

COLORADO OFFICE OF ECONOMIC DEVELOPMENT AND INTERNATIONAL TRADE

ANNUAL REPORT | 2017



COLORADO
Office of Economic Development
& International Trade

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LETTER FROM GOV. JOHN HICKENLOOPER & EXECUTIVE DIRECTOR STEPHANIE COPELAND

Dear Colorado General Assembly and Colorado Economic Development Partners,

2017 has been a historic year of opportunity and growth in Colorado. From our ranking as U.S. News & World Report's top overall state economy to national recognition as the number one state job market, we have witnessed unprecedented growth and prosperity.

We choose to call Colorado home and, with our business-focused environment and vibrant quality of life, companies from around the nation and around the world are choosing Colorado as well. This year's report outlines how we have captured the attention of business leaders who have, in turn, partnered with Coloradans to grow business and create opportunity across the state.

With opportunity comes responsibility and, during this time of unparalleled growth, we are mindful to ensure that communities and generations are not left behind. Technology and innovation are thriving in our business centers, yet we know that shared success is sustained success.

That's why initiatives such as Colorado Blueprint 2.0 continue the commitment to share innovation, access to capital and vital networks with all regions of our state. When we share our technology, talents and resources across Colorado, we unlock our true potential not only from corner to corner but from generation to generation.

But there's work ahead. 2018 offers real opportunity to build on shared success and turn momentum into a lasting legacy. Success will be measured both by the height of our achievements and the breadth of our reach. Our world continues to change and, while our state has opened a global bridge to tomorrow, we remain committed to ensuring that all of Colorado is on the path to prosperity.

Thank you for supporting Colorado!



John W. Hickenlooper
Governor, Colorado



Stephanie Copeland
Executive Director,
Colorado Office of Economic Development
and International Trade

MISSION:

The Colorado Office of Economic Development and International Trade's (OEDIT's) mission is to advance a thriving Colorado economy by growing jobs, growing net business starts and maintaining a low unemployment rate.

Our office includes the divisions of Global Business Development; Colorado Innovation Network (COIN); Business Funding & Incentives; Colorado Tourism Office; Colorado Outdoor Recreation Industry Office; Colorado Film, Television & Media Office; Minority Business Office; and Colorado Creative Industries, all of which contribute to OEDIT's mission and help keep Colorado at the forefront of the global economy.



STRATEGIES

We continue to use the framework established in the Colorado Blueprint to attract, retain and expand business, to create jobs and to foster a more globally competitive Colorado. Our strategies:

1. Ensure strong rural focus for business growth initiatives;
2. Define and employ an industry focus for business attraction, retention and expansion initiatives;
3. Apply technology to enhance existing ERP System (CORE) and internal control;
4. Improve customer service by decreasing administrative requirements.

This annual report will highlight accomplishments by each OEDIT division in working towards these goals.

GLOBAL BUSINESS DEVELOPMENT

The Global Business Development (GBD) division continues to elevate Colorado businesses and communities by using a data driven approach to recruit, support and retain companies and businesses that contribute to a robust and diversified economy, providing the right jobs for Coloradans.

GBD is focused on aligning its portfolio of programs, services, and incentives within industries that strategically and operationally benefit companies currently in Colorado, while also recruiting and expanding occupations that are forecast to grow. GBD's portfolio of services includes: export services and promotion, foreign direct investment, recruitment, retention/expansion, data and analytics and the Advanced Industries (AI) Accelerator Grant Program.

GLOBAL BUSINESS DEVELOPMENT HIGHLIGHTS

NOTABLE BUSINESS RECRUITMENT, RETENTION AND EXPANSION PROJECTS

- ▶ Notable company recruitments included BP Lower 48's expansion to Denver in late 2016, and the successful recruitment of JM Smucker LLC. JM Smucker LLC chose Longmont, Colorado as the final location for a new build-to-suit food production facility that is slated to create up to 382 new jobs and will include millions in capital investment. This project was one of the most energy-intensive of the year and will have outsized impacts for the region.
- ▶ Other headquarters recruitment projects included Viveve, a women's health care company, and Inocucor, a biotech company applying patented biological accelerators for agriculture. Furthermore, Vertafore elected to relocate its headquarters from the Seattle, WA region to Denver after the company found an initial expansion here to be so successful.
- ▶ Notable expansions included Ball Aerospace and Technologies and Charter Communications. The Colorado Office of Economic Development and International Trade also worked to support the expansion of many equity-backed companies into the region. These companies, slated for rapid growth, include Marketo (based in San Francisco) and Vertafore.

DATA BACKED STRATEGY

- ▶ GBD focused on a second year of data collection to better understand the business community. The data collected was used to create a business retention and expansion analysis, startup community analysis and an outdoor recreation industry analysis.
- ▶ GBD updated the team's data-backed strategy for domestic and foreign recruitment and retention of companies to Colorado. This strategy is based on industry clusters and high demand occupations.
- ▶ OEDIT leadership led a Trade Mission to Europe in April 2017; some of the countries visited included Italy, France and the United Kingdom. This trade mission engaged Colorado businesses and thought leaders throughout the European market. The main goal of the trip was to strengthen Colorado's relationships and support OEDIT's efforts in developing unique economic opportunities to create and retain jobs in the state. Focusing on key industries within these countries and Colorado allowed OEDIT to promote our state's innovative economy and business environment to potential foreign investors.

OEDIT WORKED ON
32
JOB GROWTH INCENTIVE TAX CREDIT PROJECTS AND
4
STRATEGIC FUND PROJECTS

GLOBALLY COMPETITIVE

- ▶ OEDIT hosted foreign dignitaries and business delegations from around the world, including the Charge d'Affaires of at the Embassy of Belarus. OEDIT also participated in a delegation hosted by Colorado's Chinese sister state, Hunan Province, as a part of an education exchange and presented on higher education, vocational training and business collaboration in Colorado.
- ▶ Business delegation highlights include: a Chinese business delegation interested in cleantech; a German business delegation interested in small business and manufacturing; and an adviser to the Prime Minister of India who visited OEDIT to learn about electric vehicle technologies in Colorado.

