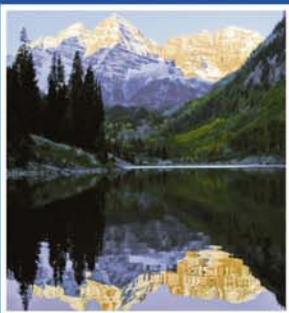


Governor Bill Ritter Jr.

Don Elliman

Colorado Office of  
Economic Development &  
International Trade



# *E*conomic *D*evelopment *C*ommission

2008 Annual Report

Colorado Office of Economic Development &  
International Trade  
January 2009

# Colorado

Office of Economic  
Development and  
International  
Trade

Bill Ritter, Jr., Governor

Don Elliman, Director

January 20, 2009

Members of the First Regular Session of the Sixty-Seventh 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 2008. The report contains information on projects supported by the EDC in calendar year (CY) 2008, as well as the status of initiatives approved in CY 2007.

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 including the Vestas' expansion in Brighton. Small businesses and rural areas remained a priority for the EDC in 2008 through the support of the expansion of Lewis Engineering's manufacturing facility in Grand Junction, provision of matching funds for Enterprise Zone marketing, and funding provided for agriculture projects.

The Commission will continue to partner on 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>	1
<b>New Initiatives: Projects Approved by the EDC in 2008</b>	2
Vestas Blades, Brighton	2
United States Olympic Committee, Colorado Springs	2
Lewis Engineering, Grand Junction	2
Colorado Aerospace Marketing 2009, Statewide	2
Department of Agriculture, Ag Products Utilization & Marketing Program, Rural & Statewide	3
Department of Agriculture, Colorado Proud Marketing 2008, Rural & Statewide	3
Advance Colorado Center, Statewide	3
ASES Green Jobs Study, Statewide	3
Colorado Center for Space Entrepreneurship, Statewide	4
Colorado Drug & Development Institute, Statewide	4
Colorado Springs EDC Community Business Expansion Program, Statewide	4
Grand Junction Incubator Center Feasibility Study, Grand Junction	4
Job Growth Incentive Program Study, Statewide	4
SportAccord, Statewide	4
<b>Enterprise Zone Marketing Activities and Policy Oversight, Statewide</b>	5
<b>Certified Capital Companies Program Waivers</b>	6
<b>Performance Incentive Fund and Enhanced Incentive Program</b>	7
CH2M Hill Companies, Ltd., Denver Metro	7
Crispin, Porter & Bogusky, Boulder	8
Delta Solutions and Strategies, LLC., Colorado Springs	8
Progressive Casualty Insurance Company, Statewide	8
Trizetto, Denver Metro	9
The Williams Companies, Statewide	9

United Launch Alliance, Jefferson County	9
<b>Film Commission Production Projects</b>	10
<b>Status of Projects Approved by the EDC in 2007</b>	10
IBM, Boulder	10
L.B. Foster, Pueblo	10
Leitner-Poma of America, Grand Junction	11
Pacific Accent Glass Block, Fruita	11
Colorado Aerospace Marketing 2008, Statewide	11
OEDIT Marketing 2007, Statewide	11
Advance Colorado Center Outreach Program, Statewide	12
Aerospace Incubator, Statewide	12
Bioscience Competitiveness Report, Statewide	12
Bioscience Strategic Study, Statewide	12
Colorado Center for Biorefining and Biofuels, Statewide	12
Colorado Enterprise Fund, Front Range	13
Colorado Film Commission Operations, Statewide	13
Colorado Homeland Defense Alliance, Colorado Springs	13
Colorado Leveraging Assets to Better Science, Statewide	13
Nano-Renewable Energy Summit, Statewide	14
Procurement Technical Assistance Centers, Statewide	14
San Luis Valley Targeted Industry Study, San Luis Valley	14
Veterans Business Initiative for National Sustainment, Statewide	14

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**COMMISSION MEMBERS AS OF JANUARY 2009**

**CHAIRMAN**

Richard L. Monfort  
Greeley, CO

**VICE CHAIRMAN**

Michael Matthews  
Wells Fargo Bank  
Centennial, CO

**MEMBERS**

William Sisson  
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 2008**  
**GENERAL PROGRAM – VARIOUS**  
**ALPHABETICALLY LISTED**

