service from the local economy. The Business Loan Fund (BLF) includes several federal and state sources: Community Development Block Grants (CDBG) from the Colorado Office of Economic Development (contracted through La Plata County and the five-county region through an inter-governmental agreement); the USDA Intermediary Re-lending (IRP) & Rural Micro Entrepreneur Assistance Program (RMAP); the Economic Development Administration (EDA); Colorado Micro-Loan Program; Small Business Administration Micro-Loan Program (SBA) and revolved funds from previous CDBG contracts now closed out. As these funds are repaid they help grow the dollars available to lend.

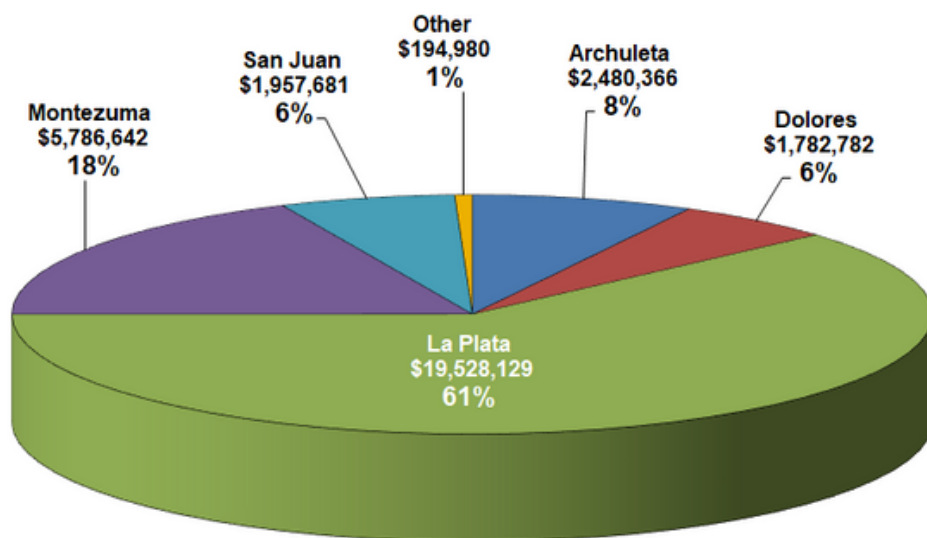
Below are 2020 Business Loan Fund highlights, including COVID-19 relief fund activities:



