

# SUMMARY *of* PROCEEDINGS



## JOINT SUBCOMMITTEE ON ECONOMIC DEVELOPMENT

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### SUBCOMMITTEE MEETING INFORMATION

September 30, 2015  
UW at Casper College, Room UU322  
Casper, Wyoming

### SUBCOMMITTEE MEMBERS PRESENT

Senator Bruce Burns, Co-chair  
Representative Norine Kasperik, Co-chair  
Senator Stan Cooper  
Representative Tom Lockhart  
Representative Michael Greear  
Representative Tim Stubson

### OTHER LEGISLATORS PRESENT

Representative Mark Kinner

### LEGISLATIVE SERVICE OFFICE STAFF

Dave Gruver, Director  
Dawn Agar, Senior Fiscal Analyst  
Elizabeth Martineau, Associate Program Evaluator

### OTHERS PRESENT AT MEETING

Please refer to **Appendix 1** to review the Subcommittee Sign-in Sheets for a list of other individuals who attended the meeting.

*The Committee Meeting Summary of Proceedings (meeting minutes) is prepared by the Legislative Service Office (LSO) and is the official record of the proceedings of a legislative committee meeting. This document does not represent a transcript of the meeting; it is a digest of the meeting and provides a record of official actions taken by the Committee. All meeting materials and handouts provided to the Committee by the Legislative Service Office, public officials, lobbyists, and the public are on file at the Legislative Service Office and are part of the official record of the meeting. An index of these materials is provided at the end of this document. For more information or to review meeting materials, please contact the Legislative Service Office at (307) 777-7881 or by e-mail at [lso@wyoleg.gov](mailto:lso@wyoleg.gov) The Summary of Proceedings for each legislative committee meeting can be found on the Wyoming Legislature's website at <http://legisweb.state.wy.us>.*

## **EXECUTIVE SUMMARY**

The Joint Subcommittee on Economic Development met for one day in Casper, Wyoming. The Subcommittee reviewed Wyoming Business Council (WBC) programs, processes, and proposed rules and policy changes, received testimony from the University of Wyoming and WBC staff regarding possible uses for the Science, Technology, and Energy Authority (STEA) account funds, received information from the Wyoming Business Council regarding the use of Challenge Loans for Natural Gas Fueling Infrastructure, as well as the State Treasurer regarding various financing options for private entities, including the Large Loan Program and the Industrial Development Bond Program.

## **CALL TO ORDER**

Co-Chair Kasperik called the meeting to order at 8:06 a.m. The following sections summarize the Subcommittee proceedings by topic. Please refer to [Appendix 2](#) to review the Subcommittee meeting agenda.

## **APPROVAL OF THE MINUTES**

Minutes from the August 27, 2014 Subcommittee meeting were approved ([Appendix 3](#)).

## **WYOMING BUSINESS COUNCIL REVIEW**

Shawn Reese, Chief Executive Officer of the Wyoming Business Council (WBC), introduced WBC board members in attendance and staff. Mr. Reese discussed operations of the WBC, generally, including budget and appropriations information. He presented handouts to the Subcommittee that addressed the recent reorganization of the WBC, building blocks of economic development, the strategic plan, and a new Return on Investment (ROI) tool ([Appendix 4](#)).

Mr. Reese noted that the WBC is using its ROI tool to evaluate all of its programs and services. The results of the ROI evaluation are expected to be completed by July, 2016.

Mr. Reese provided a review and summary of the Business Ready Communities (BRC) Program ([Appendices 5 through 8](#)). He noted that all Business Committed projects are reviewed by the Attorney General for constitutionality and added there are no statutory limits on the size of grants, except for planning grants. Additionally, the evaluation period for projects was raised from three to five years and the WBC has entered into a memorandum of understanding with the Department of Workforce Services to obtain aggregate workforce data.

Mr. Reese noted that the WBC received a large number of comments and one petition related to the proposed BRC rules and policy changes, including suggested alternatives. The WBC will consider the responses and present its recommendations to the WBC Board of Directors during its December 2015 meeting.

The Subcommittee requested that the WBC provide the actual amount of BRC matches and private funds leveraged, rather than projected or anticipated amounts, that the WBC pursue revenue recapture from infrastructure provided to privately owned business parks, and a breakdown of building occupancy by type, e.g. industrial versus retail space.

## **SCIENCE, TECHNOLOGY, AND ENERGY AUTHORITY (STEA) REVIEW**

Ben Avery, WBC Business and Industry Division Director and Bill Gern, University of Wyoming Vice President of Research and Economic Development, presented information regarding the needs of entrepreneurs in the state, the STEA account, and the federally supported Small Business Innovation

Research (SBIR) program. Mr. Gern discussed his handout regarding the SBIR program and the Wyoming Phase 0 Initiative ([Appendix 9](#)), which provides financial assistance to small businesses that apply to the SBIR program. Mr. Avery indicated a bill was introduced in the 2015 General Session of the Legislature (SF138 – Small Business Innovation Research Matching Funds) that would have leveraged STEA funds for purposes of entrepreneurial grants, however, the bill failed passage.

The Subcommittee requested that the WBC and the University provide the percentage of SBIR applicants that receive grants in Wyoming and how many go through Phase 0.

Representative Lockhart moved to recommend that the Joint Minerals, Business & Economic Development Committee reconsider SF138. The motion was seconded and passed by voice vote.

### **NATURAL GAS FUELING INFRASTRUCTURE REVIEW**

Mr. Reese presented a history of the natural gas fueling station project and answered Subcommittee questions regarding the use of the Challenge Loan Program and the BRC Program for these types of projects ([Appendix 10](#)).

