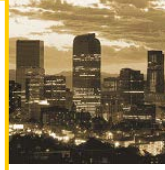
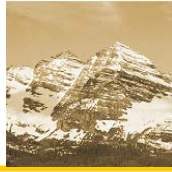


# Colorado



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## **Economic Development Commission 2007 Annual Report**

*Colorado Office of Economic Development  
& International Trade  
January 2008*

# Colorado

Office of Economic  
Development and  
International  
Trade

Bill Ritter, Jr., Governor

Don Elliman, Director

January 29, 2008

Members of the Second Regular Session of the Sixty-Sixth General Assembly:

On behalf of the Colorado Economic Development Commission (EDC or Commission), I am pleased to present you with the Commission's Activity Report for 2007. The report contains information on projects supported by the EDC in calendar year (CY) 2007, as well as the status of initiatives approved in CY 2006.

Over the past year, the EDC emphasized supporting business and job creation efforts throughout the state and also focused on identifying emerging industries and opportunities. The Commission supported local communities' efforts in attracting job growth and businesses. These included L.B. Foster in Pueblo and IBM's Data Center expansion in Boulder. Support for small businesses and rural areas remained a priority for the EDC in 2007 through the support of the expansion of Leitner-Poma of America's manufacturing facility in Grand Junction, provision of matching funds for local Enterprise Zone marketing efforts, and providing funding for a targeted industry study in the San Luis Valley.

The Commission will continue to support statewide economic development activities and to collaborate with communities to support their priorities and opportunities. The EDC is committed to assisting these communities to strengthen their business and employment base and Colorado's economy.

We welcome your comments on this report. On behalf of the EDC, we want to thank Governor Ritter and members of the General Assembly for your ongoing support and guidance.

Sincerely,



Richard L. Monfort  
Chairman

<b>TABLE OF CONTENTS</b>	<b><u>Page No</u></b>
<b>List of Commission Members</b>	i
<b>List of Projects</b>	ii
<b>Introduction</b>	Page 1
<b>New Initiatives: Projects Approved by the EDC in 2007</b>	2
IBM, Boulder	2
L.B. Foster, Pueblo	2
Leitner-Poma of America, Grand Junction	3
Pacific Accent Glass Block, Fruita	3
Colorado Aerospace Marketing 2008, Statewide	3
OEDIT Marketing 2007, Statewide	4
Advance Colorado Center Outreach Program, Statewide	4
Aerospace Incubator, Statewide	4
Bioscience Competitiveness Report, Statewide	4
Bioscience Strategic Study, Statewide	4
Colorado Center for Biorefining and Biofuels, Statewide	5
Colorado Enterprise Fund, Front Range	5
Colorado Film Commission Operations, Statewide	5
Colorado Homeland Defense Alliance, Colorado Springs	5
Colorado Leveraging Assets to Better Science, Statewide	6
Nano-Renewable Energy Summit, Statewide	6
Procurement Technical Assistance Centers, Statewide	6
San Luis Valley Targeted Industry Study, San Luis Valley	6
Veterans Business Initiative for National Sustainment, Statewide	7
<b>Enterprise Zone Marketing Activities and Policy Oversight, Statewide</b>	7
<b>Certified Capital Companies Program Waivers</b>	9
<b>Performance Incentive Fund and Enhanced Incentive Program</b>	9
ACF Enterprises LLC, Durango	9
CH2M Hill Companies, Ltd., Denver Metro	10
Crispin, Porter & Bogusky, Boulder	10

Echostar Satellite LLC, Denver Metro and Colorado Springs	11
Mercury Payment Systems LLC, Durango	11
Progressive Casualty Insurance Company, Statewide	11
The Williams Companies, Statewide	11
USC, Inc., Delta	12
<b>Film Commission Production Projects</b>	12
<b>Status of Projects Approved by the EDC in 2006</b>	12
Ameriquest, Douglas County	12
CH2M Hill, Douglas County	12
Corporate Express, Aurora	13
Lockheed Martin Orion Project, Jefferson County	13
Parelli Natural Horsemanship, Pagosa Springs	13
Safe Auto, Sterling	13
Colorado Aerospace Marketing 2007, Statewide	14
Department of Agriculture, Colorado Proud Marketing 2006 & 2007, Rural/Statewide	14
CoreNet Global Summit Strategic Marketing 2007, Denver	14
OEDIT Marketing 2006, Statewide	15
Advance Colorado Center Sustainability Plan, Denver	15
Department of Agriculture, Ag Value-Added Feasibility Studies, Rural/Statewide	16
Colorado Nanotechnology Alliance, Statewide	16
Colorado Springs Olympic Community Partner, Colorado Springs	16
Community Business Retention Program, Statewide	16
CSU Grid Simulation Laboratory (InteGrid Lab), Fort Collins	17
Colorado Film Commission Operations, Denver	17
Fort Carson Regional Growth Study, El Paso County	17
OEDIT Marketing/Website Enhancement, Statewide	18
Photonics/Nanotech ACC Joint Venture, Statewide	18

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**COMMISSION MEMBERS AS OF JANUARY 2008**

**CHAIRMAN**

Richard L. Monfort  
Greeley, CO

**VICE CHAIRMAN**

Michael Matthews  
Wells Fargo Bank  
Centennial, CO

**MEMBERS**

William Sisson  
American National Bank  
Grand Junction, CO

Jerry D. Biggs  
BiggsKofford, LLC  
Colorado Springs, CO

Howard Gelt  
Shughart Thomson & Kilroy P.C.  
Denver, CO

Brent Orr  
Wray, CO

Wellington Webb  
Webb Group International  
Denver, CO

Richard L. Robinson  
Robinson Dairy  
Denver, CO

Don Elliman  
Office of Economic Development &  
International Trade  
Denver, CO

**PROJECTS APPROVED BY THE ECONOMIC DEVELOPMENT COMMISSION IN 2007**  
**GENERAL PROGRAM - VARIOUS**  
**Alphabetically Listed**

<b>PROJECT</b>	<b>AREA</b>	<b>EDC \$</b>	<b>OTHER \$/ SOURCE</b>	<b>STATUS</b>
Advance Colorado Center Outreach Program	Statewide	\$300,000	\$540,000/Local	Withdrawn
Aerospace Incubator	Statewide	\$150,000	\$304,000/Private	Pending
Bioscience Competitiveness Report	Statewide	\$30,000	N/A	Completed
Bioscience Strategic Study	Statewide	\$93,000	\$93,000/Private	Pending
Colorado Aerospace Marketing 2008	Statewide	\$150,000	N/A	Pending
Colorado Center for Biorefining and Biofuels	Statewide	\$500,000	\$500,000/Public	Withdrawn
Colorado Enterprise Fund	Front Range	\$300,000	\$1,500,000/ Private	Contracted
Colorado Film Commission Operations	Statewide	\$250,000	N/A	Contracted
Colorado Homeland Defense Alliance	Colorado Springs	\$150,000	\$150,000/Private	Contracted
Colorado Leveraging Assets to Better Science	Statewide	\$150,000	\$398,500/Private	Contracted
IBM	Boulder	\$200,000	N/A	Pending
L.B. Foster	Pueblo	\$42,000	\$216,000/Local	Pending

