

Rocky Mountain Restoration Initiative (RMRI)
September 14, 2022, 1:00 PM – 3:00 PM
RMRI Biomass Utilization Subcommittee
Meeting Summary – FINAL

RMRI BIOMASS UTILIZATION SUBCOMMITTEE

ATTENDANCE: Tom Gougeon, Aaron Green, Whitney Johnson, Mike Landes, Molly Pitts, Garrett Stephens, Tim Reader, Garrett Stephens, Nathan Van Schaik, and Laura Wolf

ACTION ITEMS

Tim Reader	<ul style="list-style-type: none"> • Send legislative updates to Samuel Wallace to distribute to the Subcommittee. • Send the meeting agendas for the upcoming Biochar events occurring in Montana and Durango to Samuel Wallace to distribute to the Subcommittee. • Send information on the Great Plains Biochar Initiative to Samuel Wallace to distribute to the Subcommittee. • Send information on the Oregon mass timber coalition that received a substantial grant to Samuel Wallace to distribute to the Subcommittee.
Laura Wolf	Send the pamphlet on the Rocky Mountain Research Station biochar research summary to Samuel Wallace to distribute to the Subcommittee.

MEETING SUMMARY

DISCUSSION TOPIC: Business Expansion and Recruitment Assistance

<p>Discussion Points:</p> <ul style="list-style-type: none"> • Mike Landes, Colorado Office of Economic Development and International Trade (OEDIT), joined the Subcommittee meeting as a guest speaker to explain Colorado business recruitment and state incentives. • OEDIT’s encouragement of business expansion into Colorado depends on the local community’s existing capacity and resource availability. OEDIT asks three major questions when considering the expansion of a new business. <ol style="list-style-type: none"> 1. How competitive is Colorado’s bid compared to incentives offered by other states? 2. Will the annual wage for employees be higher than the community’s average wage? 3. Can this business support adding 20 employees over the next 20 years? • OEDIT wants a broader approach to promote business expansion in Colorado’s local municipalities. Colorado does not provide funds to offset upfront costs, like other states. To offset this, OEDIT offers several tax incentives and programs: <ul style="list-style-type: none"> • The Job Growth Incentive Tax Credit is a tax credit that offsets state-based taxes on payroll. This tax incentivizes businesses to hire and retain employees. The tax credit operates over an eight-year period, but businesses can delay the application of the credit to allow themselves to become revenue positive. • The Strategic Fund Jobs Growth Incentive Program will match a local government’s funding allocated to business expansion. The Strategic Fund Jobs Growth Incentive Program generally provides less funding in the long term than the Job Growth Incentive Tax Credit, but some businesses use the Strategic Fund Jobs Growth Incentive Program because they prefer to have upfront funds. • The Rural Jump-Start tax credit helps new businesses start in or move to rural and economically distressed areas and hire new employees. 	<p>Decisions/Action Items: None.</p>
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<ul style="list-style-type: none"> • There are three main requirements to qualify for Colorado tax credit and incentive programs: <ul style="list-style-type: none"> ○ The business must be considering at least one other state as a location. ○ The average wage of any new job must be higher than the average annual wage of the community. ○ The business has to hire 20 new positions over eight years. • When a business approaches OEDIT with a proposal, the state will assist in property selection. OEDIT will reach out to communities and give them a few weeks to respond with property options for the business. Once a business is established, OEDIT will follow up with the company to offer incentives like staff training and capital loans for expansion. • Around 73 percent of businesses that applied for an incentive in Colorado within the past year have moved to Colorado. • The promotion of biomass utilization in Colorado is new for the state, and the state currently has no defined legislation outlining incentives for biomass businesses. • If local partners know of a business within the biomass and forestry sector interested in establishing itself in Colorado, they should reach out to OEDIT to see if the business qualifies for incentives. 	
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DISCUSSION TOPIC: Legislation Related to Biomass Utilization