<b>PROJECT</b>	<b>AREA</b>	<b>EDC \$</b>	<b>OTHER \$/ SOURCE</b>	<b>STATUS</b>
Advance Colorado Center	Statewide	\$ 47,040	\$109,760/Private	Contracted
ASES Green Jobs Study	Statewide	\$ 25,000	\$70,000/Public	Contracted
Colorado Aerospace Marketing 2009	Statewide	\$146,000	N/A	Pending
Colorado Center for Space Entrepreneurship	Statewide	\$150,000	\$938,631/Public	Contracted
Colorado Drug & Development Institute	Statewide	\$200,000	\$100,000/Private	Contracted
Colorado Springs EDC Community Business Expansion Program	Statewide	\$125,000	\$125,000/Private	Contracted
Department of Agriculture, Ag Products Utilization & Marketing Program	Rural, Statewide	\$100,000	\$100,000/Private	Completed
Department of Agriculture, Colorado Proud Marketing 2008	Rural, Statewide	\$150,000	\$150,000/ Private and Public	Contracted
Grand Junction Incubator Center Feasibility Study	Grand Junction	\$ 50,000	\$50,000/Private	Pending
Job Growth Incentive Program Study	Statewide	\$ 15,000	N/A	Pending
Lewis Engineering	Grand Junction	\$ 42,000	\$42,000/Local	Pending
SportAccord	Statewide	\$150,000	\$400,000/Private	Pending
Vestas Blades	Brighton	\$928,000	\$1,300,000 Local/Private	Contracted
United States Olympic Committee	Colorado Springs	\$500,000	\$53 Million Local	Pending

**PROJECTS APPROVED BY THE ECONOMIC DEVELOPMENT COMMISSION IN 2008  
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	Completed
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
EZ Tradeshow Marketing Grant 2008-2009	All EZ's	\$25,000	N/A	Pending

**PROJECTS FUNDED BY THE ECONOMIC DEVELOPMENT COMMISSION IN 2008  
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>
CH2M HILL Companies, Ltd. July 2006	Denver Metro	\$15,000	\$10,000
CH2M HILL Companies, Ltd. September 2006	Denver Metro	\$15,000	\$10,000
CH2M HILL Companies, Ltd. October 2006	Denver Metro	\$21,000	\$14,000
CH2M HILL Companies, Ltd. February 2007	Denver Metro	\$15,000	\$10,000
CH2M HILL Companies, Ltd. March 2007	Denver Metro	\$36,000	\$24,000
CH2M HILL Companies, Ltd. April 2007	Denver Metro	\$49,500	\$33,000
CH2M HILL Companies, Ltd. May 2007	Denver Metro	\$30,000	\$20,000
Crispin, Porter & Bogusky LLC August 2006	Boulder	\$30,000	\$20,000
Crispin, Porter & Bogusky LLC September 2006	Boulder	\$19,500	\$0
Crispin, Porter & Bogusky LLC November 2006	Boulder	\$18,000	\$9,000
Crispin, Porter & Bogusky LLC January 2007	Boulder	\$24,000	\$8,000
Crispin, Porter & Bogusky LLC February 2007	Boulder	\$19,500	\$9,750
Crispin, Porter & Bogusky LLC March 2007	Boulder	\$18,000	\$6,000
Crispin, Porter & Bogusky LLC April 2007	Boulder	\$18,000	\$0
Crispin, Porter & Bogusky LLC May 2007	Boulder	\$27,000	\$18,000
Delta Solutions and Strategies, LLC January 2006	Colorado Springs	\$15,000	\$10,000
Progressive Casualty Insurance Company August 2006	Statewide	\$30,000	\$10,000
Progressive Casualty Insurance Company September 2006	Statewide	\$16,500	\$0
Progressive Casualty Insurance Company November 2006	Statewide	\$28,500	\$0

Progressive Casualty Insurance Company December 2006	Statewide	\$45,000	\$0
Progressive Casualty Insurance Company January 2007	Statewide	\$48,000	\$0
Progressive Casualty Insurance Company February 2007	Statewide	\$16,500	\$8,250
Progressive Casualty Insurance Company March 2007	Statewide	\$28,500	\$0
Trizetto February 2007	Denver Metro	\$18,000	\$6,000
Trizetto March 2007	Denver Metro	\$30,000	\$0
Trizetto April 2007	Denver Metro	\$15,000	\$5,000
The Williams Companies July 2006	Statewide	\$18,000	\$12,000
The Williams Companies September 2006	Statewide	\$18,000	\$0
The Williams Companies March 2007	Statewide	\$21,000	\$7,000
United Launch Alliance January 2007	Jefferson County	\$31,500	\$21,000
United Launch Alliance February 2007	Jefferson County	\$25,500	\$17,000
United Launch Alliance March 2007	Jefferson County	\$33,000	\$22,000
United Launch Alliance April 2007	Jefferson County	\$58,500	\$39,000