Leitner-Poma of America	Grand Junction	\$300,000	\$600,000/Local	Contracted
Nano-Renewable Energy Summit	Statewide	\$35,000	N/A	Pending
OEDIT Marketing 2007	Statewide	\$200,000	N/A	Contracted
Pacific Accent Glass Block	Fruita	\$40,000	\$40,000/Local	Withdrawn
Procurement Technical Assistance Centers	Statewide	\$1,000,000	N/A	Pending
San Luis Valley Targeted Industry Study	San Luis Valley	\$30,000	\$30,000/Local	Pending
Veterans Business Initiative for National Sustainment	Statewide	\$30,000	\$109,500/Local	Contracted

**PROJECTS APPROVED BY THE ECONOMIC DEVELOPMENT COMMISSION IN 2007  
GENERAL PROGRAM – ENTERPRISE ZONE MARKETING ACTIVITIES  
Alphabetically Listed**

<b>PROJECT</b>	<b>AREA</b>	<b>EDC \$</b>	<b>OTHER \$/ SOURCE</b>	<b>STATUS</b>
Adams County EZ Marketing	Adams County	\$12,500	\$12,500/EZ	Pending
Arapahoe County EZ Marketing	Arapahoe County	\$12,500	\$12,500/EZ	Pending
Denver EZ Marketing	Denver	\$12,500	\$12,500/EZ	Pending
East Central EZ Marketing	Multi County	\$25,000	\$25,000/EZ	Pending
El Paso County EZ Marketing	El Paso County	\$12,500	\$12,500/EZ	Pending
Greeley/Weld County EZ Marketing	Weld County	\$12,500	\$12,500/EZ	Pending
Jefferson County EZ Marketing	Jefferson County	\$12,500	\$12,500/EZ	Pending
Larimer County EZ Marketing	Larimer County	\$12,500	\$12,500/EZ	Pending
Mesa County EZ Marketing	Mesa County	\$25,000	\$25,000/EZ	Pending
Northeast EZ Marketing	Multi County	\$25,000	\$25,000/EZ	Pending
Northwest EZ Marketing	Multi County	\$25,000	\$25,000/EZ	Pending
Pueblo County EZ Marketing	Pueblo County	\$12,500	\$12,500/EZ	Pending
Region 10 EZ Marketing	Multi County	\$25,000	\$25,000/EZ	Pending
San Luis/Upper Ark. EZ Marketing	Multi County	\$25,000	\$25,000/EZ	Pending
South Central EZ Marketing	Multi County	\$25,000	\$25,000/EZ	Pending
Southeast EZ Marketing	Multi County	\$25,000	\$25,000/EZ	Pending
Southwest EZ Marketing	Multi County	\$25,000	\$25,000/EZ	Pending
Upper Arkansas EZ Marketing	Multi County	\$25,000	\$25,000/EZ	Pending



**PROJECTS FUNDED BY THE ECONOMIC DEVELOPMENT COMMISSION IN 2007  
PERFORMANCE INCENTIVE FUND AND ENHANCED INCENTIVE PROGRAM  
Alphabetically Listed**

<b>COMPANY MONTH/YEAR JOBS CREATED</b>	<b>AREA</b>	<b>PERFORMANCE INCENTIVE FUND \$</b>	<b>ENHANCED INCENTIVE PROGRAM \$</b>
ACF Enterprises LLC February 2006	Durango	\$10,500	\$8,750
CH2M HILL Companies, Ltd. May 2006	Denver Metro	\$24,000	\$16,000
CH2M HILL Companies, Ltd. June 2006	Denver Metro	\$19,500	\$13,000
Crispin, Porter & Bogusky LLC July 2006	Boulder	\$70,500	\$47,000
Echostar Satellite LLC January 2006	Denver Metro and Colorado Springs	\$30,000	\$10,000
Echostar Satellite LLC March 2006	Denver Metro and Colorado Springs	\$58,500	\$29,250
Mercury Payment Systems LLC February 2006	Durango	\$9,000	\$7,500
Mercury Payment Systems LLC March 2006	Durango	\$10,500	\$10,500
Progressive Casualty Insurance Company January 2006	Statewide	\$22,500	\$11,250
The Williams Company May 2006	Statewide	\$22,500	\$0
USC, Inc. January 2006	Delta	\$7,500	\$6,250

<b>PROJECTS FUNDED BY THE ECONOMIC DEVELOPMENT COMMISSION IN 2007</b>			
<b>FILM COMMISSION PRODUCTION PROJECTS</b>			
<b>PRODUCTION COMPANY</b>	<b>LOCATIONS</b>	<b>PROJECT</b>	<b>FILM INCENTIVE \$</b>
My Brother the Monster, LLC	Denver Metro	The Fifth	\$32,500

## INTRODUCTION

Last year, 2007, was an exciting year for the Economic Development Commission (EDC or Commission) with the election of a new Governor and the appointment of several new Commission members. As the report indicates, the EDC supported a number of strong business opportunities that created hundreds of quality jobs throughout the state. In addition, the EDC provided support to a number of projects that will strengthen Colorado's business and economic development infrastructure for years to come. The Commission is also actively working with the Colorado Office of Economic Development and International Trade (OEDIT) and a number of companies that are currently completing their site location decisions—which if Colorado is selected, will result in a large number of additional jobs being created over the next few years.

The Commission continued to support special projects and key local and industry economic development initiatives, with a special focus on emerging industries including renewable energy, biosciences and aerospace. The projects include an Aerospace Incubator, a Bioscience Competitiveness Report, a Bioscience Strategic Study and the Nano-Renewable Energy Summit.

The following table provides a general breakdown of EDC projects (including applications from the Performance Incentive Fund and the Enhanced Incentive Program) in 2007:

<b>Region</b>	<b>Number of Projects</b>	<b>Percentage of Total Projects</b>
<b>Rural</b>	17	35%
<b>Urban</b>	18	38%
<b>Statewide</b>	13	27%
<b>Total for Year</b>	48	100%

The Performance Incentive Fund was created by the General Assembly in 2006, however, January 2007 was the first year that businesses were eligible to apply for the Performance Incentive Fund (PIF). The Commission received 11 applications from eight businesses and provided \$285,000 in incentives for the creation of 190 net new full-time positions.

Following enactment of the Performance Incentive Fund in 2006, the Commission restructured its guidelines so that its discretionary funds would be used to provide enhanced incentives for job creating projects in addition to supporting other economic development efforts. The Enhanced Incentive Program provides an additional performance-based incentive payment to companies that have qualified under the Performance Incentive Fund and have created new jobs paying average wages that are even higher than required under the PIF program. During 2007, \$159,500 was distributed from this program based on Performance Incentive Fund applications received as noted above.

Based on additional input provided by local economic development representatives, businesses and others, legislative changes to the PIF program during the 2008 legislative session have been requested. Such changes will provide more flexibility in the use of these funds but maintain program accountability.

For more information on incentive programs and application materials, see the OEDIT web site, [www.AdvanceColorado.com/Finance/](http://www.AdvanceColorado.com/Finance/)) and click on Business Finance Programs.

