

Purpose

The purpose of the Advanced Industry (AI) Infrastructure Funding program is to provide support to projects that develop the business infrastructure necessary to grow Colorado's AIs. Colorado's AIs are aerospace, advanced manufacturing, bioscience, electronics, energy, infrastructure engineering, and technology and information. The Colorado Office of Economic Development and International Trade administers the program with support of Colorado Advanced Industry trade associations and the state's Economic Development Commission.

Program Description

Advanced Industry Infrastructure Funding Grants provide state funding to collaborative projects that will have a broad, industry-wide impact across one or more of Colorado's AIs. The range of possible projects is broad, but each project should have a well-defined scope and objectives. Examples *may* include projects that provide workforce training, shared working space or equipment, or mentorship for Colorado companies.

Eligibility

In order to be eligible for funding projects must meet the following requirements:

- Significantly impact one or more of Colorado's AIs
- Demonstrate the collaboration of multiple industry partners
- Demonstrate the availability of necessary matching funds. Matching fund requirements are \$2:\$1 (non-state funding : state funding).

Projects meeting the eligibility requirements will be eligible for up to \$500,000 in grant funding. The minimum size of grants awarded is \$50,000.

Preferences

Projects that align with one or more of the opportunities and purposes identified below will be given preference during the application review process.

- Have significant impacts on multiple AIs
- Originate from a nonprofit research institution
- Focus on applied R&D, technology acceleration, or production/manufacturing facilities
- Focus on workforce development
- Address the specific opportunities identified by Colorado's Advanced Industry Assessment Report (see attached list of opportunities)
- Directly assist with state recruitment or retention efforts
- Demonstrate ability to deploy funding and demonstrate significant impacts within a 12 month time frame

Application Process

- Online grant applications can be accessed at: <http://www.advancecolorado.com/funding-incentives/financing/advanced-industries-accelerator-programs>
- Submission deadlines are the fourth Friday of March and September on an annual basis, conditional on the availability of funds.

For more information please contact Katie.woslager@state.co.us

Additional Application Guidance

Project Types

1. Projects should address a specific gap in the Advanced Industry ecosystem that is well documented. For example, the development of a new workforce training program should provide evidence that the provided skill set or certification provided is in high demand by Colorado's Advanced Industry companies.
2. Proposals should not include requests for the funding of existing programming or operational costs.
3. Any funding requests for new programs should be focused on the initial capital costs necessary for program development. Additionally, these requests should identify sources beyond this grant that will meet the current and future operational costs associated with the proposed program.

Matching Funds

1. While complete matching funds are not required at the time of application or award, all grant payments will be conditional upon the documentation and expense of the correlating required matching funds. Additionally, applications with well documented funding sources will be reviewed more favorably.
2. If an application does not have matching funds available at the time of the application, a detailed strategy for acquiring these matching funds over the course of the grant period should be in place. This strategy should be outlined in the application.

Reviewers

1. All applications will be reviewed by both OEDIT and an external set of industry stakeholders.
2. OEDIT staff will review the application to ensure eligibility and identify any major concerns, especially as they may relate to Colorado's Advanced Industry strategy.
3. An external panel of industry stakeholders including private and public industry stakeholders will review these applications for quality and make funding recommendations. These experts can be assumed to have a Master's level education or equivalent experience and be familiar with the Colorado Advanced Industry ecosystem.

Budget

1. Each application should include a detailed budget outlining all anticipated project expenses.
2. When listing expected personnel and equipment expenses, be as detailed as possible. Categorical labels such as "manufacturing equipment" and "management personnel" do not provide detail adequate for a thorough review.
3. Project budgets should not include the salaries of personnel or equipment vital to the continued success of an organization absent the proposed new resource or programming.



Educate and Train the Workforce of the Future	
Opportunity	Issue
<p>Create a STEM educational experience that integrates industry needs with academic programs, and places a shared responsibility for education, training, and employment with both educational and industrial institutions. The current process for training and placing students is ineffective, resulting in higher costs to industry and students. A coordinated effort could reduce the cost and time required to train, recruit and employ students.</p>	<p>Industry representatives were generally in agreement that new graduates (high school and collegiate) lack basic technical skills because the process of coordinating entry into the workforce is haphazard or ineffective. This results in high recruitment and retraining cost. Industry representatives were also keen to point out that collaboration with academic institutions could be improved (at both the collegiate and high school levels) to support employment through internships and identifying industry needed curricula and training.</p>
<p>Increase academic achievement standards to be competitive globally (as opposed to just nationally). Students often lack fundamental skills, yet they must now compete in a global job market. Use of a global standard in primary education could provide Colorado with a competitive advantage with business recruitment and offer students value in completing a credential recognized beyond the US.</p>	<p>Academic standards were cited by industry representatives as inadequate and no longer competitive on a global scale. Additionally, national educational standards (past and present), such as those under the “Common Core” or “No Child Left Behind,” were questioned by survey participants as potentially serving non-academic or non-career oriented goals, instead of supporting academic and knowledge growth.</p>
<p>Provide the resources for primary education to improve Colorado’s technical educational base. Increased resources are needed to provide access to expensive equipment and specialized training that are critical to AIs.</p>	<p>While statistics vary widely on where Colorado ranks in terms of educational support, most participants and research noted that Colorado’s spending per student at public research universities is among the bottom half, if not among the lowest group nationally. Additionally, there is a growing divide within the State between affluent school districts and other districts in terms of readiness for AI related work.</p>