ADVANCED INDUSTRIES ACCELERATOR GRANTS PROGRAMS

- ▶ OEDIT continues to convene and engage with business leaders and stakeholders in creating actionable objectives and plans to grow businesses and create jobs in each of the state's seven advanced industries. The AI Accelerator Grants Program offers four types of grants and two global business programs. Grants are available for Proof of Concept, Early-Stage Capital & Retention, Infrastructure Funding, and AI Exports.
- ▶ Funding was provided for 30 Early Stage companies, 42 Proof of Concept recipients and 4 Infrastructure Grants for a total of 76 grants totaling \$14,072,107 awarded.
- ▶ The AI program generated 534 jobs, retained 630 jobs and helped secure \$18,530,513 in follow-on capital to the state. Additionally, 29 new patents have been filed and nine new licenses created.
- ▶ Approximately \$215,000 was awarded to 29 companies through the AI Export Accelerator program, including 16 export grants recipients and 13 recipients of services through the Global Consultant Network.
- ▶ The AI Export Program generated 23 jobs and retained 53 jobs and helped to secure \$2,282,153 in export sales.

NOTABLE ACCOMPLISHMENTS

- ▶ The State of Colorado was awarded another US Small Business Administration export grant for the GBD-managed State Trade Expansion Program (STEP). STEP helps small and medium-sized companies begin or expand their export sales. The grant funded 50 companies and generated \$4,118,500 in export sales. As part of the STEP program, GBD took delegations of Colorado companies to three trade shows, including The Green Expo in Mexico City, Feiplar Composites Show in São Paulo, and ISPO in Munich. GBD applied and was awarded another grant for the upcoming fiscal year.
- ▶ In April 2017, OEDIT's Aerospace and Defense Champion hosted the second annual Dream Big Event at Eads High School in Eads, Colorado. Dream Big brought together 250 students from 12 southeastern Colorado schools and connected them with industry leaders from Colorado's top technology companies and universities, increasing student exposure and interest in pursuing STEM-related careers through hands-on demonstrations and interactive activities.



BUSINESS FUNDING & INCENTIVES

The Business Funding and Incentives (BF&I) division works closely with the Global Business Development division (GBD) and the Colorado Economic Development Commission (EDC) to provide the funding and performance-based incentives needed to create and retain jobs in Colorado. BF&I manages and oversees multiple funding and incentive tools, including debt and equity financing, cash incentives, grants and tax credits that support economic development activities in Colorado. Additionally, BF&I assists businesses by referring them to potential financing options offered by other sources of local, state, federal and private funding.

BUSINESS FUNDING & INCENTIVES HIGHLIGHTS

STRATEGIC CASH FUND

The Strategic Cash Fund program supports and encourages new business development, business expansions and relocations that have generated new jobs throughout the state. Four Strategic Incentives projects received approval during Fiscal Year 2017 for up to \$1.6 million in cash incentives associated with the future creation of 930 jobs. In addition, six Strategic Initiatives received approval for up to \$4.7 million in cash incentives.

JOB GROWTH INCENTIVE TAX CREDIT

The Job Growth Incentive Tax Credit program provides a state income tax credit to businesses undertaking job creation projects that would not occur in Colorado without this program. During the fiscal year, 3 projects received approval for up to \$195 million in tax credits associated with the future creation of 9,400 jobs.

RURAL JUMP-START ZONE

The Rural Jump-Start Zone program provides tax relief to new businesses and their new hires that are located in certain economically distressed areas of rural Colorado. Companies participating in the Rural Jump-Start program must have a relationship with a local or regional higher education institution in the state, must be new to Colorado, must export goods or services outside their county and must not compete with an existing Colorado business. As of June 30, 2016, nine companies have been approved for participation in the Rural Jump-Start program, anticipating the creation of 263 new jobs. These companies are based in Mesa County, and include a company doing research on oil shale, a developer of a biodegradable, recyclable plastic and a company offering advanced laboratory analytics. Five counties had formed zones as of June 30, 2017.

CDBG DISASTER RECOVERY PROGRAM

The Recover Colorado Business Grant and Loan program is funded through a federal Community Development Block Grant Disaster Recovery Program (CDBG-DR) award to the State of Colorado to address the impacts of the 2012 and 2013 floods and wildfires. 88 new businesses have submitted applications requesting a total of \$3.9 million in assistance and 50 new awards have been granted totaling \$1.3 million. Per the statute, 77 percent of the dollars awarded to date are in the three most impacted counties: Boulder, Larimer and Weld.

ENTERPRISE ZONES

The Enterprise Zone program provides state income tax incentives to encourage businesses to locate and expand in designated economically distressed urban and rural areas of the state. Enterprise Zones were reset on January 1, 2016 taking into account the most current statistics on unemployment, per capita income and population change.

In Fiscal Year 2017, 4,426 applications for credits were approved. These applications certified just over \$67 million in state income tax credits to businesses that conducted eligible activities. Certifying businesses invested more than \$1.4 billion in business personal property. They trained almost 32,500 employees to improve their job skills, and created almost 4,600 net new jobs. They also increased their investments in research and experimental activities, rehabilitated vacant commercial buildings and covered employees with qualified health insurance plans.

ADVANCED INDUSTRY INVESTMENT TAX CREDIT

The Advanced Industry Investment Tax Credit is available to small investors who make equity investments in startups

\$2.4

MILLION IN ADVANCED INDUSTRY TAX CREDITS ISSUED TO 172 INVESTORS WHO HAD INVESTED OVER \$12 MILLION IN

61

DIFFERENT COMPANIES

and small businesses that are part of the advanced industry sector. Investors can receive a tax credit of up to \$50,000, and the program has an annual limit of \$750,000 per year in 2016 and 2017. As of June 30, 2017, the program has issued \$2.4 million in tax credits to 172 investors who had invested over \$12 million in 61 different companies. The average investment is almost \$77,000, and the companies involved included all seven advanced industry sectors, with the largest investments going to the following sectors: Bioscience, Advanced Manufacturing, Information Technology and Aerospace.

AVIATION DEVELOPMENT ZONE ACT

The Aviation Development Zone Act of 2005 was amended to include maintenance and repair, completion and modification of aircraft for income tax years commencing on or after January 1, 2013. This expansion of the existing Aviation Development Zone Income Tax Credit beyond the previous "manufacturers only" limitation encourages aviation maintenance and repair, completion and modification businesses to operate in Colorado. In Fiscal Year 2017 three companies took advantage of the program with a total of \$54,000 in tax credits for 64 new employees.