The Colorado Film Production Cash Fund was created by the General Assembly in 2006. A total of \$500,000 was appropriated for this program during fiscal year (FY) 2006-07 and increased to \$600,000 for FY 2007-08. As of December 2007, eight productions had been pre-approved by the EDC resulting in the EDC committing 100% of its available funds for this program for FY 2006-07 and 2007-08. One additional application is pending. Under the statute's first-come first-served procedure, any pending productions will be placed on a waiting list for funding from FY 2008-09 appropriations, if available.

### **New Initiatives: Projects Approved by the EDC in 2007**

During 2007, the EDC worked with communities, businesses, local economic development organizations and others in an effort to strengthen the state's economy. The focus continues to be on strengthening support for Colorado's businesses, employment base and economy. The EDC participated in initiatives that support business locations in urban and rural areas and small businesses and emerging industries. The EDC policy in 2007 based the amount of an incentive award primarily on the number of new jobs to be created and the average salary level relative to the prevailing county average salary, as well as considering other economic benefits of the project.

**Goal I: To encourage, promote and stimulate economic development in all regions of the state.**

**Objective A: In cooperation with state, local, and private entities develop incentive packages to help existing companies expand and new companies locate in the state.**

- 1. IBM, Boulder** – IBM Boulder, “Project Blue,” was introduced to the EDC on May 2, 2007. This project included an EDC commitment of \$200,000 (\$2,000/job for up to 100 jobs) to attract an \$80 million company data-center investment and 100 new jobs to the Boulder campus. Colorado was in competition with two sites in New York for this project. On June 22, 2007, IBM announced that this “green” data-center expansion would occur in Boulder. The announcement not only secured the previously mentioned jobs and investment, but it also secured long term employment stability at this IBM site – Colorado's largest technology employer.
- 2. L.B. Foster, Pueblo** - The L.B. Foster Company, headquartered in Pittsburgh Pennsylvania, is a leading manufacturer, fabricator and distributor of products and services for the rail, construction, utility and energy industries. L.B. Foster made a strategic decision to establish a production facility to manufacture bonded insulated joint assemblies and kits in Colorado. The company invested approximately \$3.9 million to renovate a building located in an enterprise zone in Pueblo for this purpose. L.B. Foster anticipates hiring at least 21 employees with an average annual salary of \$30,160. The EDC approved a job incentive grant of \$42,000 and the local community provided a match of \$216,000.

**Objective B: Identify and support specific programs and activities to assist the economies of rural areas of the state.**

- 1. Leitner-Poma of America, Grand Junction** – Established in 1981 with a factory and offices in Grand Junction, Leitner-Poma of America is the North American manufacturing facility for Poma (a French company that designs and manufactures ski lifts, chair lifts, cable cars of all kinds, cableways, inclined elevators, and shuttles for public transport systems). Due to growth potential and outgrowing its present facility, Leitner-Poma of America needed a new and larger manufacturing facility and selected Colorado for this facility. The new campus will consist of one to three buildings with a total square footage of approximately 100,000 square feet located in an enterprise zone in Grand Junction. The total costs associated with the new building and purchases of additional machinery, equipment, furniture and fixtures for the facility is approximately \$12,300,000. The City of Grand Junction along with Mesa County is providing a local match of \$600,000. The Commission approved an incentive of \$300,000 for the creation of 100 new jobs at an average wage rate of at least \$43,680.
- 2. Pacific Accent Glass Block, Fruita** – Pacific Accent Glass Block (Pacific) is a small manufacturing company that manufactures glass block windows. The company was founded and incorporated in 1993 in Bend, Oregon. Pacific purchased and refurbished a building in Fruita and relocated the company to Colorado. This facility consists of one building with approximately 10,000 square feet located on roughly one acre in an enterprise zone. The total costs associated with this acquisition and purchases of additional machinery, equipment, furniture and fixtures for the facility were \$1,117,500. Pacific anticipated that it would hire at least 20 new employees with an average annual salary of \$31,616. The EDC approved a \$40,000 incentive grant and the City of Grand Junction provided a match of \$40,000. In late 2007, the company decided to move back to Oregon due to unexpected costs of doing business and has withdrawn their request. No EDC funds were disbursed.

**Goal II: To oversee the statewide economic development marketing program and to support additional activities and events which promote the state.**

**Objective A: Produce marketing materials to support ongoing business development efforts.**

- 1. Colorado Aerospace Marketing 2008, Statewide** – The EDC approved a grant of \$150,000 to assist the Colorado Space Coalition in its promotion of Colorado as a key location for the expansion of private and public aerospace activities. Previous EDC funded projects, including the 2000 Colorado Space Initiative Strategic Plan, the 2005-2007 Colorado Aerospace Marketing plans, and special opportunities such as Project Orion, have assisted with the elevation of Colorado to #2 nationally in terms of space industry and employment. The Colorado Space Coalition is an alliance of Colorado aerospace companies, local economic development organizations, and state governmental agencies facilitated through the Lt. Governor's Office and OEDIT. The funds are being used to establish significant Colorado visibility at the 2008 National Space Symposium in Colorado Springs. The funds will also be used to execute targeted advertising to the aerospace industry, including website hosting and the production of marketing materials.

- 2. OEDIT Marketing 2007, Statewide** – In 2006, the EDC allocated \$87,000 to support marketing activities of the Colorado Office of Economic Development & International Trade. In 2007, the EDC allocated an additional \$200,000 to support additional marketing efforts. OEDIT’s marketing activities have included participation in targeted trade shows with representatives of local economic development organizations, creation and distribution of 12 eNewsletters, redesign of the OEDIT website, creation of collateral material and media relations’ efforts.

**Objective B: Develop and support special projects and activities.**

- 1. Advance Colorado Center Outreach Program, Statewide** - The Advance Colorado Center (ACC) was established by an EDC Grant to the University of Colorado Denver and began operations in the Denver World Trade Center in November 2004. The idea behind the Advance Colorado Center was to enhance Colorado’s entrepreneurial climate and accelerate economic development in the state by providing a common space for the offices of key emerging industry associations. The ACC fosters mutual support among the individual organizations and interacts closely with OEDIT. In 2007, the ACC requested \$300,000 from the EDC to establish an ACC Outreach Program. The proposed program included the creation of several satellite ACC operations to build local infrastructure and extend the capacity of the resources of the existing ACC. While evaluating ACC’s overall strategy mid 2007, the Advance Colorado Center determined that this program did not have critical industry mass within the targeted new locations and was not aligned with their new areas of focus and withdrew the request.
- 2. Aerospace Incubator, Statewide** - The Eighth Continent Aerospace Venture Incubator was established to guide small Colorado start-up and early-stage aerospace ventures to quality equity sources, quality debt resources, expert business advice, and discounted pricing on supplies and other operational infrastructure. The goal of the incubator is to support and expand Colorado’s position as the global center of the emerging entrepreneurial aerospace commercial sector and to generate successful businesses and related jobs by providing global access for small high-quality start-up early-stage companies. The Commission approved a three-year \$150,000 grant to provide support for the incubator.
- 3. Bioscience Competitiveness Report, Statewide** – The EDC approved a grant of \$30,000 to work with a consultant to compile a comparative study of bioscience incentives offered by other states. This study will assist with the state’s strategic plan to position Colorado as a national leader in emerging industries. The scope of the study will analyze Colorado’s competitiveness for the bioscience industry with respect to three facility/company scenarios. The competitive states for each scenario may include, but are not limited to: Georgia, North Carolina, Arizona, Texas, Washington, Maryland, Wisconsin, Kansas, Iowa, and San Diego, CA.
- 4. Bioscience Strategic Study, Statewide** - In 2002, the bioscience industry and its key partners commissioned the development of a State Plan to support the growth of the industry in Colorado. The State Plan was released in 2003. Given the high impact of the 2003 plan, the Commission provided \$93,000 to support the production of an updated plan to continue

the momentum of the industry in the State. There is matching support for the same amount from private stakeholders.