Cumulative Loan Disbursement by County

1990 - Dec 2020

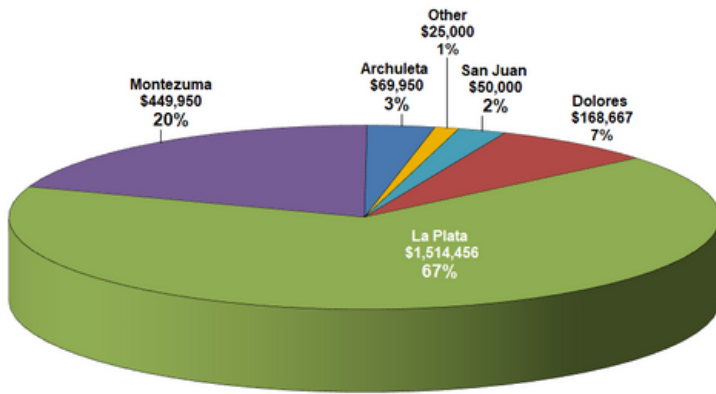
Total = \$31,730,580



Loan Disbursement by County

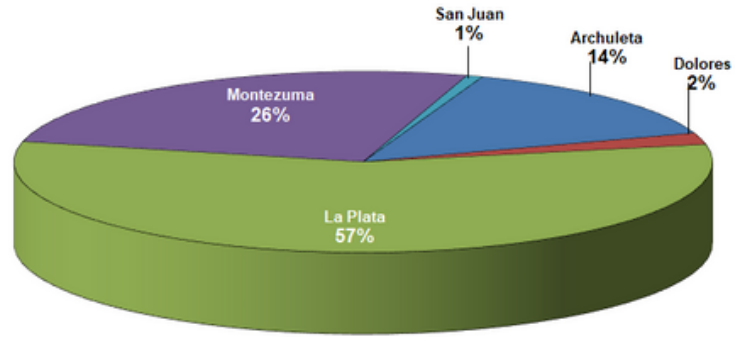
Jan 1, 2020 - Dec 31, 2020

Total = \$2,278,023



2020 Regional Population Distribution

Total = 100,312

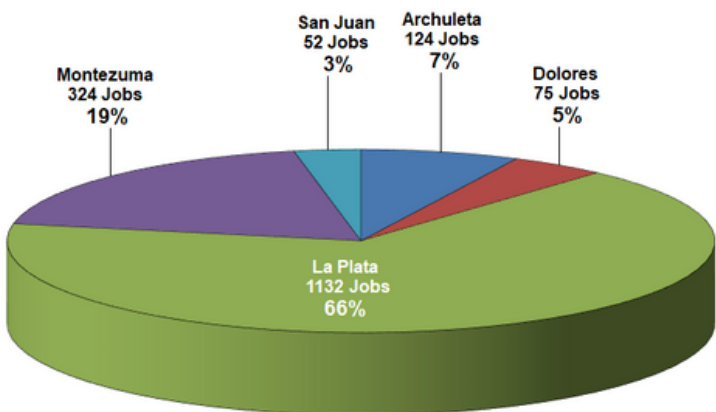


Region 9 had a balance of 233 loans receivable as of December 31, 2020 with a total of \$6.2 Million, an increase of \$200K over 2019 that had 170 loans receivable. Region 9 closed 65 loans creating 82 jobs compared to 33 loans and 70 jobs in 2019, and 33 loans and 85 jobs in 2018. The low job number compared to loan volume for 2020 is directly related to the COVID-19 pandemic as businesses focused on job retention rather than job creation. Twenty-seven loans paid off this year compared to 21 loans in 2019, and 20 in 2018. Seven loans were written off.

Cumulative Jobs Created/Retained

1990 - Dec 2020

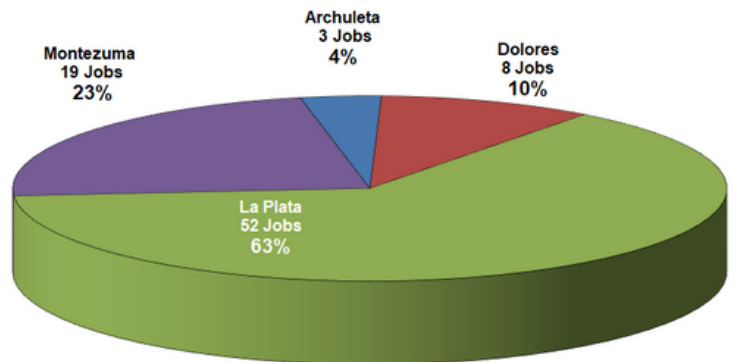
Total = 1,707



Jobs Created/Retained

Jan 1, 2020 - Dec 31, 2020

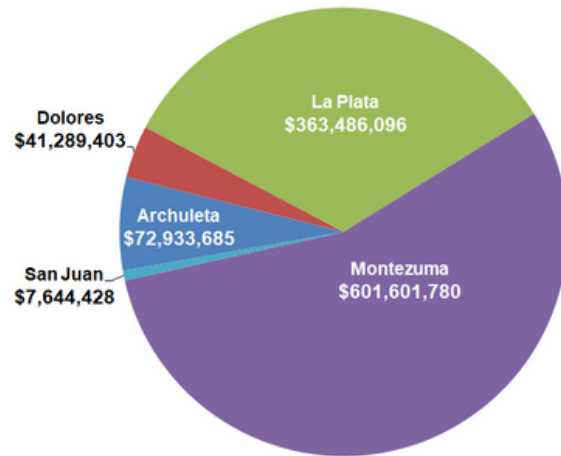
Total = 82



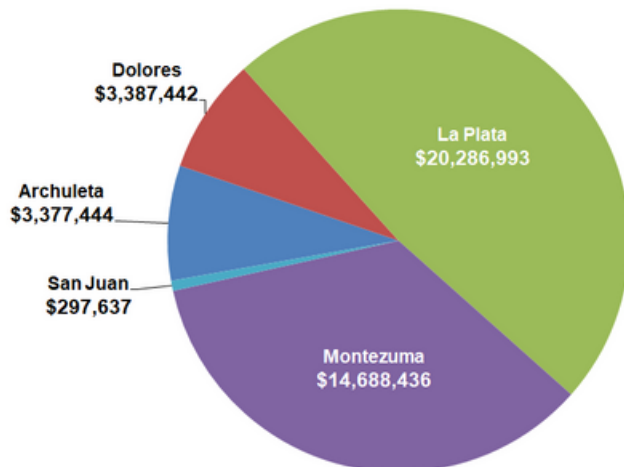
ENTERPRISE ZONE TAX CREDIT PROGRAM

Region 9 is the Southwest Colorado Rural Enterprise Zone (EZ) Administrator and certifies whether a business is located within Enterprise Zone boundaries, processes the EZ tax certification forms, and administers the designation and donations for EZ Contribution Projects. Businesses in the EZ boundaries can be eligible for a variety of tax credits including new employees, job training, investment, and vacant building rehabilitation. Currently all of Montezuma, San Juan and Dolores Counties, and certain sections of La Plata and Archuleta Counties, are designated EZ areas. Montezuma, San Juan, Dolores and eligible areas of Archuleta Counties have also been designated as Enhanced Rural Enterprise Zones (EREZ) through 2022. These counties meet additional stress criteria resulting in additional benefits.