COLORADO PROCUREMENT TECHNICAL ASSISTANCE CENTER

The Colorado Procurement Technical Assistance Center (PTAC) is a nonprofit organization that receives funding from the State of Colorado and from a federal grant directly received from the Defense Logistics Agency of the Department of Defense. The PTAC provides free specialized and professional technical assistance to individuals and businesses seeking to pursue and successfully perform under contracting and subcontracting opportunities with the Department of Defense, state and local governments and/or other federal agencies. For the program's fiscal year from September 2016 through September 2017, PTAC had an active consulted client base of 1,021 entities that received 2,583 government contract awards worth more than \$348.6 million.

COLORADO FIRST CUSTOMIZED JOB TRAINING

Colorado First Customized Job Training, which provides grants to new hires at Colorado companies. Based on self-reported information by grant recipients and compiled by the Colorado Community College System administration, the grants provided training for 914 new hires with an average annual post-training wage of \$46,861. This represents a 5 percent wage increase for trained employees during the year in which training occurred. The companies also reported the creation of 874 new jobs. The State's \$928 thousand investment in customized training was leveraged with \$2.2 million in matching company contributions to support net new employee trainings.

EXISTING INDUSTRY CUSTOMIZED JOB TRAINING

Existing Industry Customized Job Training provides grants to existing support training of existing employees at Colorado companies. Based on self-reported information by grant recipients and compiled by the Colorado Community College System administration, the funds were used to train 3,284 Coloradans and 1,185 new jobs were reported created in the state at companies who received grants. Colorado's investment of \$2.6 million leveraged \$4.3 million in company matching training funds. Post-training wages for trained employees were \$59,572, representing more than a 2 percent wage increase during the year in which training occurred.

HISTORIC PRESERVATION TAX CREDIT

The Colorado Historic Preservation Commercial Tax Credit is a tax credit to the owners of commercial historic structures who perform a certified rehabilitation on their property. As of June 30, 2017, 59 applicants had applied for over \$11 million in tax credits. Properties being rehabilitated include the Stanley Marketplace, the Alliance for Sustainable Colorado, the Greeley Ice House Lofts, the Grand Imperial Hotel in Silverton, the Riverside Building in Pueblo and the Trinidad Opera House. This program is jointly administered by the Colorado Office of Economic Development and International Trade and History Colorado.

3
PROJECTS RECEIVED APPROVAL FOR TAX CREDITS
ASSOCIATED WITH THE FUTURE CREATION OF
9,400
JOBS

REGIONAL TOURISM ACT

The Regional Tourism Act program gives local governments the opportunity to apply for approval of large scale regional tourism projects that are of an extraordinary and unique nature and are anticipated to result in a substantial increase in out-of-state tourism. As of June 30, 2017, five projects had been approved by the Economic Development Commission:

- ▶ Pueblo Heritage of Heroes / Professional Bull Riders University
- ▶ Aurora Hotel & Conference Center (Gaylord Rockies)
- ▶ Colorado Springs City for Champions
- ▶ Go NOCO Family Resort and Water Park
- ▶ Denver National Western Center

9

NEW COMPANIES ADDED TO RURAL
JUMP-START PROGRAM CREATING

263

NEW JOBS

STATE SMALL BUSINESS CREDIT INITIATIVE

State Small Business Credit Initiative (SSBCI) is a U.S. Treasury program that provides funds to states to help improve access to capital for businesses. For Fiscal Year 2017, SSBCI's Colorado Cash Collateral Support program provided \$2,931,083 in credit enhancements to private lenders; this spurred approximately \$18,946,663 in private sector bank and/or private loans to 35 Colorado businesses.

VENTURE CAPITAL AUTHORITY

The Venture Capital Authority was funded from the sale of Colorado insurance premium tax credits, and the insurance companies' last payment was made in April of 2014. The funding and investment requirements are allocated geographically: 50 percent of the funds are to be invested statewide, 25 percent of the funds are to be invested in rural communities and 25 percent of the funds are to be invested in distressed urban communities. Generally speaking, the fund manager shall make seed

and early-stage investments in qualified businesses. From July 1, 2016 through June 30, 2017, the fund manager invested \$625,000 in two companies.



MINORITY BUSINESS OFFICE

The Minority Business Office (MBO) is dedicated to advancing the efforts of Colorado's minority, veteran and women-owned businesses. MBO has an established network of public, private and government resources that can be leveraged by businesses of all sizes and across all industries. The office helps those businesses get established in the marketplace, expand business knowledge, get in front of the right people and increase prospects. In addition, MBO walks businesses through the various city, state, federal and private certifications available for minority, small, veteran and women-owned businesses, and helps them determine which programs will allow them to participate in the types of government contracts they are interested in pursuing.

MBO also works the other side of the equation, providing tools, information and events that help private businesses and government agencies find the right minority, veteran and women-owned businesses to fit their exact needs. MBO is the connection to guidance, understanding and access. MBO is for opportunity.

MINORITY BUSINESS OFFICE HIGHLIGHTS

- ▶ **The MBO Pathway to Certification program** continues to assist businesses in all industries around the state through the minority and small business certification process. Companies who complete certification a report an increase of \$9 million in sales and contracts, \$11 million in capital formation and loans and 28 new business starts..
- ▶ **The LEADING EDGE for International Opportunities Grant** is in its fifth cycle. Alumni groups include more than 35 companies that have taken advantage of this educational program which equips small and medium-sized minority and women-owned Colorado businesses in developing a strategic plan for export markets.
- ▶ MBO continues to provide **Business Advancement Educational sessions and presentations** designed to increase the access of information, resources and opportunities for Minority Business Enterprises (MBEs) across the state.
- ▶ A signed **Memorandum of Understanding (MOU) with Mi Casa Resource Center and Rocky Mountain MicroFinance Institute** further facilitates community access to procurement and government contracting information.
- ▶ MBO integrates minority, veteran and women-owned businesses into advanced industries, strategic initiatives, builds international trade opportunities, as well as introduces MBO programs to statewide and regional development efforts.
- ▶ **The 8th Annual Advance Colorado Procurement Expo**, hosted by MBO, was the most successful expo to date with attendance of almost 800 businesses. The event is the result of a partnership between MBO, the Department of Personnel and Administration, Colorado Department of Transportation and Connect2DOT and includes a buyer and seller expo, keynote lunch speaker, one-on-one sessions and insightful panels. This event provided invaluable networking opportunities for small, minority, veteran and women-owned businesses across varying industries.
- ▶ MBO continues to enhance a clearinghouse for **Minority Business Enterprise data** with the creation of a public-facing, searchable online directory of minority and women-owned businesses. Currently, there are more than 3,000 companies listed in the database.
- ▶ **MBO cultivates partner networks** in the public and private sectors to most effectively serve its customers, including the Colorado Small Business Development Center, Colorado Procurement Technical Assistance Center, Colorado Small Business Administration, Women's Business Enterprise National Council, Minority Chamber Coalition, Mountain Plains Minority Supplier Development Council, Minority Business Development Agency and the Denver Office of Economic Development.