- 5. Colorado Center for Biorefining and Biofuels (C2B2), Statewide** – In February 2007, the Colorado School of Mines, Colorado State University, the University of Colorado at Boulder and the National Renewable Energy Laboratory established a renewable research consortium known as the Colorado Renewable Energy Collaboratory (Collaboratory). The Collaboratory launched its first research center, the Colorado Center for Biorefining and Biofuels in March 2007. C2B2 was unable to move forward with funding its renewable energy research projects because it could not accept funds appropriated under HB 06-1322 due to a conflict with the provisions of the federal Bayh-Dole Act. The Economic Development Commission agreed to provide C2B2 with a bridge loan of \$500,000 so that C2B2 could move forward with its research proposals while the Collaboratory pursued an amendment to HB 06-1322 during the 2008 legislative session. Prior to finalizing the loan documents, C2B2 identified alternative funding sources and withdrew this request.
- 6. Colorado Enterprise Fund, Front Range** – The EDC approved a grant of \$300,000 in March 2007 to assist the Colorado Enterprise Fund (CEF) secure \$1.5 million in pending long-term loan fund capital from the Small Business Administration (SBA) Microloan Program (10-year term loan provided by the SBA to CEF). These funds will be used for loans to businesses with 20 employees or less and targeted to primarily Front Range communities. CEF is a nonprofit community development financial institution (CDFI) serving small businesses in Colorado since its inception in 1976. CEF specializes in microenterprise and small business development by providing small business loans of \$200,000 or less, technical assistance to borrowers and applicants, and education and advocacy for small business ownership and self-employment and plans to use other resources to provide business assistance statewide.
- 7. Colorado Film Commission Operations, Statewide** – The mission of the Colorado Film Commission (CFC) is to promote Colorado as a location for film production, to support and foster the growth of the local film industry, and to assist and train local community film commissions around the State – activities that were performed by the State Motion Picture and Television Commission before the legislature eliminated funding during the 2003 legislative session. The EDC agreed to provide funding to the CFC during its transition from a state entity to a non-profit entity and has provided funding since 2003. Along with the mission noted above, the CFC assists with the EDC’s Colorado Film Incentive Program (established in 2006). The EDC approved a \$125,000 grant in May 2007 to assist the CFC with its operational needs through December 2007 at which time the CFC was to develop and implement a self-sufficiency plan and review the plan with the EDC. In November 2007, the Colorado Film Commission provided a written update on their contract deliverables and plan for future funding. The Commission granted an additional \$125,000 for operational needs through June 2008 while the CFC moved forward with its plan to obtain alternative funding.
- 8. Colorado Homeland Defense Alliance (CHDA), Colorado Springs** - The Colorado Homeland Defense Alliance is a 501(c)6 membership association formed to support the development of technologies, businesses, and human resources among aerospace, defense, and security industries in Colorado. CHDA promotes collaboration with universities,

government agencies, and corporations to improve national security and public safety. Through market research, CHDA has discovered a number of unmet needs, which are limiting economic development in their industry focus areas and which presents a real opportunity for Colorado to become a center of excellence for emerging aerospace, defense, and security technologies. The Commission approved a three-year \$150,000 grant in support of the CHDA.

- 9. Colorado Leveraging Assets to Better Science (CO-LABS), Statewide** – The EDC approved a grant of \$150,000 to assist with the establishment of CO-LABS, a coalition of scientific laboratories, institutions of higher education, private industry, chambers of commerce, economic development offices, and state institutions. CO-LABS' mission is to maintain Colorado's position as a leading center for research and development and to provide opportunities to enhance Colorado's scientific capabilities. CO-LABS operates within a 501(c)6 organization under the leadership of the Boulder Economic Council. EDC supported this effort with the intention to grow and maintain these institutions within the state. Federal laboratories represent over \$700 million in federal investment in Colorado and they employ 4,500 workers with an average salary of \$78,000. The EDC approved a three-year \$150,000 grant in support of CO-LABS.
- 10. Nano-Renewable Energy Summit, Statewide** - The Colorado Nanotechnology Alliance (CNA) was formed in August 2006 as a Colorado 501(c)6 nonprofit nanotechnology-focused economic development entity. The primary mission of the CNA is to guide 21st century economic development through nanotechnology commercialization and position Colorado as a national nanotechnology-economic development leader. CNA initiated an extensive 18-month research project that provided strong support to major nano executives and stakeholders (from both the public and private sectors) identifying Renewable Energy as a top economic driver for Colorado relative to nanotechnology. One of the initiatives established to pursue this top driver was for CAN to partner with the NanoBusiness Alliance to host the first Nano-Renewable Energy Summit in July 2008. This summit will provide a unique perspective on how emerging nanotechnologies can dramatically change/improve the need for sustainable energy solutions. The EDC provided \$35,000 to support the \$130,000 summit.
- 11. Procurement Technical Assistance Centers (PTAC), Statewide** – Procurement technical assistance centers will position Colorado businesses to win federal procurement dollars as more and more federal small business set-asides occur. Two centers are proposed in Colorado with an outreach program to support all counties in the State. The centers will provide a dedicated staff to provide expert guidance in federal marketing (including daily business opportunity match-ups), federal registrations, procurement regulations, certification assistance, and a clearinghouse connecting small and large businesses. PTACs helped businesses nationally to obtain over \$14 Billion in 2006. The return for each dollar of support is great (~\$350:\$1 based on verifiable data and creating over 334,000 jobs nationwide). The EDC approved a five-year \$1,000,000 grant to support the formation of two PTACs in Colorado.
- 12. San Luis Valley Targeted Industry Study, San Luis Valley** – The EDC approved a \$30,000 grant to finance a portion of the San Luis Valley Targeted Industry Study. The



objective of the study is to evaluate the San Luis Valley's potential for specific industry growth that fits the needs of the community and takes advantage of existing assets and resources. Focuses for the study include (but are not limited to) solar energy, value-added agriculture, biodiesel production, tourism, etc. The final output of the study will identify any barriers which may exist in preventing the pursuit of suitable targets and aid in the formulation of a plan to assist local community leaders in pursuing the most significant industry sectors (identified in terms of potential jobs, wages, skill upgrades, tax base, economic diversity, future potential, niche satisfaction, and other community benefits).