### **LARGE LOAN PROGRAM AND THE INDUSTRIAL DEVELOPMENT BOND PROGRAM**

Mr. Avery and Treasurer Mark Gordon addressed the Subcommittee and provided a background and history of the financing opportunities for private entities in the state, including information regarding the Revolving Investment Fund created under Article XVI, Section 12 of the Wyoming Constitution (Amendment IV funds), the Large Loan Program, and the Industrial Development Bond Program (IDB). Mr. Avery summarized past performance of the IDB program and projects.

Treasurer Gordon discussed the Large Loan Program created in 2014 Session Laws, Chapter 46 (SF097 Large Project Economic Development Loans, ([Appendix 11](#)) and suggested clarification may be necessary between SF097 Section 2 (d)(ii)(E) and Section 2 (e)(iii). Additionally, Treasurer Gordon stated that SF097 Section 2 (h) requires the WBC to pay the fees associated with retained experts and not the applicant. The Treasurer also offered other potential changes to the large loan program.

Representative Stubson moved to recommend consideration of two of the Treasurer's suggestions for changes to the Large Loan Program to the Joint Minerals, Business & Economic Development and Joint Appropriations Committees in the Subcommittee's final report. The language of section 2(e)(iii) should mirror that found in 2(d)(ii)(E) and the applicant should be required to pay all the fees of the retained experts. The motion was seconded and passed by voice vote.

### **PUBLIC COMMENT**

Lynne Michelena, Co-Chair WBC Board of Directors, Dick Bratton, WBC Board of Directors, Phil Christopherson, Energy Capital Economic Development, Bill Edwards, Casper Area Economic Development Alliance, Randy Dyess, Chris Brown, Wyoming Economic Development Association, Robert Briggs, Wyoming Economic Development Association and the City of Sheridan, and Shelly Simonton, Wyoming Association of Municipalities, provided brief comments to the Subcommittee, thanking members for their work on economic development issues.

Maureen Bader, Wyoming Liberty Group, provided brief comments to the Subcommittee generally opposing state funded support of private entities, as it is contrary to allowing market forces to determine economic outcomes.

Mark Gordon, State Treasurer, and Shelley Simonton provided brief clarifying comments to the Subcommittee regarding the natural gas project as a public utility.

Mr. James Klessens, Forward Cody CEO/President, presented an update of the Cody Labs Project. The project met delays due to finding underground oil storage tanks on the land set for expansion. While the large project funding legislation would have proved helpful for the project, the underlying business entity has done so well recently, he encouraged the state to use the large project funding for other projects if those projects meet the criteria of the statute.

#### **ANNOUNCEMENTS**

Co-Chair Kasperik reviewed the Subcommittee's charge and the Subcommittee discussed the final report required by its enabling legislation. The Subcommittee asked LSO staff if it was appropriate to make a recommendation that the Management Audit Committee should take action on the large project legislative changes, since that Committee has studied public purpose investments. LSO staff suggested that as long as the report was provided to the Joint Minerals, Business & Economic Development and Joint Appropriations Committees, as required by law, it would not be inappropriate to also provide the final report to the Management Audit Committee with a suggestion to examine the issue further.

Representative Stubson moved that the preliminary subcommittee report provided last year ([Appendix 13](#)) be used as a basis for the final report, which should include the four recommendations discussed earlier and noted above (i.e. consideration of 2015 SF0138, two changes to the large project legislation, and sending the final report to the Management Audit Committee). The Co-Chairs will work with LSO staff to write the final report, providing a draft for the Subcommittee to vote on by e-mail ballot in time for the Joint Minerals, Business & Economic Development and Joint Appropriations Committees to consider at their October meetings. The motion passed unanimously.

#### **MEETING ADJOURNMENT**

There being no further business, Co-Chair Kasperik adjourned the meeting at 4:02 p.m.

Respectfully submitted,

Representative Norine Kasperik, Co-Chair

# Subcommittee Meeting Materials

Appendix	Appendix Topic	Appendix Description	Appendix Provider
1	Committee Sign-In Sheet	Lists meeting attendees	Legislative Service Office
2	Committee Meeting Agenda	Provides an outline of the topics the Subcommittee planned to address at meeting	Legislative Service Office
3	Approval of the Minutes	Minutes of the Subcommittee Meeting on August 27, 2014	Legislative Service Office
4	Wyoming Business Council (WBC) Review	WBC Overview Handouts: Org Chart, Economic Development Process, Strategic Plan, ROI Tool (2), Appropriations and Available Funds	WBC
5	Wyoming Business Council (WBC) Review	2015 Business Ready Community (BRC) Program Overview	WBC
6	Wyoming Business Council (WBC) Review	BRC Program Guiding Principles	WBC
7	Wyoming Business Council (WBC) Review	BRC Project Summary	WBC
8	Wyoming Business Council (WBC) Review	BRC Rules Change Matrix	WBC
9	Science, Technology, and Energy Authority (STEA) Review	Small Business Innovation Research – Matching Funds	University of Wyoming
10	Natural Gas Filing Stations Review	Financing and Challenge Loans for Natural Gas Fueling Stations	WBC
11	Large Business Loans and IDB Review	2014 SF0097 Large Project Economic Development Loans	Legislative Service Office
12	Miscellaneous	2014 Draft Committee Report	Legislative Service Office
13	Miscellaneous	2014 SF0100 Business Ready Community Program Modifications	Legislative Service Office