DENVER
ECONOMIC DEVELOPMENT
& OPPORTUNITY

AGENDA

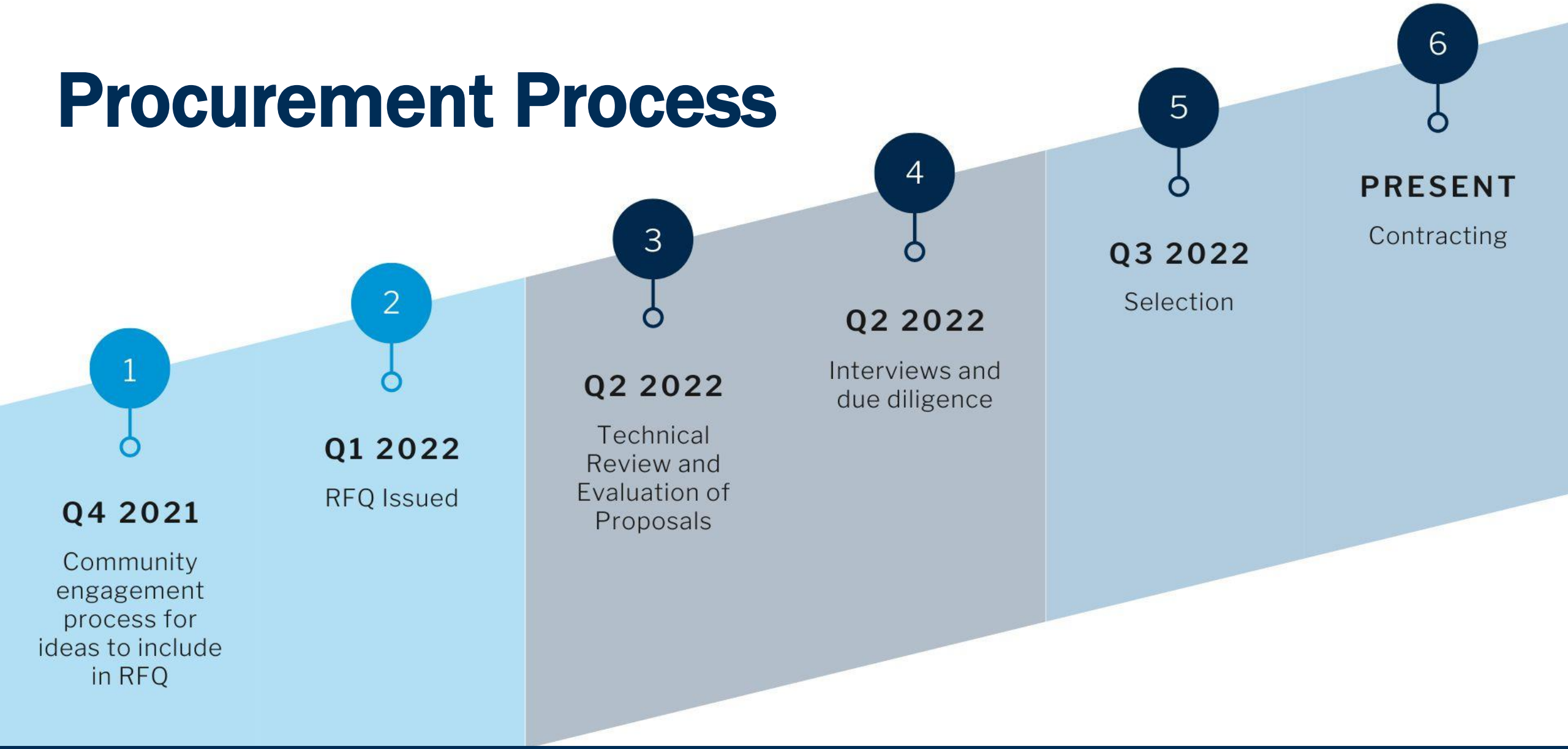
- Background/Why this is important
- Contract Details
- Introduction of Contractor
- Services to be Performed
- DSBO Program Requirements
- Communications/Timeline
- Q & A

Background

Beginning in 2022, Mayor Hancock in partnership with Councilwoman Gilmore directed 1% of Denver's retail special cannabis sales tax revenues to establish an investment fund to support businesses that have traditionally lacked access to capital and other resources for growth.

The Fund, projected to generate between $4M and $5M annually, will focus on strengthening Denver’s economic diversity while providing quality job opportunities, ensuring a pipeline of entrepreneurs and small business startups, and creating generational wealth for Denver’s business owners who have historically lacked investment opportunities.