- 13. Veterans Business Initiative for National Sustainment (VINS), Statewide** – The EDC approved a \$30,000 grant to help support the Veterans Business Initiative project. The objective of the project is to establish a program designed to help veterans start and manage their own successful business. The program is also intended to find meaningful employment for family members of veterans, as well as encourage veterans to make Colorado their home upon separation from active duty.

**Objective C: Assist Enterprise Zones to develop individual marketing strategies and cooperative programs between zones and provide matching funds for implementation.**

Sixteen economically distressed urban and rural areas have been designated as state enterprise zones, and as such provide special state tax incentives to encourage job creation and private investment in these areas. For an area to use these special incentives successfully, it must let businesses (both existing and prospective new ones) know about the area's zone status. To assist Colorado's zones in capitalizing on this opportunity, the EDC continued to provide funds to help implement individual enterprise zone marketing plans.

In 2007, the Commission allocated a total of \$350,000 to enterprise zones for the continuation and expansion of their marketing activities. This amount was divided among the zones in matching grants, with the majority going to assist rural zones.

Marketing activities historically undertaken by the zones fall into the following general categories:

- 1. Publicizing enterprise zone benefits** – Zones have attempted to increase the awareness of zone benefits by local businesses through local media, industry and professional association publications, direct mail, and publishing zone newsletters and updated brochures. Many zones held seminars in communities within the zones, in conjunction with local tax professionals and state agency staff, to explain zone benefits.
- 2. Supporting existing zone businesses** – Zones conducted surveys to identify and assist existing companies with expansion potential within the zones. The zones supported local small business incubators' recruitment and publicity programs, promoted special events and other promotions to increase business activity in downtown sections of the zones and conducted market research to support local business prospects.
- 3. Business recruitment** – All zones coordinate closely with the major community and economic development organizations within their zones. The zones assisted these

organizations to produce updated targeted advertising and direct mail, to attend targeted industry trade shows and to conduct the business recruitment campaigns for their economic development organizations.

- 4. Rural tourism development** – Many of the rural zones' marketing plans attempt to increase spending by visitors to their region. Simultaneously, they seek to convert familiarity with their area as a result of tourism contacts into business location prospects. They support publications, brochures and magazines that feature the zones' tourist attractions, as well as their business development opportunities.

**Goal III: To provide policy oversight for the state enterprise zone program as directed by the enterprise zone statute.**

The General Assembly has given the Commission responsibilities in the following areas of enterprise zone policy:

- A. Zone boundary terminations and designations.** Enterprise Zone statute gives the Commission authority to designate or terminate enterprise zones or areas within them. Sub-county areas are generally evaluated for enterprise zone eligibility using census block statistics for unemployment and per-capita income, while more current data from the Colorado Department of labor and Employment and the Department of Local Affairs is used for countywide eligibility. During 2007, the Commission approved 9 requests for amendments to zone boundaries, reflecting changes in land use and local economic conditions.
- B. Review of proposals for projects eligible for the enterprise zone contribution tax credit.** The statute allows for state income tax credit (up to 25%) for contributions that directly promote job creation and retention, or indirectly do the same via support of the homeless community or other community development activities. The Commission has the responsibility of reviewing and evaluating the zones lists of projects for annual recertification. Administrators submit projects that will help achieve the goals of the enterprise zone throughout the year for the consideration of the EDC - pursuant to the statute; the Commission must review and approve any new or modified project proposals. In 2007, the Commission approved 52 new projects, for a total of 455 active projects at year-end.

**Goal IV. Approve or deny requests for waivers of the “qualified business” criteria under the Certified Capital Companies (CAPCO) Program.**

In 2001, the EDC was given new statutory authority regarding one aspect of the recently approved Certified Capital Companies program. If a Certified Capital Company wants to invest in a business that does not meet all of the eligibility requirements under the CAPCO statute and regulations, the CAPCO may ask that the EDC review the specific business and recommend approval or denial of such businesses to the Director of the Colorado Office of Economic Development and International Trade (OEDIT). Specifically, the EDC must make a determination that the specific business would further the economic development of the State of Colorado. The CAPCO Program received its funding from insurance companies in April 2002, which was made possible by the issuance of premium tax credits by the State of Colorado.

In 2007, the EDC did not review any businesses related to this authority.

**Goal V. Award performance-based incentives to employers that create high quality new jobs in the state.**

In 2006, the General Assembly created two economic development incentive programs, the Colorado Film Production Cash Fund (which is discussed in Goal VI) and the Job Creation Performance Incentive Fund (Performance Incentive Fund or PIF). The EDC has oversight responsibilities for the Job Creation Performance Incentive Fund - which provides performance-based incentive payments to qualifying companies that have created net new jobs paying above average wages. The program is designed to support and encourage new business development, business expansions and relocations that generate new jobs throughout the state. Under the statute’s procedures, a business must maintain qualifying new jobs for at least 12 months before it can request this incentive, consequently January 2007 was the first time applications could be submitted for this fund.

Following enactment of the Performance Incentive Fund, the EDC restructured its guidelines so that its existing discretionary funds would be used to provide enhanced incentives in addition to supporting other economic development efforts. The Enhanced Incentive Program provides an additional performance-based incentive payment to companies that have qualified under the Performance Incentive Fund and have created new jobs paying average wages that are even higher than required under the Performance Incentive Fund. These incentives are designed to support highly desirable and high-impact job creation opportunities.

All payroll or other data submitted by the following companies with incentive applications were reviewed and approved by the state. In addition, all companies listed below achieved their job creation and wage requirements. The following paragraphs include additional statutorily required reporting information.

- 1. ACF Enterprises LLC, Durango** – ACF Enterprises LLC operates a wilderness therapy program for youth known as Open Sky. The company is located in Durango, Colorado and was established in 2006. The company submitted an application for 7 net new full-time jobs created in February 2006. The average annual wages were \$43,765 that entitled the company

to incentives in the amounts of \$10,500 and \$8,750 for the Performance Incentive Fund and the Enhanced Incentive Program, respectively.

2. **CH2M HILL Companies, Ltd., Denver Metro** – CH2M HILL Companies, Ltd. (CH2M) is an engineering firm located at 9191 S. Jamaica St., Englewood CO 80112; phone number 303-771-0900. Jo Ann Shea is CH2M’s Chief Accounting Officer. The company plans on hiring 350 new employees over the next few years and to date has received \$261,768 in incentives (from the EDC’s previous job incentive program) for the creation of 107 new full-time jobs during 2006. CH2M has begun requesting incentives for the remaining 243 jobs under the Performance Incentive Fund and Enhanced Incentive Program. The company submitted two applications and received incentives noted below. This company has indicated that it did not reduce employment at any other site controlled by the company in Colorado as a result of automation, merger, acquisition, corporate restructuring or other business activity.
  - May 2006, CH2M created 16 full-time net new jobs with an average annual wage of \$95,677 and received \$24,000 from the Performance Incentive Fund and \$16,000 from the Enhanced Incentive Program, respectively.
  - June 2006, CH2M created 13 jobs with an average annual wage of \$130,485 and received \$19,500 from the Performance Incentive Fund and \$13,000 from the Enhanced Incentive Program, respectively.
3. **Crispin, Porter & Bogusky (CPB), Boulder** – Crispin, Porter & Bogusky is an advertising company headquartered in Florida that opened a location in Boulder during 2006. The company is located at 6450 Gunpark, Boulder CO 80301; phone number 303-628-5100. Eric Lear is the Chief Operation Officer. During July 2006, the company relocated and hired 47 net new full-time positions with an average annual wage of \$93,930. CPB received incentives in the amount of \$70,500 and \$47,000 from the Performance Incentive Fund and the Enhanced Incentive Program, respectively. This company has indicated that it did not reduce employment at any other site controlled by the company in Colorado as a result of automation, merger, acquisition, corporate restructuring or other business activity.