85.8K

MINORITY-OWNED FIRMS ACCOUNT FOR

16%

OF ALL FIRMS IN COLORADO



SMALL BUSINESS DEVELOPMENT CENTER NETWORK

The Colorado Small Business Development Center (SBDC) Network helps small businesses statewide achieve their goals by providing free, confidential consulting and low or no-cost training programs. The SBDC combines information and resources from federal, state and local governments with those of the educational and private sectors to meet the specialized, complex needs of the small business community. Regulatory, management, financial and marketing experts work in partnership to provide entrepreneurs with crucial information that can mean the difference between success and failure. There are 14 full-time centers and more than 70 part-time satellite offices throughout Colorado.

SMALL BUSINESS DEVELOPMENT CENTER NETWORK HIGHLIGHTS

- ▶ Launched **TechSource**, SBDC’s technology program that takes a multi-faceted approach in maximizing the economic potential of Colorado companies through direct assistance to technology ventures and in utilizing new technology available to business owners.
- ▶ Continued **SBDC ADVANCED**, an economic gardening program targeted towards second-stage growth companies with 6-99 employees and over \$500,000 in revenue. The program utilizes corporate level market research and geographic information system databases, along with search engine optimization tools and strategic planning consultations to elevate these targeted companies to the next stage of growth.
- ▶ SBDC continued to support the **Community Development Block Grant Disaster Recovery Program** “Recover Colorado” program to help businesses apply for loans and grants to help with recovery from the wildfires and floods that occurred throughout the state.
- ▶ Helped small businesses in the transportation industry become more competitive in bidding and contracting with local transportation agencies through the **Connect2DOT program**, a strategic partnership with the Colorado Department of Transportation (CDOT). The program also helped connect businesses interested in accessing emergency maintenance contract opportunities with CDOT due to the flood waters that affected the state.
- ▶ **The Small Manufacturer’s Advantage (SMA)** continues to provide support to small manufacturers across Colorado by leveraging the coordination of key strategic organizations such as Manufacturer’s Edge, SBDC, Colorado Office of Economic Development and International Trade, the World Trade Center and the Procurement Technical Assistance Center. The result is a unique and powerful synthesis of expertise and resources designed to help Colorado manufacturers succeed across all stages of the organizational life cycle.
- ▶ Hosted the following **small business events** around the state: Rockies Small Business Night, Women’s Small Business Conference, Disaster Preparedness Summit, Leading Edge Graduation and Awards and many more.



COLORADO CREATIVE INDUSTRIES

Colorado Creative Industries' (CCI) mission is to promote, support and expand the creative industries to drive Colorado's economy, create jobs and enhance our quality of life. CCI strives to create a strong brand identity and a Top 10 reputation, and creates significant, sustained investment in the creative sector where creative entrepreneurs and enterprises will flourish.

COLORADO CREATIVE INDUSTRIES HIGHLIGHTS

- ▶ **Space to Create Colorado**, the first state initiative in the nation for affordable space for artists and creative industry workers, has selected three communities in rural Colorado for the advancement of projects. A \$15 million project in Trinidad includes 41 units of housing combined with 20,000 square feet of community space. The towns of Ridgway and Paonia have been selected for the next projects.
- ▶ In the latest National Endowment for the Arts profile of State-Level Estimates of Arts Participation Patterns, **Colorado ranked No. 1** in the percentage of residents who personally perform or create artworks, No. 2 in the U.S. for residents who attend films and visit to historic buildings, neighborhoods and parks, and No. 3 nationally in reading literature and attendance for live music, theater or dance.
- ▶ **The Change Leader Program**, a leadership development program to advance grassroots leadership in the creative sectors across Colorado, grew to 82 individuals, 54 percent of whom are from rural or small communities.
- ▶ **The Colorado Music Strategy** was expanded to include the Take Note Colorado initiative, which provides access to musical instruments and instruction for Colorado kids in six districts participating in the pilot year.
- ▶ Shawn King, **Colorado's Music Ambassador**, continues to encourage Colorado companies to use Colorado music for television, film and advertising. In its first six months, the initiative resulted in four commercial placements generating more than \$40,000 for Colorado musicians.
- ▶ In partnership with Think 360 Arts for Learning, **CCI supported Colorado Arts Partners Grants** to 19 schools (six in rural communities). Other programs in partnership with CCI served 20,000 students, while 658 artists and educators were provided professional development focused on K-12 learning in the arts.
- ▶ CCI managed the 12th annual **Poetry Out Loud program**, engaging 32 Colorado high schools, 118 teachers, 30 teaching artists and nearly 2,000 Colorado high school students.
- ▶ In its fourth year, the **Native American Afterschool Arts Initiative**, serving K-8 native students in Jefferson County utilizing indigenous artists and high school mentors, has grown from one to seven schools.
- ▶ **CCI awarded 26 conference scholarships and two leading edge business training scholarships** for creative businesses to access Small Business Development Center trainings and conferences, with a special focus on women and veterans.
- ▶ **Colorado Creates grants** supported 196 arts and cultural heritage organizations, municipalities and educational institutions with a total investment of \$1.3 million in 32 Colorado counties. Funding for these grants comes from the National Endowment for the Arts and is matched with funding from CCI.
- ▶ **The Certified Creative District program** continued to gain momentum. Since the program's inception in 2012, 21 Colorado communities have achieved "certified" status.
- ▶ The communities of Grand Lake and Grand Junction were selected for CCI's **Blueprint 2.0 Initiative**, the Creativity Lab. CCI and Creativity Lab will provide community development assistance in each community, working towards the goal of Creative Districts certification.
- ▶ Thirty-two creative entrepreneurs from 12 counties were awarded \$51,374 to advance their professional careers through **Career Advancement Grants**. Recipients included photographers, textile artists, visual artists, musicians and filmmakers.
- ▶ Four projects received funds allocated for **public art**, totaling \$254,243. These projects are funded with one percent allocations from state building and renovation budgets and include design, construction and installation of site-specific projects, as well as acquisition of art works selected through a public call for proposals. Of these four projects, the final artwork for one was completed and installed, while another completed the statutorily mandated selection process. Two other funded projects are still in the committee selection process.

