

Strategic Fund

Purpose

The Strategic Fund provides a cash incentive commitment to businesses that have met certain requirements under the Economic Development Commission's (EDC) Strategic Fund.

Funding Source

This program will utilize a number of fund sources.

The State's Role

The Colorado Office of Economic Development and International Trade (OEDIT) provides administrative support for the EDC. The EDC has oversight authority for this job creation cash incentive program along with providing economic development grants in support of key industries and regional development initiatives. Global Business Development Staff may present a job creation cash incentive introduction to the EDC and will work with businesses to obtain a completed application for review by the Business Funding and Incentives Staff.

Requirements

A business may receive funding consideration if it proposes to create net new full-time permanent jobs (jobs) in Colorado that are maintained for at least one year.

In addition, a business must materially meet the circumstances noted below:

- Strong level of local matching commitments (\$1:\$1 requested)
- Potential for economic "spinoff" benefits, such as attracting suppliers, generating tourism/travel activity, high prestige, or a large expansion initiative
- Significant capital investment, relative to the number of jobs (significant capital investment is \$100,000 or > per employee)
- Responds to a special local economic event, such as replacing recent lay offs
- Inter-state competitive factors
- Headquarters in Colorado
- Other unique conditions

The business will need to demonstrate feasibility and financial capability along with the ability to create the number of jobs committed.

Business decisions clearly moving forward without assistance from the EDC will not be considered for funding if an announcement is made prior to an introduction to the EDC.

Businesses already receiving an incentive from another EDC program (Job Growth Incentive Tax Credit or Performance Incentive Fund) may not receive an incentive from the Strategic Fund for the same net new full-time permanent jobs.

Incentive Tables

The following tables reflect potential incentive levels based on the annual average wage rate of a businesses' committed creation of net new full-time permanent jobs compared to the county average wage rate (county source: Quarterly Census of Employment Wages (QCEW) Annual Tables provided by the Department of Labor and Employment). The annual average wage rate calculation does not include benefits.

Enterprise Zone	
Annual Average Wage Rate %	\$ Incentive / Eligible Job
100%	\$2,000
110%	\$3,000
120%	\$4,000
130% or >	\$5,000

Non-Enterprise Zone	
Annual Average Wage Rate %	\$ Incentive / Eligible Job
110%	\$2,500
130%	\$3,500
150% or >	\$5,000

Businesses that are considering multiple sites within the State will be provided several options based on the Incentive Tables and funding availability.

Additional Consideration

Additional consideration may be given to businesses that do not meet the EDC's minimum 100% annual average wage rate requirement (based on the Department of Labor and Employment's QCEW Annual Tables) if the following criteria is met:

- The business is located in (or will be located in) a designated Enhanced Rural Enterprise Zone at the time of its introduction to the EDC;
- The local community provides rationale to the EDC outlining the businesses' economic importance to the community; and
- The local community requests consideration for use of an alternative wage rate source and provides documentation that supports that the businesses' annual average wage rate is higher than the annual average wage rate paid by private employer's within their jurisdiction.

Additional consideration may be given to businesses within Key Industries on a case-by-case basis.

Process

Businesses interested in requesting a Strategic Fund job creation incentive should work with their local economic development representative and contact OEDIT's Global Business Development Staff. Applications will be reviewed by Business Funding and Incentives Staff and then presented, with a staff recommendation, to the EDC for its consideration at one of the EDC's bimonthly meetings. The business to be assisted and the local economic development representative are encouraged to participate in the EDC meeting. Upon receiving all necessary approvals, the Business Funding and Incentives Staff will begin the contract implementation process.

The EDC reserves the right to approve, deny or vary from these guidelines as necessary and appropriate and delay any decision due to budgetary constraints.