- 4. Echostar Satellite LLC, Denver Metro and Colorado Springs** – Echostar Satellite LLC (Echostar) is a digital satellite TV provider headquartered at 9601 S Meridian Blvd. Englewood CO 80112; phone number 303-723-1000. Bernie Han is the Chief Financial Officer. This company has indicated that it did not reduce employment at any other site controlled by the company in Colorado as a result of automation, merger, acquisition, corporate restructuring or other business activity. Echostar submitted two applications during 2007 for jobs created in 2006 due to business growth.

  - January 2006, Echostar created 20 net new full-time positions with an average annual wage of \$62,697 and received \$30,000 from the Performance Incentive Fund and \$10,000 from the Enhanced Incentive Program, respectively.
  - March 2006, the company created 39 net new full-time positions with an average annual wage of \$66,168 and received \$58,500 and \$29,250 from the Performance Incentive Fund and the Enhanced Incentive Program, respectively.
- 5. Mercury Payment Systems LLC, Durango** – Mercury Payment Systems (Mercury Payment) is a credit card processing company located at 10 Burnett Crt., Suite 300, Durango CO 81301; phone number 970-247-5557. Roger Fox is the Chief Financial Officer. This company has indicated that it did not reduce employment at any other site controlled by the company in Colorado as a result of automation, merger, acquisition, corporate restructuring or other business activity. Mercury Payment submitted two applications for jobs created in 2006 due to company growth.

  - February 2006, the company created 6 net new full time positions with average annual wages of \$41,972 and received \$9,000 from the Performance Incentive Fund and \$7,500 from the Enhanced Incentive Program, respectively.
  - March 2006, Mercury Payment created 7 net new full-time positions earning an annual average salary of \$47,425. The company received incentives in the amount of \$10,500 and \$10,500 from the Performance Incentive Fund and the Enhanced Incentive Program, respectively.
- 6. Progressive Casualty Insurance Company, Statewide** - Progressive Casualty Insurance Company (Progressive) is an insurance company headquartered in Mayfield Village Ohio with several locations throughout the state of Colorado. Progressive received incentives for January 2006 due to job expansion into the state. Progressive created 15 jobs with an average annual wage of \$62,503 and received \$22,500 from the Performance Incentive Fund and \$11,250 from the Enhanced Incentive Program, respectively.
- 7. The Williams Companies, Statewide**– This is a natural gas company located in Denver with employees located throughout the state. The Williams Companies submitted an application for 15 net new full-time jobs created in May 2006. The average annual wages were \$49,541 and the company received \$22,500 from the Performance Incentive Fund.

- 8. USC, Inc., Delta** – USC, Inc. (USC) is a mining company that created 5 net new full-time positions in January 2006 with annual average wages of \$35,076. The company received \$7,500 from the Performance Incentive Fund and \$6,250 from the Enhanced Incentive Program, respectively.

**Goal VI. Grant conditional written approval to every production company that, based on the information provided by the production company, will satisfy the film incentive requirements and be eligible to claim an incentive.**

The second economic development incentive program created by the General Assembly during 2006 is known as the Colorado Film Production Cash Fund. This incentive aims to encourage film production in Colorado by providing a rebate of 10 percent of qualifying in-state production expenses following the completion of film production. As of December 2007, one production company has claimed incentives. My Brother the Monster, LLC. is a Denver Metro production company that received \$32,500 after submitting the proof of production documentation for their film.

#### **Status of Projects Approved by the EDC in 2006**

Each year, the EDC Annual Report tracks projects originally approved in the preceding year and provides an update of their status.

- 1. Ameriquest Data Center Incentive, Douglas County** – Ameriquest Capital Corporation (ACC) is a privately held Delaware Corporation with various residential loan operations. Founded in 1979 in Long Beach, California, ACC and its affiliates currently employ more than 14,000 associates nationwide. This project consisted of ACC locating a new disaster recovery center, a call center, an applications development site and a production data facility in Douglas County and hiring at least 125 new employees with an average annual salary of \$57,600. The facilities were not going to be located within an enterprise zone. ACC planned to make an investment of approximately \$71 million. The EDC approved a job incentive grant of \$250,000 and Douglas County matched the grant at \$250,000. Due to strategic changes and the recent sale of Ameriquest Mortgage Co. to Citigroup, the company will be terminating the contract. No EDC funds have been disbursed.
- 2. CH2M Hill HQ Expansion Incentive, Douglas County** – CH2M Hill, headquartered in Douglas County, is one of the world's largest engineering services firms. It provides engineering, construction, operations, major project management and related technical services to municipal, state, federal, and private sector clients. Because of the company's growth, CH2M Hill is constructing a fourth building on its campus. CH2M Hill will make investments of approximately \$49.2 million. The new building is not located within an enterprise zone. In addition to the new building, CH2M Hill plans to hire 350 new employees at its Douglas County campus with an average annual salary of \$60,000. Douglas County committed incentives with a value of approximately \$261,768. The EDC approved an incentive of \$213,241 for the creation of 107 new jobs at an average wage rate of \$60,000. The company received the incentive for the creation of 107 new jobs and is now in the process of pursuing incentives for the remaining 243 jobs under the EDC's Performance Incentive Fund and the Enhanced Incentive Program.

3. **Corporate Express Incentive, Aurora** – The EDC approved a \$60,000 grant for Corporate Express. This project was an incentive that resulted in 660 new call-center jobs for Aurora, CO. In 2005, the Aurora Economic Development Council was competing with Wichita, KS for the project and on October 7, 2005, as a result of this incentive, Corporate Express announced its plans to locate in Aurora. The call center operations remain active in Aurora; however to date, no EDC funds have been requested by the company.
4. **Lockheed Martin Orion Project Incentive, Jefferson County** – Lockheed Martin Corporation is a publicly traded corporation that principally researches, designs, develops, manufactures, integrates, operates and sustains advanced technology systems, products and services. They serve customers in domestic and international defense and civil markets, with their principal customers being agencies of the U.S. Government. They were formed in 1995 by combining the businesses of Lockheed Corporation and Martin Marietta Corporation. Lockheed Martin Space Systems, a major operating unit of Lockheed Martin Corporation, was awarded a contract by NASA to engineer and manufacture the next generation replacement for the Space Shuttle Program. Titled the Crew Exploration Vehicle (CEV) Program, the spacecraft will fly to the moon and the international space station. Lockheed Martin Space Systems currently has two expansion projects in Jefferson County - expanding the current facility located at the Waterton Campus and renovating leased office space of approximately 140,000 square feet. Under these projects, LMC will invest approximately \$55 million. Jefferson County will provide a local match of \$650,000. In addition, the City of Lakewood has committed to \$150,000 and Jefferson County Workforce Center will provide a training grant of \$20,000 a year for five years. The EDC will provide Lockheed Martin Corporation with an incentive in the aggregate amount of \$900,000 to be disbursed at a rate of \$3,000 per new job created for the CEV Program, provided that the average annual wage for the new jobs shall be \$70,000 or more. EDC funds have not yet been disbursed.