Retain, Recruit, and Grow Businesses	
Opportunity	Issue
<p>Use Colorado’s quality of life and image to recruit businesses and risk capital. The draw of Colorado’s outdoor recreation coupled with a moderate cost of living (when compared to major metropolitan areas nationally) has attracted a disproportionate number of young, well-educated individuals. A word of caution should be noted with this approach. While touted publicly, executives privately identified ‘quality of life’ as a minor consideration for business purposes. While Colorado’s image is clearly a strength, some participants were also concerned that this image was being eroded when referencing the expansion of recreational drug laws and the perceived impact to worker productivity.</p>	<p>One of Colorado’s strengths is its drawing power for individuals who enjoy a social, outdoor lifestyle. Survey, focus group, and independent research have indicated that Colorado presents an image of a very high quality of life related to its outdoor recreation, culturally ‘relaxed’ attitude, and a low cost of living. Whether it’s a Forbes listing for a best place for young professionals, or Ski Magazine’s reviews of resorts, this image is cited by many professionals OEDIT spoke with as a reason for relocating to Colorado. In other words, the desire for individuals to move to Colorado for noneconomic reasons indicates there may be added competition for employment – keeping employment costs relatively low for talented, healthy professionals.</p>
<p>Help companies understand their own, external supply through new digital manufacturing technologies to prevent supply disruptions and identify efficiencies. This would include helping organizations understand what products can be sourced locally for their supply chain, as opposed to what must be imported for production. Focus group participants from the aerospace industry noted that local production of goods within the supply chain support a broader ‘ecosystem’ around product types and promoted growth within the industry itself.</p>	<p>With access to vast volumes of manufacturing and logistics data, and emerging analytic technologies, industry participants noted that they could realize logistics efficiencies and develop supply diversification strategies similar to companies with vertically integrated supply chains if they had support or guidance to ‘map’ the external supply chain.</p>
<p>Identify potential trends and causes related to the departure of medium (\$500M+ revenues) and large (\$1B+ revenues) companies from Colorado. Identify trends or root causes that can be addressed by the State. Additionally, explore underlying factors that companies use to select or reject Colorado for relocation.</p>	<p>There is no easily accessible data on why companies leave, why investors choose to sell, or how many companies relocate their headquarters and operations in and out of Colorado. There is however anecdotal evidence that medium and large companies leave Colorado as often new companies are acquired. Why does this matter? According to the National Philanthropic Trust, Americans tend to give more to charity and to invest more in new businesses where they live. Wealthy Americans contribute a disproportionate amount to charities and investments.</p>



Support Access to Risk Capital	
Opportunity	Issue
Address the issue (or perception) that risk capital is difficult to obtain in Colorado through effective communications, while working to improve access. Entrepreneurs struggle to secure initial rounds of funding locally; the continued narrative around the topic may also perpetuate and exacerbate the problem.	The availability of risk capital (i.e., equity investment) is challenging to obtain locally, particularly among the Bioscience community. This message, while true, is well known among Colorado entrepreneurs and continued discussion of this issue may be deterring investors.

Build a Business Friendly Environment	
Opportunity	Issue
Consider addressing critical tax incentives for manufacturing organizations, such as phasing out personal property tax for qualified manufacturers. A word of caution, some States are offering 'tax free zone' incentives to lure in companies. Often these are start-up organizations that typically would not contribute heavily to a tax base immediately. These incentives have been publicly criticized and derided by established businesses as promoting an unfair business climate.	States around the country are beginning to implement aggressive tax policies to spur investment in start-ups, attract new companies, and to support the renovation of facilities. To be competitive, OEDIT should consider working with the State Legislature to determine what it can support under current statutes to keep Colorado competitive with other States, while balancing the need for tax revenue.

Cultivate Innovation and Technology	
Opportunity	Issue
Work with Federal partners to provide incentives to universities that promote research into commercially viable technologies that can be readily transferred for industrial use.	A common perception among focus group participants, especially in the Aerospace and Technology and Information groups, was that university research was self-aggrandizing, conducted solely with the intent of publication, instead of practical application. While fundamental scientific research is critical, adjusting some academic research to incorporate commercialization of discoveries may provide economic benefits.



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2015 Advanced Industry Assessment Opportunities and Issues