COLORADO RANKED

#1

IN THE PERCENTAGE OF RESIDENTS WHO
PERSONALLY PERFORM OR CREATE ARTWORKS

COLORADO OFFICE OF FILM, TELEVISION & MEDIA

The Office of Film, Television & Media (COFTM) attracts and facilitates content creation in the state to generate economic growth in all of its communities. The office administers a 20 percent performance-based rebate incentive to spur content creation in Colorado, and connects filmmakers, animators and gamers to the resources they need, such as location assistance, crew referrals and intergovernmental cooperation.

COLORADO OFFICE OF FILM, TELEVISION & MEDIA HIGHLIGHTS

- ▶ Awarded incentives totaling \$3,418,989 to 11 new projects
- ▶ Created 1,323 new jobs
- ▶ Expected to add approximately \$32.8 million in economic activity through incentivized production
- ▶ Expected to add approximately \$2.3 million in state and local tax revenue from incentivized production
- ▶ Sponsored six student film projects
- ▶ Hosted or sponsored 115 industry events
- ▶ Partnered with 33 film festivals, which includes six new partnerships
- ▶ In the spring of 2017, COFTM continued the traveling education series “Media Professionals Career Connection.”
 - ▶ The office, along with the top industry professionals of Colorado, toured institutions of higher education, including the University of Northern Colorado and Colorado State University-Pueblo for this series. The mission is to encourage students in film or theater programs to stay in Colorado, teach them how to make the most of their early careers and network with Colorado’s most successful businesses and entrepreneurs. The office is looking forward to offering this series in the fall of 2017 at Ft. Lewis College, Colorado Mountain College Glenwood Springs and Manitou Springs High School.

THE FOLLOWING PROJECTS WERE INCENTIVIZED:

FEATURE FILMS

- ▶ **Denver Water:** Denver Water, in association with Colorado-based production company, HaveyPro Cinema, produced a short public education film celebrating its centennial anniversary and the history of water in Denver. From the 1918 roots of the Denver Union Water Company to the engineering marvels and immense infrastructure that followed and fueled the development of a Front Range metropolis, the film engages and inspires viewers with the human story behind the politics, engineering, successes and failures of Colorado’s largest water utility. The thirty minute film highlights the important people, eras and events in the evolution of the organization while revealing their local, state and regional impacts. The film premiered in August 2018 at one of Denver Water’s Centennial Celebration events.
- ▶ **Freak Power:** Third Party, LLC, led by writer/director Bobby Kennedy III, received approval to film Freak Power in Silverton, Colorado. In 1970, while the Vietnam War raged on and America was rocked internally by civil unrest, Aspen, Colorado offered a refuge from the troubles that plagued the society at large. In retreat from his recent disillusionment on the 1968 McGovern presidential campaign, which resulted in his acclaimed account Fear and Loathing on the Campaign Trail, famed “Gonzo” journalist, Hunter S. Thompson, bought land on the town’s outskirts, Woody Creek, to create a fortress against what he believed would be an inevitable, impending revolution. Hunter then discovered a little known provision in Colorado electoral law that allowed transient residents to vote in local elections. He acted as campaign manager for Joe Edwards, the local pro-bono hippy lawyer, with the dream to create a viable third party movement in U.S. politics, starting in Aspen, and he nearly succeeded. Freak Power is a story about political engagement, environmentalism, heavy-handed policing and life in a small town.
- ▶ **Our Souls At Night:** Based on the novel of the same name by acclaimed Colorado author Kent Haruf, Our Souls at Night is an eloquent, bittersweet yet inspiring story of a man and woman who, in advanced age, come together to wrestle with the events of their lives and their hopes for the imminent future. Filmmakers based operations in Colorado Springs during the fall of 2016, and filmed mainly in Cañon City and Florence. The film was released September 2017 on Netflix. Power of Place

- ▶ Historic Denver and the Emmy award-winning team behind HaveyPro Cinema produced *Power of Place*, a feature length documentary that demonstrates how great cities use historic preservation to create amazing places. Denver and its history is the lens through which the transformative spirit of place is explored along with the value of purposeful preservation. The film also features one of Denver’s most visionary and indispensable leaders, Dana Crawford.
- ▶ **Shooting in Vein:** *Shooting in Vein* is a feature film produced by SIV, LLC, a Colorado-based production company. The film features an artist who discovers his long-lost love died of a drug overdose, travels home to investigate and is forced to face his own conscience. The film is a psychological thriller with a social message and a goal of helping people empathize with addiction. Filmmaker Jared Januschka filmed the feature in Pagosa Springs, Colorado.

TELEVISION

- ▶ **The Lifted Life Season 2:** *The Lifted Life* is a first-to-market 4x4 truck customization reality series. Each season airs 12 one-hour episodes featuring weekly builds of custom four-wheel drive trucks by 5R Trucks, a nationally renowned, family-owned, Golden, Colorado-based custom truck headquarters that has been in business for over 40 years. The show centers on the president & founder of 5R Trucks, Steve Hill, and his two sons, TJ and Jake Hill, as they trick out new trucks each week. Each episode takes viewers on an exciting ride as an incredible custom truck is constructed from rendering to reality. Season 2 premiered on The Velocity Channel in the fall of 2016.
- ▶ **SEARious Meats Pilot:** Plebian Pictures produced the pilot, *SEARious Meats*, shot in the summer of 2017. *SEARious Meats* follows Denver chef and restaurateur, Justin Brunson, as he travels the country in search of its finest meat purveyors. Chef Brunson currently owns five restaurants in Denver area including Old Major and Masterpiece Deli and recently announced the launch of a USDA meat facility that will specialize in bacon, deli meats, and charcuterie. For this pilot episode, the production focused exclusively on Denver where his culinary career first takes flight. Ideally, the pilot will lead to a full series order. Distribution is commissioned through The Cooking Channel’s parent company, Scripps Networks Interactive, and the show premiered nationwide in October 2017.
- ▶ **Top Chef Season 15:** Bravo’s original programming — from hot cuisine to haute couture — delivers the best in food, fashion, beauty, design and pop culture to the most engaged, upscale and educated audience in cable. In the summer of 2017, Bravo Media Productions, LLC produced 14 episodes of the critically acclaimed television series *Top Chef*, an American reality competition show that features chefs competing against each other in various culinary challenges. They are judged by a panel of professional chefs and other notables from the food and wine industry, with one or more contestants eliminated in each episode. The program highlights the location where it is filmed each season by using local ingredients and embracing the history and culture of the area. The show’s 15th season, which aired December 2017, featured the Denver area, Telluride and Boulder.
- ▶ **Xfinity Latino Entertainment Season 2:** Colorado-based Janicek Media produced the second 52-episode season of the weekly XFINITY Latino Weekly Entertainment series, promoting Latino features broadcast in Spanish. The series is produced in both Denver and Miami, as well as on location, and is available on multiple platforms: live TV, XFINITY On Demand and on the XFINITY Stream app. The show’s viewership increased 37 percent throughout the first season and is now in 22 million homes. XFINITY Latino Weekly Entertainment is co-anchored by Veronica Allis and Tommy Florez alongside a team of internationally renowned, award-winning correspondents that include Veronica Rasquin, Francisco Cáceres and Carlos Rausseo.