### **Projects in Rural Areas Approved in 2006**

1. **Parelli Natural Horsemanship Incentive, Pagosa Springs** - Parelli, headquartered in Pagosa Springs, provides a comprehensive and user-friendly system of horse training. Its headquarters is located in approximately 7,000 sq. ft. of leased space that has become inadequate due to the growth of the company. The Parellis approved the establishment of a new corporate headquarters, located within an enterprise zone in the city limits of Pagosa Springs. Parelli anticipates adding at least 25 new employees with an average wage rate of \$38,854 at its Pagosa Springs campus with the expansion. The EDC awarded Parelli a grant of \$50,000 to be disbursed at a rate of \$2,500 per job created. Archuleta County has committed to match the EDC's incentive offer in the form of a personal and property tax rebate package with a value of approximately \$50,000. EDC funds have not yet been disbursed.
2. **Safe Auto Incentive, Sterling** - Safe Auto is a subsidiary of the parent company Safe Auto Insurance Group, Inc., which is a property/casualty insurance holding company. Safe Auto sells, markets, and underwrites only state-required minimum-limit personal automobile insurance coverage primarily on a direct basis in twelve states. The consumer-direct insurer focuses on selling and servicing insurance policies from a multi-state network of call centers.

The Company targets drivers looking for the minimum legal level of insurance. Safe Auto employed approximately 60 people at its temporary facility in Sterling. During that time, the Company evaluated its plans to invest in a permanent call center building or to lease a call center building to house the existing employees and to create up to an additional 190 new jobs with an average annual salary of \$27,456 per year. The City of Sterling, Logan County and the Sterling Urban Renewal Authority committed to a combined incentive package totaling \$750,000. The EDC awarded Safe Auto a grant of up to \$750,000 for Safe Auto to be disbursed at a rate of \$2,500 per job created as soon as a minimum of 100% average wage rate was met, plus an additional \$250 per job at the end of the contract term if the average wage levels exceeded 110% of the Logan County average wage rate, plus an additional \$250 per job at the end of the contract term if the average wage levels exceeded 125% of the Logan County average wage rate. The company closed the Sterling facility in 2007 prior to finalizing and executing the EDC contract. No EDC funds were disbursed.

### **Marketing Projects Approved in 2006**

- 1. Colorado Aerospace Marketing 2007, Statewide** - In 2006, the EDC approved a \$75,000 marketing grant to assist the Colorado Space Coalition in its promotion of Colorado as a key location for the expansion of private and public aerospace activities. Previous EDC funded projects, including the 2000 Colorado Space Initiative Strategic Plan and the 2005-2006 Colorado Aerospace Marketing plans, have assisted with the elevation of Colorado's industry in terms of space operations and employment. The Colorado Space Coalition is an alliance of Colorado aerospace companies, local economic development organizations, and state governmental agencies facilitated through the Lt. Governor's Office and OEDIT. The funds were used to establish significant Colorado visibility at the 2007 National Space Symposium in Colorado Springs. The project was complete after the April 2007 National Space Symposium.

### **3.2. Department of Agriculture: Colorado Proud Marketing 2006 & 2007, Rural/Statewide**

The Department of Agriculture developed the "Colorado Proud" branding program to help consumers, restaurants and retailers identify and purchase Colorado food and agricultural products. The EDC has provided six previous grants for this program, totaling \$352,000 to date. The latest grants were for \$100,000 (2006 marketing) and \$100,000 (2007 marketing). The program now has over 880 licensed participants, including 195 restaurants. During 2007, the program conducted an extensive television media campaign on KUSA, Channel 9 in Denver and began a TV campaign on KKCO, Channel 11 in Grand Junction. In addition, the program promoted its objectives through the *Colorado Vine Magazine*, the Colorado Expressions Holiday Gift Guide, producing a weekly cooking segment on Channel 2 in Denver, and a variety of public relations and special events. Approximately \$339,000 was raised in matching funds for 2006 through the sale of promotional items, fundraising, partnership funds and in-kind broadcast. Matching funds of approximately \$345,000 were raised during 2007.

- 3. CoreNet Global Summit Strategic Marketing 2007, Denver** – In 2006, the EDC approved a \$75,000 grant to market Colorado to more than 3,000 attendees at the 2007 CoreNet Global Summit (Corporate Real Estate Network) held April 28 – May 2 in Denver. CoreNet is the largest concentration of site-selectors, facilities managers, and economic developers in the



world and the Summit provided an opportunity for the State and the Denver Metro region to market to key decision makers as to why Colorado is the best place to operate a business. The grant supported major sponsorships and advertising opportunities. The project was complete after the May 2007 CoreNet Global Summit.

- 4. OEDIT Marketing 2006, Statewide** - In 2006, the EDC allocated an additional \$87,000 for marketing activities. As a result of this funding, OEDIT's marketing activities have included participation in targeted trade shows with representatives of local economic development organizations, a New York City Media and Site Selector event, creation and distribution of 12 eNewsletters, redesign of the OEDIT Web site, redesign and branding of the State portal (Colorado.gov) and the Governor's homepage, creation and launch of the Advancing Colorado Web site, creation of collateral materials, creation of television and print ads, and rollout of the "Colorado" branding initiative.

### **Special Projects and Activities Approved in 2006**

- 1. Advance Colorado Center Sustainability Plan, Denver** – The Advance Colorado Center was established by an EDC Grant to the University of Colorado Denver and began its operations in the Denver World Trade Center in November 2004. The idea behind the Advance Colorado Center (ACC) was to enhance Colorado's entrepreneurial climate and accelerate economic development in the state by providing a common space for the offices of key emerging industry associations. The ACC fosters mutual support among the individual organizations and interacts closely with OEDIT.

The ACC members have formed a non-profit organization for the purpose of providing long-term oversight of the ACC independent of the State and UCD. In 2006, the EDC approved a grant of \$297,750 to assist in building a self-sustaining organizational and financial structure for the ACC. This project includes the creation and execution of an ACC Sustainability Plan, which will include shared resources, grant writing and research associates, and a marketing and communications initiative. This EDC project is ongoing and will continue into 2008.