Procurement Process



RFQ Process in Detail

- **9 proposals** from both local and national organizations
- **Evaluation Criteria:**
  - Proposed Work Plan, Timelines, and Equitable Investment Approach
  - Marketing, Community Engagement and Support
  - Experience and Qualifications
  - Historical Financials- Financial Sustainability
  - Proposed Budget
  - Minority/Women-owned Business Enterprises (MWBE) Utilization Plan
- The selected partner scored well in all areas with superior scores in their **equitable investment approach, community engagement/existing ecosystem relationships, and MWBE utilization plan**

Contract Details

- **Vendor**: *New Community Transformation Fund - Denver*
- **Term:** *August 1, 2022 – July 30, 2025*
- **Amount:** *$15.2M (not to exceed)*
- **Service:** *DEDO, through "The Fund", is seeking to increase investment in entrepreneurs and small businesses with a new, progressive approach that will focus on providing capital to small businesses seeking to start, restart, restructure, improve upon or grow in their endeavors. The Fund will focus on strengthening Denver's economic diversity while providing quality job opportunities, ensuring a pipeline of entrepreneurs and small business startups, and creating generational wealth for Denver's business owners who have historically lacked investment opportunities. DEDO anticipates private, nonprofit, and/or other investment partners to bring additional funding to this endeavor to strengthen this impactful, investment into Denver's business community.*

Meet the New Community Transformation Fund - Denver

Danielle Shoots, Managing Partner

Unique Opportunity. Unique Approach.

- $50M venture capital fund that invests in companies owned and operated by business leaders of color located in Colorado.

Empowering industries of the future.

- Focused on scalable, early to mid-stage businesses and transitioning succession companies in the industries of advanced manufacturing, food processing, and agribusiness, health and beauty, tourism, aerospace, biosciences, and information technology.

Invest in a more diverse and innovative Colorado

- NCTF believes in a more diverse economy, driven by economic prosperity in Denver and Colorado's communities of color. With greater access to capital and essential support services, NCTF is creating upward mobility for entrepreneurs who haven't been given this opportunity historically. NCTF Denver is actively partnering with investors who share this vision and are ready to lead.

Services to be performed:

- Develop an ecosystem of technical assistance and professional service partners qualified to provide supports
- Develop a pipeline of companies that will be supported with capital readiness resources and hands-on technical assistance and/or professional services supports.
- Deliver services in a culturally relevant manner.
- Conduct due diligence with firms to determine investment readiness in a manner to address the systemic inequities faced by firms.
- Directly invest in capital ready businesses. Continuously seek additional funding for both operational and programmatic capital, as well as partnership building across the ecosystem

Division of Small Business Opportunity (DSBO) Program Requirements-

Minority/Women-owned Business Enterprises (MWBE) Goal & Equity, Diversity, Inclusion (EDI) Plan

Certified MWBE Subconsultant Utilization
Established MWBE Goal: 10%
Contractual MWBE Commitment: 50%
NCTF MWBE Liaison/Project Managers:

- Reuben Brown/Adriane Sanford Joint Venture- The Collaboration

MWBE Equity, EDI Plan Key Highlights:

- *Collective for the Advancement of BIPOC+ Businesses* (CABB) will utilize certified consulting firms to provide direct services to other certified and non-certified businesses, conduct outreach to increase pool of certified businesses
- Retention program to mitigate subconsultant initiatives, concerns, and areas of opportunity
- Hands-on technical assistance programs
- Comprehensive Workshops for businesses to recover, sustain, and expand

Performance Indicators for Fund Success

Year of Contract	Unique Businesses Support	Capitalized Businesses	Cumulative Businesses Supported	Cumulative Capitalized Businesses
Year 1	250	20	250	20
Year 2	500	30	750	50
Year 3	250	50	1000	100

Data and Reporting

NCTF-Denver will provide detailed reports on a periodic schedule including:

- Reports on investments made and businesses in the pipeline
- Status of the Fund
- Individual investment info including type, amount and demographics on the company, job creation information, etc.
- Annual audited financial statements

Regular monthly meetings to assess progress, performance, and pipeline development

DEDO will hold investment committee seats (2) and a board seat (1)

DEDO staff will have direct access to the Customer Relationship Management system used by NCTF-D that allows us to gather real time data as needed

Administrative and Management Fees

- NCTF-D will be compensated for administration of the fund at a rate of 2%

- Administration includes core elements of program development, outreach, managing the intake, application and evaluation process, building, managing, maintaining and compensating the professional service and technical assistance provider network, recommending and connecting with professional services and technical support providers, and deploying managing the investment funds

- Full time dedicated staff member within NCTF-D to oversee and manage the progress of our fund

Action requested: Your support as we move Resolution 22-1271 through the City Council process. This investment on Denver's part will have a positive and compounding impact on our community.

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Thank You

Appendix 1: Herman Malone Fund Naming

- Herman Malone (1947-2021)
- One of Denver's Black trailblazing business owners
- Brought many innovative, challenging, and equity-driven ideas to the city
- Chaired the National Black Chamber of Commerce