<p>Discussion Points:</p> <ul style="list-style-type: none"> • State legislators have demonstrated an interest in supporting forest management activities and fuels mitigation programs. • Some state legislators are considering a bill to support internships for timber industry and timber-related businesses. They have also expressed interest in supporting biomass utilization through financing and a potential grant program. • The Wildfire Matters Review Committee is considering several potential bills. Some of the proposed legislation that the Committee is considering include: <ul style="list-style-type: none"> ○ An increase in wildfire mitigation funding and nurseries ○ Promotion of wildfire-resistant homes and fire investigation ○ An increase in funding for industry equipment purchases and additional training programs ○ Wildlife protection regulations • In last year’s legislative session, there was a bill that established a timber industry internship program, expanded the sales tax exemption for the use of beetle-kill material, and established a tax incentive for forestry equipment purchases. The timber industry internship program was popular among legislators, but the other two were not due to the large fiscal note associated with them. This year, the plan is to separate the internship program from the other two tax incentives. • One prospective bill will allocate funding to a low-interest loan program that Colorado State Forest Service (CSFS) runs. This loan program is for forestry businesses upgrades or for purchasing new equipment. 	<p>Decisions/Action Items:</p> <ul style="list-style-type: none"> • Tim Reader: Send legislative updates to Samuel Wallace to distribute to the Subcommittee.
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DISCUSSION TOPIC: 2023 Wood Innovations/Community Wood Grants

Discussion Points:

- Due to additional funding allocated through the federal infrastructure bill, the US Forest Service (USFS) will be announcing a new program to support businesses utilizing forest biomass. The new program will support established or new facilities utilizing material from National Forest Service or tribal lands. The program will be more flexible than the existing Wood Innovation and Community Wood programs.
- Grant proposals will be due 30 days after the announcement of the new program, and the review process will be expedited.
- The Wood Innovation and Community Wood grant program deadline has been moved from late October to mid-December. The USFS will announced awarded grants in spring 2023.
- The Inflation Reduction Act will grant \$100 million for wood innovations over the next 5 to 10 years. The USFS Washington Office is deciding whether to apply that funding to an existing program or launch a new program. Some of the funding is earmarked for biomass and transportation subsidies.

Decisions/Action Items:

None.

DISCUSSION TOPIC: Mass Timber

Discussion Points:

- Investors are interested in the Front Range, but infrastructure and the lumber supply issues need to be addressed to make the Front Range more inviting to new timber businesses.
- Mass timber companies are aware of the high demand for wood products in the Front Range and want accurate estimates of available resource capital.
- University of Colorado – Colorado Springs is interested in conducting an infrastructure analysis of the Front Range and identify opportunities for the use of mass timber.
- The Gates Family Foundation is meeting with stakeholders to explore the opportunity to fund a feasibility study to promote mass timber in Colorado.

Decisions/Action Items:

None.

DISCUSSION TOPIC: Other Updates

Discussion Points:

- The City of Hayden met with Xcel Energy and the USFS to collaborate on a supply agreement. As of last week, plans are moving forwards.
- The RMRI meeting in October will include a tour of Timber Age Systems and the Aspen Wood Products in Durango.
- The Western State Foresters annually publish a report on emerging biomass markets. Their report will be available at the end of the year.
- The USFS is hosting a biochar conference in Durango. The conference will focus on mine reclamation, recent discoveries and growing interest.
- The USFS is hosting another biochar conference in Montana. That conference will focus of agricultural uses of biochar.
- A coalition of mass timber businesses received a \$40 million grant award. Using mass timber to construct affordable housing was deemed a major consideration for the allocation of funding.
- There are several applicants in Teller and El Paso County that are interested in applying for the CSFS Forest Restoration and Wildfire Risk Mitigation (FRWRM) grant but are limited due to a lack of contractors along the Front Range.

Decisions/Action Items:

- **Laura Wolf:** Send the pamphlet on the Rocky Mountain Research Station biochar research summary to Samuel Wallace to distribute to the Subcommittee.
- **Tim Reader:** Send the meeting agendas for the upcoming Biochar events occurring in Montana and Durango to Samuel Wallace to distribute to the Subcommittee.
- **Tim Reader:** Send information on the Great Plains Biochar Initiative to Samuel Wallace to

- Colorado Springs Utilities was exploring options to transport timber via train. Railcars are not a viable interstate transportation option for timber due to risks of insects and disease.
- The Colorado Forest Collaborative Network is hosting a regional forum for federal, state, and nonprofit partners in Colorado Springs.

distribute to the Subcommittee.

- **Tim Reader:** Send information on the Oregon mass timber coalition that received a substantial grant to Samuel Wallace to distribute to the Subcommittee.