- 2. Department of Agriculture: Ag Value-Added Feasibility Studies, Rural/Statewide** – The Department of Agriculture, through the Colorado Agricultural Value-Added Development Board (CADA), has initiated six agricultural value-added feasibility studies to assist rural Colorado enterprises investigate the feasibility of specific value-added agricultural projects. The EDC provided \$50,000 to finance three of the six studies. The CADA selects studies from applications received. Applicants are required to provide a minimum of \$5,000 in cash matching funds and at least 25 percent in in-kind match. Grants are made through local governmental entities in order to assure local community involvement and support for the feasibility study projects. To date, CADA has entered into agreements for two projects totaling \$30,000. The projects are briefly summarized below:

  - **La Junta Capital (a non-profit created by the city of La Junta)** -- \$15,000 was approved to study the feasibility of organizing a vertically integrated operation ranging from raising goats to marketing branded dairy goat milk products.
  - **Archuleta County** -- \$15,000 was approved to assist the Mountain High Fiber Ladies Mill in funding the development of a marketing plan aimed at expanding market opportunities through the local processing of Colorado wool into value-added yarns.
- 3. Colorado Nanotechnology Alliance, Statewide** - In 2006, the EDC approved a three-year grant totaling \$225,000 to support the Colorado Nanotechnology Alliance. The Colorado Nanotechnology Alliance requested operational support to lead and position the state in nanotechnology economic development efforts. Nanotechnology – the science of manipulating extremely small particles of matter – has been widely identified as an emerging technology with broad commercial impact. The EDC and OEDIT have supported efforts to advance this industry in Colorado, including a \$50,000 contribution toward the development of the Colorado Nanotechnology Roadmap (developed by the CU Leeds School of Business) and approving membership in the Advance Colorado Center. The grant will total \$225,000 over three years (\$100,000 year 1, \$75,000 year 2, \$50,000 year 3). An Executive Director was hired in late 2006, the plan has been executed, and the EDC approved the CNA’s second year of funding at their November 2007 meeting. This project is ongoing and will continue into 2008 and 2009.
- 4. Colorado Springs Olympic Community Partner, Colorado Springs** – In 2006, the EDC approved a \$50,000 grant to be disbursed over 2 years to support the Colorado Springs Olympic Community Partner program. This program is designed to create a group of cities and communities that will support programs for the training of Olympic and Paralympic athletes. According to USOC materials, Community Partners receive priority status in hosting the USOC programs and events like Olympic Trials and the Olympic Assembly. Total funding required was \$250,000 over two years and the project had strong financial support from the Colorado Springs community. The intended EDC support was to further strengthen the state’s commitment toward the economic benefits of sport-based activities and the long-term presence of the US Olympic Committee in Colorado. To date, the applicant has requested \$25,000 of the \$50,000 commitment. The project is ongoing and the grant should conclude in early-to-mid 2008.
- 5. Community Business Retention Program, Statewide** – In November 2006, the EDC approved a grant of \$100,100 to expand the statewide Community Business Retention and

Expansion Program (BRE). This project includes support of the *Synchronist* based BRE software programs. The comprehensive program will also create a Business Retention and Expansion Tool Kit to assist communities in developing or improving BRE programs and also provide community BRE assessments to coach individual Colorado communities with process (and create consistency across the state). The three year-goal of the program is to have a comprehensive and sustainable BRE program, which touches communities in every region of the state. This project was implemented in early 2007 and will continue into 2008 and 2009.

6. **CSU Grid Simulation Laboratory (now InteGrid Lab), Fort Collins** - This project involves the partnership of Colorado State University's Engines and Energy Conversion Laboratory and a multinational corporation (Spirae, Inc.) to test, develop and deploy an interconnected electrical grid that would create a unique, world-class grid simulation lab in Colorado. The primary opportunity is to establish a systems level development facility for addressing grid systems control and integration issues, demonstrating solutions and quantifying benefits in cooperation with numerous organizations. Additionally, it is anticipated that other companies will use this lab as well. During 2006, the Commission provided a \$125,000 grant to defray a portion of the infrastructure expansion costs. The City of Fort Collins and Colorado State University's Engines and Energy Conversion Laboratory provided matching funds. This project is ongoing and should conclude in late 2009.
7. **Colorado Film Commission Operations, Denver** – The Colorado Film Commission (CFC) has been working with industry representatives since 2003 to develop a new public-private partnership. The mission of the CFC is to promote Colorado as a location for film production, to support and foster the growth of the local film industry and to assist and train local community film commissions around the state – activities that were performed by the State Motion Picture and Television Commission before it was de-funded by the legislature. The CFC has hired a director and constituted a new advisory committee, including key individuals from the Colorado film industry. The EDC approved a grant of \$25,000 to assist the CFC with start-up expenses while its new director pursued outside funding.

During 2006, the General Assembly approved a new Colorado Film Production Incentive, administered by the Economic Development Commission, to encourage film production in the state. The EDC is partnering with the CFC to promote this new incentive program and to screen potential applicants. As noted in the New Initiatives section of this report, the EDC approved an additional round of funding in the amount of \$137,500 to assist the CFC to build momentum as an independent organization. All funds were disbursed and this contract was closed.

8. **Fort Carson Regional Growth Plan, El Paso County** – In 2006 the EDC approved a \$37,500 grant to provide matching funds in assistance with preparation of the Fort Carson Regional Growth Plan (as conducted by the Federal Office of Economic Adjustment). The grant is coordinated by the Pikes Peak Regional Council of Governments and the total cost of the plan is projected at \$575,000. The Plan will be used to facilitate implementation of specific strategies at both the regional and local level, recommend capital improvement projects, provide program planning tools, and suggest grants and other funding mechanisms available to fund construction projects. This creation of this plan is a result of the significant

growth occurring at Ft. Carson in terms of personnel and investment. EDC support was in recognition that Ft. Carson is Colorado's second largest employer, behind the State of Colorado. This plan is expected to take 18 months to complete and is ongoing. The majority of the grant has been requested, and it should be closed in mid 2008.

- 9. OEDIT Marketing/Website Enhancement, Statewide** – In 2006 the EDC approved a strategic marketing grant of \$350,000 for the creation and execution of [www.ColoradoProspects.com](http://www.ColoradoProspects.com). This website provides businesses, site-selectors, and economic developers a set of sophisticated, web-based economic development tools. The audience of this website primarily consists of out-of-state and in-state businesses considering Colorado for relocation or expansion, site selection and corporate real estate consultants, and in-state economic development organizations. The grant included start up and development costs, marketing, and three years of ongoing funding/maintenance for the GIS-based website.

This website was launched in December 2006. This project is ongoing and is an integral part of OEDIT's marketing and business development activities. It will continue into 2009 to support the operational costs of the GIS based application.

- 10. Photonics/Nanotech ACC Joint Venture, Statewide** – In 2006, the EDC approved a two-year grant totaling \$185,000 to support the Colorado Photonics Industry Association (CPIA). The CPIA requested operational support to lead and position the state within this emerging and existing Colorado industry. The EDC and OEDIT have supported efforts to advance this industry in Colorado, including support of its recent marketing initiatives and approving membership in the Advance Colorado Center. The grant will total \$185,000 over two years (\$120,000 year 1, \$65,000 year 2).

An Executive Director was hired in early 2007, the plan has been executed appropriately, and the EDC approved CPIA's second year of funding at their November 2007 meeting. This project is ongoing and will continue into 2008.