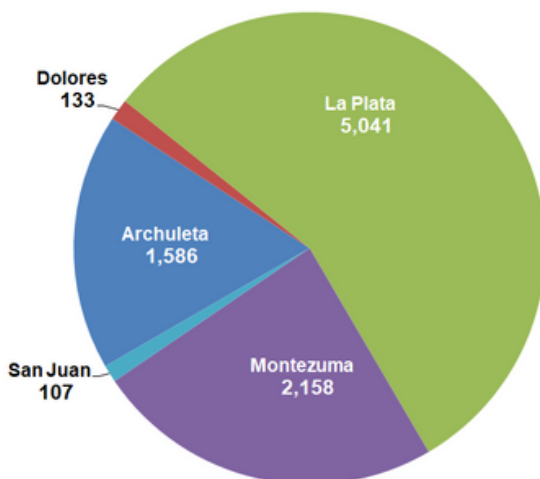
Enterprise Zone Investments by County
2000 - 2020
Total = \$1.86 Billion



Area businesses that participated in the Enterprise Zone tax credit program verified \$47.76M of investments resulting in \$1.43M of tax credits in 2020. This compares to 2019's investments of \$34.4M and \$1.86M in tax credits. Business jobs were up 273 in 2020.



Enterprise Zone Tax Credits by County
1992 - 2020
Total = \$42,037,952*
*includes regional organizations



Enterprise Zone Jobs by County
1992 - 2020
Total = 9,025*
*includes rounding

ENTERPRISE ZONE

2020 CONTRIBUTION PROJECTS

Region-wide, in 2020 there were 30 designated Enterprise Zone Contribution Projects (three new designations, two project extensions and and three that ended as projects). Projects generated \$2.35 Million in economic activity through direct and in-kind contributions. This is significantly lower than last year's 30 projects at \$4.14M, and 28 projects at \$2.8M in 2018.

PROJECT	COUNTY	TOTAL
Aspen House	Archuleta	\$2,600.00
Bridge Emergency Shelter	Montezuma	\$63,056.84
Cortez Cultural Center	Montezuma	\$5,428.47
Crow Canyon Archaeological Center	Montezuma	\$60,357.34
Eddie Box Media Center	La Plata	\$182,901.33
Fort Lewis College Foundation-Infrastructure	La Plata	\$113,863.34
Geothermal Greenhouse Partnership	Archuleta	\$9,985.00
Habitat for Humanity of Archuleta County	Archuleta	\$20,651.96
Habitat for Humanity of La Plata County	La Plata	\$51,532.31
Habitat for Humanity of Montezuma County	Montezuma	\$8,708.75
Homes Fund	Regional	\$22,050.00
Hospice of Montezuma	Montezuma	\$31,200.00
Housing Solutions for the Southwest	Regional	\$18,050.00
Manna Soup Kitchen	La Plata	\$289,411.09
Mercy - Hospice Residence	La Plata	\$15,800.00
Mercy Health Foundation	La Plata	\$96,629.79
Montezuma Food Systems	Montezuma	\$2,866.40
Mountain Studies Institute	San Juan	\$37,821.06
Pagosa Springs Medical Center Foundation	Archuleta	\$306,280.27
Pagosa Springs Community Development Corp.	Archuleta	\$2,500.00
Pinon Project	Montezuma	\$15,210.00
Region 9 EDD & COVID Business Support	Regional	\$64,841.12
San Juan Development Association	San Juan	\$21,300.00
SCAPE	Regional	\$170,022.75
Sharehouse	Montezuma	\$17,500.00
Small Business Development Center (SBDC)	Regional	\$16,855.00
Southwest Conservation Corps	La Plata	\$450.00
Southwest Memorial Hospital Foundation	Montezuma	\$536,394.46
Sunflower Theatre	Montezuma	\$73,080.96
Volunteers of America	La Plata	\$95,490.00
Total		\$2,352,838.24