EXPECTED TO ADD APPROXIMATELY
\$2.3
 MILLION IN STATE AND LOCAL TAX REVENUE FROM
 INCENTIVIZED PRODUCTION

VIDEO GAMES

- ▶ **Idol Minds:** *Idol Minds*, a Colorado gaming company, developed a story-based video game similar to interactive movies and *Choose Your Own Adventure* books. The game is equally divided between three activities: watching animated cut scenes that advance the story, making choices about how the player responds to situations and taking direct control of the character to explore the world.
- ▶ The game centers on a high school teenage girl growing up isolated and angry. Her world is full of pain and grief until an unlikely friend gives her a way out. In this modern day real-world drama, the player drops into a roiling emotional story and embrace the themes of grief, consequences and growing up. The game was delivered to players episodically on a number of platforms, including the PlayStation 4, Xbox One, PC and mobile devices.

OTHER

- ▶ **Colorado Classic:** In conjunction with the 2017 International Pro Cycling Series, Colorado-company RPM Events Group filmed a four-part television special following the International Pro Cycling Series. The race attracted large crowds to the weekend-long race, which finished in urban hubs and integrated a nightly FanFest, X-Games-style cycling demonstrations and live music. The TV series covered the race, participants and special events and highlight Colorado's tourist attractions and cultural scene. RPM distributed six hours of live broadcast internationally to over 100 countries, along with live digital streaming and a social media presence. The special was filmed in Breckenridge, Colorado Springs and Denver.

11

NEW FILM AND TV PROJECTS
CREATED

1,323

NEW JOBS



COLORADO TOURISM OFFICE

In recent years, Colorado has earned the status of a national destination and ranks as one of the nation's top tourism states on many fronts. The Colorado Tourism Office (CTO) leads initiatives to maximize collaboration among industry partners, elevate the industry, inspire and support development of new travel experiences and educate Colorado elected officials, tourism stakeholders and Colorado residents on how the state can achieve maximum value from its visitor industry.

In Fiscal Year 2017, the Colorado Tourism Board adopted a new Colorado Tourism Roadmap, a three to five-year strategic plan to guide not just CTO, but the entire Colorado tourism industry in continuing to build a competitive advantage for our state's thriving visitor economy.

As defined in the Roadmap, the mission of the CTO is to drive traveler spending through promotion and development of compelling, sustainable tourism experiences throughout our four-corner state. The CTO is generating jobs, business success, travel-related state and local tax revenues and an enhanced lifestyle for Colorado residents.

COLORADO TOURISM OFFICE HIGHLIGHTS

RECORD GROWTH

- ▶ Colorado welcomed an unprecedented 82.4 million visitors in 2016, up 6 percent from 2015. The 2016 numbers included a record 37.7 million overnight visitors and 44.7 million day travelers. The state's most valuable travel segment - marketable leisure trips – reached an all-time high of 18.7 million.
- ▶ Total direct travel spending in Colorado in 2016 reached an unprecedented \$19.7 billion, up 2.7 percent from 2015.
- ▶ Underscoring the importance of tourism to Colorado, the industry directly supported 165,000 jobs in 2016, a 3.1 percent increase from 2015.

WELCOME CENTERS

- ▶ CTO welcomed more than a million visitors to its 10 Welcome Centers, encouraging them to stay in Colorado lodgings, visit Colorado attractions and plan a return visit. Staffed primarily by a corps of about 350 volunteers, the centers provide tourism-related businesses across the state the opportunity to share their brochures free of charge with visitors.
- ▶ During Fiscal Year 2017, CTO began conducting a yearlong study to measure the economic impact and influence of its welcome centers.

GLOBAL REACH

- ▶ With CTO support, Denver International Airport announced important new nonstop international links with new flights planned in fall 2017 and spring 2018 to Paris, Zurich, both Gatwick and Heathrow airports in London, Panama and Calgary.
- ▶ CTO's international promotions team deployed tactics that attracted more than 953,000 international travelers in 2015, a 26 percent increase since 2010.
- ▶ "Taste of Colorado" events with key stakeholders were held in conjunction with ITB in Berlin, the largest international tradeshow in the world, and at International Pow Wow in Washington DC, the international tradeshow operated by the U.S. Travel Association, which will be held in Denver in May 2018.

COLORADO TOURISM ROADMAP

- ▶ CTO took first steps toward implementation of the new Roadmap, laying the groundwork for a new yearlong executive leadership program to build the tourism industry's bench strength and introducing a new initiative called the Colorado Field Guide, aimed at dispersing visitors to less-traveled regions.
- ▶ In development of its new Roadmap during Fiscal Year 2017, CTO engaged more than 1,000 tourism stakeholders in face-to-face listening sessions in 20-plus locations around the state. The final plan, developed in close collaboration with the Colorado Tourism Board, also incorporated analysis of both new and existing research, identifying Colorado's top national competitors as California, Arizona, Florida, Nevada and New York. Regionally, Colorado's top competitors are California, Utah, Nevada, New Mexico and Arizona.
- ▶ To share the findings of the Roadmap, CTO held its second "Discover Colorado" Roadshow in early May in conjunction with National Travel and Tourism Week. The Roadshow traveled about 900 miles to nine Colorado cities from nearly one end of the state to the other in a motor coach wrapped in "Come to Life" messaging. Over the five-day tour, participants shared the ways CTO can support tourism partners in achieving their goals through Roadmap strategies.

