



COLORADO

**Office of Economic Development
& International Trade**

FOR IMMEDIATE RELEASE

Office of Gov. John Hickenlooper

**Office of Economic Development
& International Trade**

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Colorado Stimulates Rural Economic Growth With \$9M Dedicated Venture Capital Fund

Colorado Releases RFP to Solicit Qualified Candidates to Manage \$9M Rural Fund

DENVER, CO., September 12, 2017 - Colorado's Office of Economic Development and International Trade (OEDIT), in partnership with the Colorado Venture Capital Authority (CVCA), is allocating \$9 million (plus up to an additional \$3 million option) for a new investment fund that will provide seed and early-stage investment capital and/or debt to qualified rural businesses in Colorado.

The new fund was created to stimulate and support innovation and economic growth in rural Colorado counties that may have less access to investment resources. Potential industries include value-added agriculture, advanced manufacturing, health and wellness, tourism and outdoor recreation, energy and natural resources, clean tech, technology and information, and others. "Colorado represents a vibrant model for entrepreneurship and innovation," said Governor John Hickenlooper, "Our goal is to extend that influence to more rural counties with an investment fund dedicated to their specific growth needs."

Businesses located in 54 counties within the state of Colorado are eligible to receive funding from the new Rural Fund, including, but not limited to, Baca, Chaffee, Delta, La Plata, Lincoln, Moffat, Rio Grande, Summit, and Yuma (view [RFP](#) for the list of eligible counties). "These rural counties already provide exceptional economic advantages including an educated and motivated workforce, locations with global access, and a collaborative business environment. Access to investment funds will help accelerate growth and innovation" stated Roni K. Wisdom, Rio Grande County Administrator, and CVCA Board Member.

OEDIT and CVCA are seeking qualified candidates to manage the fund, via an RFP process. The selected fund manager will play a significant role in the expansion of rural economic initiatives

and have the opportunity to support and influence industries key to Colorado's economic growth. Qualified candidates and firms can access the Rural Fund Manager RFP on the state's [website](#) and the deadline for responses is November 1, 2017. Final candidates will be reviewed by the CVCA with a winning candidate to be selected by January 2, 2018. Click [here](#) for more information about Colorado's Rural Fund or to download the Fund Manager RFP.

About Colorado Office of Economic Development and International Trade

The Colorado Office of Economic Development and International Trade (OEDIT) works with statewide partners to create a positive business climate that encourages dynamic economic development and sustainable job growth. Under the leadership of Governor John Hickenlooper, we strive to advance the state's economy through financial and technical assistance in support of local and regional economic development activities throughout Colorado.

Venture Capital Authority (VCA)—Request for Proposal (RFP)

RFP clarifications and changes:

- In RFP Section VI Method of Selection it may state that the oral presentations will be on December 8, 2017. The correct date of oral presentations will be on Tuesday, December 12, 2017
- In RFP Section III Instructions item D, the VCA requests that an Electronic copy along with one original with four hard copies of a PFM's complete proposal will need to be submitted on or before 5:00 PM MDT on November 1, 2017 to the VCA, c/o the Colorado Office of Economic Development and International
- Page numbering may show the last page as 24 of 25 instead of 24 of 24 there is not a page missing there are only 24 pages and the lead page.

Also after the release of the VCA RFP and prior to the October 13th deadline for asking questions about the RFP, the VCA received the following questions and responded accordingly. See below:

What are the limiting investment factors:

Is there a maximum investment per county?

Answer: No maximum investment per county, however the intent is to invest in multiple rural counties as the opportunities present themselves.

How many investments does CVCA expect the Rural Fund to make with \$9M?

Answer: No specific number of investments are expected, however, the maximum investment in a business will be \$1,350,000 or 15% of the total fund, which is per statute.

For the Rural environment how do you define early stage investments?

Answer: The definition of seed and early stage is defined in the Statute, however the Statute and RFP both state that there is an exception for possible later stage investments (see definitions Qualified Investment in the statute)

Is CVCA looking for true VC type investments or more company building to build sustainable businesses in rural communities?

Answer: The intent for the type of investments would hopefully be a mix of equity, debt, or hybrid investments, whatever market conditions were present. The goal of the VCA statute is to create an evergreen source of funds and the VCA is looking for this rural fund to provide a return of the principal to the VCA to be recycled for future investments. That being said, the VCA is

also aware that rural companies may not offer the same IRRs and exit times as companies in more dense ecosystems.

RFP Section V. Item F. indicates that a “Fund Manager shall have at least two years of money management experience in the venture capital industry or the equivalent as determined by the VCA.” We request your definitive response regarding whether or not collective experience qualifies as equivalent as the statute provides determination authority to the VCA?

Answer: “Fund Manager” is defined in the statute as the entity (defined in the statute) that manages the Fund and not a person employed by the GP/Fund Manager. Therefore, the entity must “have at least two years of money management experience . . .” A collective two years of experience within the entity meets the minimum threshold and is allowed.

RFP Section III Item G, Please clarify (x) and (y) designation in the section or provide corrected wordings for the section.

Answer: The (x) and (y) noted in item G are itemizations of what the PFM is advised to consider and should be alerted about.