HABITAT FOR HUMANITY
OF LA PLATA COUNTY



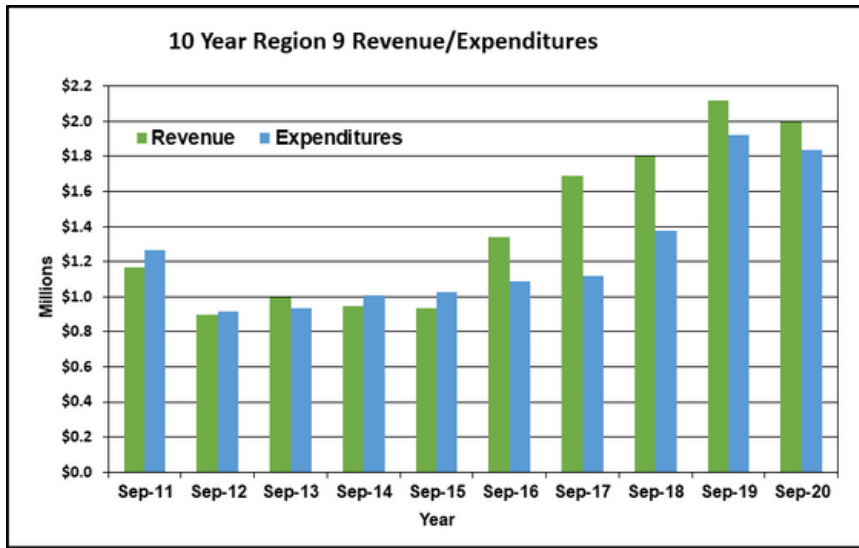
MOUNTAIN STUDIES
INSTITUTE



PAGOSA SPRINGS MEDICAL
CENTER FOUNDATION

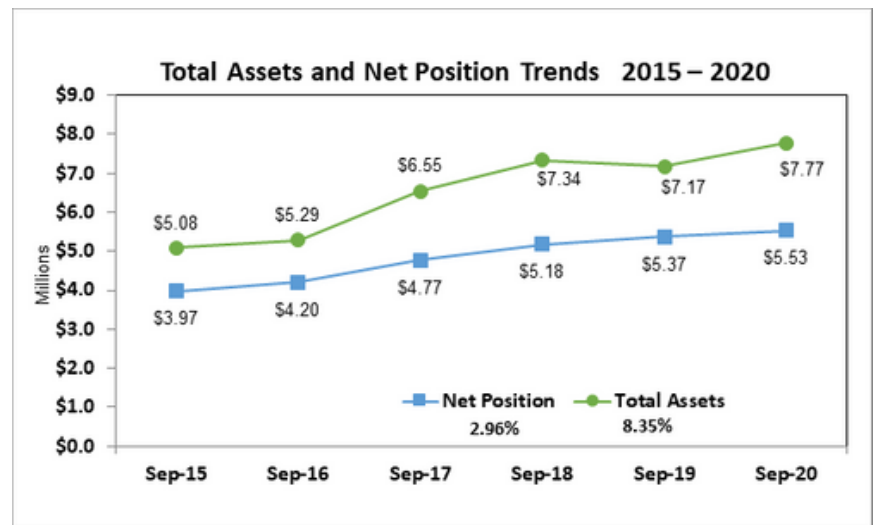
FINANCIAL CONDITION

Despite the COVID-19 pandemic, Region 9's assets continue to grow and net position trends upwards. Region 9 is audited annually and copies are available on request.



Region 9 Revenue/Expenditures
Sept 2011 - Sept 2020

Region 9 Total Assets & Equity
2015 - 2020



BOARD OF DIRECTORS

Alex Rugoff, City of Durango
Ashleigh Tarkington, Town of Bayfield
Brett Martin, Town of Dove Creek
Bryce Capron, Town of Dove Creek, past
Chris Tookey, Town of Silverton, past
Clyde Church, La Plata
Colleen O'Brien, Treasurer, At-large, La Plata
Craig Benally, Town of Mancos, past
Dan Fernandez, Secretary, At-large, Dolores
Dewayne Findley, At-large, Montezuma
Eric Thayer, Southern Ute Indian Tribe, past
Jennie Green, Town of Pagosa Springs
Jim Candelaria, Montezuma
John Reiter, Town of Silverton

John Dougherty, City of Cortez
Kari Distefano, Town of Rico
Mary Jo Coulehan, At-large, Archuleta
Queenie Barz, Town of Mancos
Robert Whitson, At-large, La Plata
Roger Zalneraitis, Southern Ute Indian Tribe
Shawn Gregory, At-large, Montezuma
Steve Elias, Ph.D., At-large, Fort Lewis College
Steve Garchar, Town of Dolores
Teri Simmons, At-large, Montezuma/La Plata
Todd Starr, Vice Chair, At-large, Archuleta
Todd Weaver, Archuleta
Tuggy Dunton, Town of Ignacio
William Tookey, Chair, San Juan

LOAN COMMITTEE

Bill McDougall, San Juan
Bryce Capron, Dolores
Derek Farrah, Archuleta
Fritz Klinke, San Juan
Gina Piccoli, At-large
Gus Westerman, Dolores
Jon Callender, Montezuma
Kris Oyler, La Plata
Livia Lynch, Archuleta
Pam Miles, Chair, La Plata
Shawn Gregory, Montezuma
Terry Petersen, At-large