COME TO LIFE CAMPAIGN

- ▶ During Fiscal Year 2017, CTO continued expanding the national reach of the highly successful "Come to Life"

COLORADO WELCOMED A RECORD

82.4
MILLION
VISITORS IN 2016

marketing campaign, generating its highest-ever return on investment and record-setting economic impact, job development and tax generation.

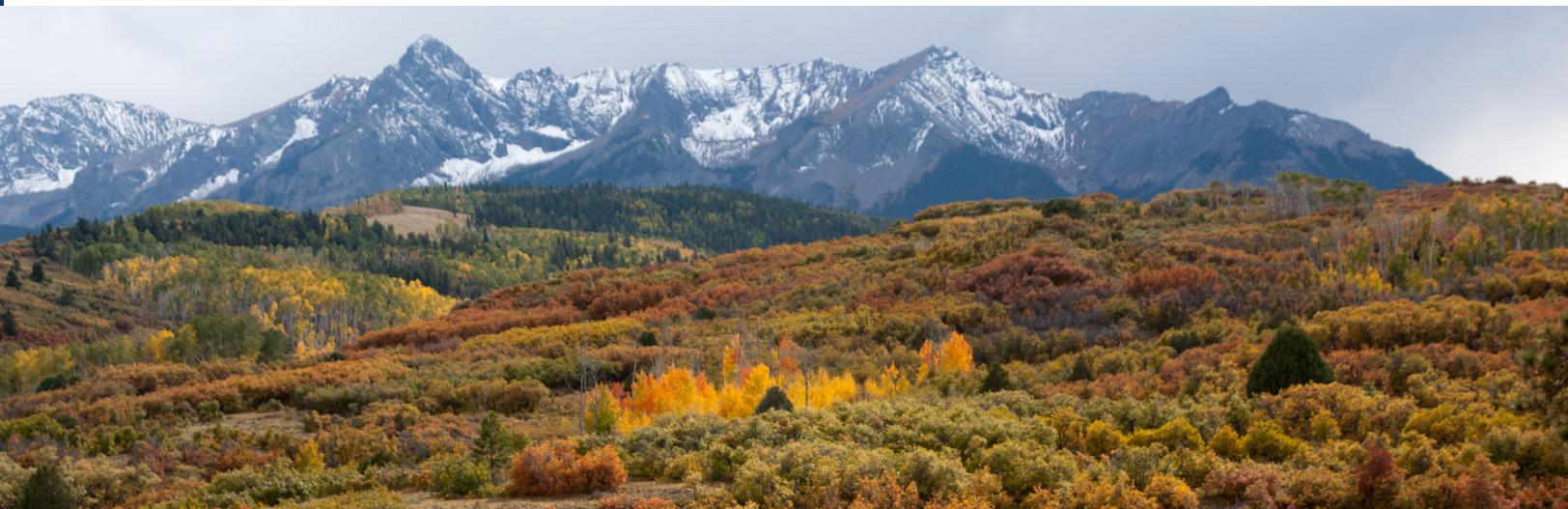
- ▶ Recent CTO research indicates that on average one of every six inquiries on Colorado tourism websites begins with a search on the CTO website, Colorado.com.
- ▶ Colorado continued to expand the national footprint of its acclaimed “Come to Life” marketing campaign generating its highest return on investment to date. CTO’s Fiscal Year 2017 campaigns were credited with inspiring nearly 2.64 million additional leisure trips to Colorado generating \$4.2 billion in incremental spending. At a cost of \$7.86 million in media spending, the campaign generated a return on investment of \$534 per dollar spent, one of the highest in the U.S.
- ▶ Colorado’s “Come to Life” campaign was enhanced by a nationally focused public relations and social media program. The PR team’s 116 placements in its targeted top 100 media outlets, generating more than 1.62 million impressions.
- ▶ The strong gains in visitor numbers pushed Colorado’s share of marketable leisure travelers, the target of the state’s “Come to Life” marketing campaign, to 3.1 percent, up from 2.8 percent in 2015. With that increase, Colorado’s market share rank rose from 13th place to 9th place nationally for 2016.

OTHER HIGHLIGHTS

- ▶ CTO Marketing Matching Grant Program awarded \$600,000 in tourism marketing dollars to 31 tourism industry organizations with marketing projects covering 46 counties.
- ▶ CTO’s Heritage and Agritourism program promotional activities included social, print and digital marketing as well as public relations. The program produced Volume 4 of its popular Colorado Roots guide on heritage and agritourism offerings in April 2017 with a print run of 50,000.
- ▶ CTO supported both Destination Colorado and Tour Colorado with deployment of marketing tactics and underwriting of industry participation at domestic tour group and meeting planner conventions.
- ▶ Colorado.com accommodated more than 10 million visits in Fiscal Year 2017, with a record 7.2 million unique user sessions, up 11 percent over Fiscal Year 2016. Quantcast consistently ranked Colorado.com among the nation’s top three state websites.
- ▶ CTO distributed 550,000 Official State Vacation Guides, and secured more than 110,000 subscriptions to its biannual ALIVE magazine.

TOTAL DIRECT TRAVEL SPENDING IN
COLORADO IN 2016 REACHED

\$19.7
BILLION



COLORADO INNOVATION NETWORK

The Colorado Innovation Network (COIN) is a catalyst for innovation with the mission of advancing connections in the global innovation ecosystem to further Colorado's economy. As a physical and virtual network of global leaders, COIN supports economic development in the state by convening and connecting the network to foster collaboration and entrepreneurship while championing the Colorado innovation story.

Colorado's innovation ecosystem continues to grow and evolve. Extensive statewide efforts across sectors and industries are rapidly expanding Colorado's innovation footprint and serving to attract new talent, business ventures and capital investment. COIN remains focused on the acceleration of innovation in the public sector, which strengthens our state's business environment and its appeal to a broad swath of innovators and change makers.

