

ONE-YEAR REPORT ON HB-1199
Colorado Healthy Forests and Vibrant Communities Act of 2009
Revolving Loan Fund

SUBMITTED BY
COLORADO STATE FOREST SERVICE



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Introduction

In 2009, the Colorado General Assembly authorized House Bill 09-1199 (HB-1199), creating the Colorado Healthy Forests and Vibrant Communities Act. The bill increases efforts to address wildfire risk, provides resources to the Colorado State Forest Service to augment technical outreach capabilities, and provides loans and grants for market-based forest treatment solutions to reduce wildfire risk. This report, required by the legislation and prepared by the Colorado State Forest Service, provides an update on the revolving loan fund (hereafter referred to as the Forest Business Loan Fund or FBLF). The purpose of the FBLF is to help retain forest-based businesses, maintain and/or increase local jobs, and contribute to the stability of local economies.

Framework of HB-1199 Alternatives Developed and Selected

A framework of alternatives was compiled to explore the different options for establishing the Forest Business Loan Fund. The three alternatives were:

1. The Colorado State Forest Service and Colorado State University would provide loans directly to businesses
2. The CSFS would pass-through HB-1199 FBLF funding to existing Business Loan Fund organizations and provide technical assistance and support to the recipients
3. HB-1199 FBLF funding would be rolled into a Department of Commerce Economic Development Application

After all alternatives were evaluated, the second alternative was selected. HB-1199 FBLF funds will be allocated to Region 12 and 13 Business Loan Fund Organizations, with direct support from the Colorado State Forest Service.

Commitment of Business Loan Fund Organizations

Formal commitments and leveraged funding have been established by Region 12 and 13 Business Loan Fund (BLF) organizations. Regions 12 and 13 were selected due to the significant environmental and economic impact from the current mountain pine beetle outbreak and other forest health concerns in those 15 counties. Counties within the two regions include: Moffat, Routt, Jackson, Rio Blanco, Garfield, Grand, Eagle, Summit, Pitkin, Chaffee, Custer, Fremont, Lake, Park and Teller.

Loan Criteria Established

Qualitative rating criteria have been established for all applicants. Applications will be evaluated and measured based on the following objectives:

- Business retention and expansion
- Contributions to rural community stability
- Operational experience and reputation
- Capacity of applicant to retain and create jobs
- Loan fund promotion and publicity

Loan Process Developed

The CSFS and Business Loan Fund organizations will conduct FBLF informational workshops to provide access and information on business, technical and marketing assistance. The CSFS will solicit one to two pre-loan concept ideas to initiate the proposal screening process. Following initial screening, staff and business development consultants will meet individually with prospective loan applicants to review the merit of their technical, financial and marketing strategies. The application rating and recommendations from CSFS will be forwarded to Region 12 and 13 BLF organizations for processing using their existing land-application procedures.

Current Status

In early June, CSFS staff presented the Forest Business Loan Fund program concept to the Governor's Office of Economic Development in order to generate support for a statewide loan fund that would reach all BLF regions. The CSFS currently is working with Colorado State University and Region 12 and 13 BLF organizations to establish formal contractual agreements.

Contact Information

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