COLORADO INNOVATION NETWORK HIGHLIGHTS

- ▶ In November 2016, COIN hosted the **Reverb Conference** in partnership with Sound Ventures. Reverb matched Colorado public sector leaders with private entrepreneurs and innovators developing technologies and solutions ripe for consumption by government. The one-day event included keynote sessions and four breakout tracks, as well as one-on-one meetings between Colorado state and local government leaders and national startups to explore opportunities for collaboration.
- ▶ **COIN partnered with Colorado's research community** to raise awareness about the impact of the State's research labs and institutions, including a collaboration with Co-Labs to broadcast the community's economic impact. Additionally, COIN hosted a dinner with Governor Hickenlooper in January 2017, in partnership with the Colorado Clean Energy Collaboratory, to facilitate even better connections within the lab community and explore its deeper partnership with private industry.
- ▶ In May 2017, COIN partnered with **CDOT's RoadX Program and Bicycle Colorado on an "Imagine Colorado" Bicycle and Pedestrian Challenge**, asking entrepreneurs and ideators to come together to develop inventive technological solutions to protect bicyclists and pedestrians in Colorado. Consisting of two tracks designed to solicit innovative ideas and actionable concepts, the RoadX Bicycle and Pedestrian Challenge received more than 300 submissions from around the world. Eight winners were selected based on specific challenge criteria related to feasibility, adoption and scalability.
- ▶ **COIN supported the broader innovation ecosystem** by featuring partners and innovation leaders in videos, blogs and thought leadership pieces, collaborating on numerous community events and working with stakeholders from all sectors to make meaningful connections for both business and public sector impact.

300

SUBMISSIONS TO THE ROADX
IMAGINE COLORADO CHALLENGE



OUTDOOR RECREATION INDUSTRY OFFICE

The Outdoor Recreation Industry Office (ORec) was created in 2015 and is housed in the Colorado Office of Economic Development and International Trade. The ORec Office mission is simple: to champion our industry and communities to come to life through Colorado's great outdoors.

OUTDOOR RECREATION INDUSTRY OFFICE HIGHLIGHTS

Building on our outdoor heritage, the Outdoor Recreation Industry Office focuses on:

- ▶ Promoting inclusive access for all;
- ▶ Strengthening our stewardship ethic;
- ▶ Sparking sustainable economic development;
- ▶ Driving industry innovation;
- ▶ Cultivating a deeper awareness of public health and its connection to the outdoors;
- ▶ Investing industry resources towards workforce training;
- ▶ Deepening industry educational opportunities.

\$34
**BILLION IN ANNUAL
ECONOMIC ACTIVITY IN
COLORADO**

ECONOMIC DEVELOPMENT

Building on the survey results from 2016, Fiscal Year 2017 initiatives focused on the development of key industry deliverables and clusters.

- ▶ ORec secured the relocation of the Outdoor Retailer Show (ORS), a trade and policy gathering of national and international industry leaders, from Utah to Colorado. ORS will be held in Colorado three times a year for at least five years.
- ▶ Partnered with Business Funding and Incentives to ensure a deeper level of access to capital for the ORec Industry.
- ▶ Supported regional maker space and shared workspace creation in Montrose and Grand Junction.
- ▶ Ensured Blueprint 2.0 included a partnership with the LEEDS School of Business at the University of Colorado Boulder (CU Boulder) to offer an MBA team to rural communities striving to define their ORec footprint at a regional and community level.
- ▶ Hosted the second annual Colorado Outdoor Industry Leadership Summit (COILS) in Grand Junction, bringing together industry leaders from around the state.

CONSERVATION & STEWARDSHIP

The ORec Office works alongside the Department of Natural Resources, Colorado Parks & Wildlife and industry organizations regarding issues around access, fee structures and integrated mission, vision and values among agencies.

- ▶ In Fiscal Year 2017, ORec partnered with Colorado Parks and Wildlife and the Department of Natural Resources to help deliver the inclusion of the SHIFT principles at a state level, ensuring Colorado is the first state in the country to utilize a more holistic, full conservation ethic with the entire industry and not just sportsmen's groups.
- ▶ Partnered with the Colorado Tourism Office to develop the first state level relationship between a tourism agency and a national conservation education group, Leave No Trace, to ensure environmental education for all levels of guest and citizen.
- ▶ Initiated discussions with the energy sector to deepen understanding of our blended economy and how the energy sector and the ORec Industry can partner on a more profound level.
- ▶ Began exploratory "pay to play" conversations about sticker fees for emergent ORec Industry tech.

EDUCATION & WORKFORCE TRAINING

ORec builds on its efforts to grow education and workforce training for skills that are in high demand among Colorado ORec companies. These include a cut and sew skills program at Colorado Mountain College (CMC), a mountain bike trail building program at CMC, a mountain bike building program at Metropolitan State University of Denver and a ski/snowboard shaping program at CMC. ORec also assists various Colorado higher education institutions in developing much needed degree programs, such as an ORec Industry focused Executive MBA at Western State Colorado University, and an Adventure Travel Tourism Masters Degree at Colorado State University. Finally, ORec works with CU Boulder's LEEDS School of Business to integrate students into the Blueprint 2.0 program, developing business strategies for rural Colorado towns.

PUBLIC HEALTH AND WELLNESS

The connection between public health and wellness and the outdoors is a crucial component to being a Coloradan. ORec implements best practice models that deepen the understanding and intersection between the healthcare industry and the great outdoors. In Fiscal Year 2017, ORec took the following steps:

- ▶ Worked with the healthcare, environmental and outdoor industries to develop cross-sector solutions that incorporate outdoor recreation as a strategy for health promotion.
- ▶ Discussed factors impacting behavioral change and the kinds of data, evidence or design considerations needed to ensure that a resulting strategy is best suited for the target populations.
- ▶ Reinforced the notion that health needs to involve the whole person; physical health only serves as one of the indicators to a person's health, whereas a person's behavioral patterns and environmental factors often play an equal, if not more significant, role in determining someone's health and well-being.
- ▶ Highlighted outdoor recreation programs that focus on health promotion on a state- and national-level, from worker's health and wellness programs, to population-based active living programs.

OUTDOOR RECREATION INDUSTRY STATISTICS

- ▶ Over \$34 billion in annual economic activity in Colorado
- ▶ 313,000 direct Colorado jobs
- ▶ 994 million in state and local tax revenue
- ▶ Over \$4 billion in wages and salaries
- ▶ Over 80 percent of Coloradans participate in trail-related activities on a regular basis
- ▶ More than 57 percent of residents participate in some form of water-based recreation regularly during the summer months





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