<b>PROJECTS FUNDED BY THE ECONOMIC DEVELOPMENT COMMISSION IN 2008</b>			
<b>FILM COMMISSION PRODUCTION PROJECTS</b>			
<b>PRODUCTION COMPANY</b>	<b>LOCATIONS</b>	<b>PROJECT</b>	<b>FILM INCENTIVE \$</b>
Double Edge Films	Denver Metro	Ink	\$19,661

## INTRODUCTION

During 2008, the EDC continued to assist communities and businesses throughout Colorado. As the report indicates, the EDC supported a number business opportunities and projects that created hundreds of quality jobs and strengthened Colorado's business and economic development infrastructure for years to come.

The Commission also provided funding to support a variety of special projects, economic development marketing programs and studies. These include supporting a Green Jobs Study, providing marketing support for the Colorado Space Coalition, and granting matching funds for SportAccord. In addition, the EDC reviewed one CAPCO waiver request.

The following table provides a general breakdown of EDC projects (including applications from the Performance Incentive Fund and the Enhanced Incentive Program) in 2008:

<b>Region</b>	<b>Number of Projects</b>	<b>Percentage of Total Projects</b>
<b>Rural</b>	15	23%
<b>Urban</b>	33	50%
<b>Statewide</b>	18	27%
<b>Total for Year</b>	66	100%

The Performance Incentive Fund and the Enhanced Incentive Program received 33 applications from seven businesses which were awarded incentives in the amount of \$852,000 and \$349,000, respectively, for the creation of 568 net new full-time positions.

During the 2008 legislative session, the General Assembly authorized changes to the Performance Incentive Fund which provided flexibility to better enhance the program and maintain program accountability. The revised program guidelines were issued in the latter part of 2008 and will be marketed to communities in early 2009. The Commission also updated its Strategic Fund guidelines in mid-2008 due to changing economic conditions.

As of December 2008, the Colorado Film Production Cash Fund had two pre-approved productions, resulting in \$426,391 in committed funding and had disbursed \$19,661 for one completed production.

### **New Initiatives: Projects Approved by the EDC in 2008**

During 2008, 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 in 2008 based the amount of an incentive award primarily on the number of net new jobs to be created and the average salary level relative to the prevailing county average salary, as well as considering other economic benefits and financial aspects 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. Vestas Blades, Brighton** – Vestas is a wind energy manufacturing company from Denmark. This project included an EDC commitment of \$928,000 (\$2,000/job for up to 464 jobs) to attract the \$95 million investment and the 464 jobs for a new wind-blade manufacturing facility in Windsor. The new facility was opened in Windsor during 2008.
- 2. United States Olympic Committee (USOC), Colorado Springs** - The USOC retention project involved the retention of the USOC headquarters facility in Colorado Springs. The EDC committed \$500,000 toward the \$53 million retention package assembled by the City of Colorado Springs. On March 28, 2008, the USOC announced that they would retain their headquarters in Colorado. The final commitment by the USOC was to construct a new \$21 million USOC headquarters building and provide \$16 million of improvements to the Olympic Training Center.

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

- 1. Lewis Engineering, Grand Junction** – Lewis Engineering is a minority woman-owned contract machine shop specializing in aerospace products, turbine engine components, rapid prototyping, and industrial pumps. The company plans to expand into complex machining and will hire 14 new full-time employees. The City of Grand Junction along with Mesa County provided a local match of \$42,000. The Commission approved an incentive of \$42,000 for the creation of 14 new jobs at an average wage rate of at least \$36,994.

**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 2009, Statewide** – The EDC approved a \$146,000 marketing grant to assist the Colorado Space Coalition with 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 2005-2008 Colorado Aerospace Marketing plans, and individual space company initiatives, have assisted with the elevation of Colorado's industry in terms of employment to #2 in the nation. 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 will be used to establish significant visibility at the April 2009 National Space Symposium (Colorado Springs), to support development of a new Aerospace Co-laboratory, and to support continual maintenance of the Space Coalition website. The project will be complete after the April 2009 National Space Symposium.

- 2. Department of Agriculture, Ag Products Utilization & Marketing Program, Rural/Statewide** - The Ag Products Utilization & Marketing Program was a new program created from the merger of the Value-Added Development Board feasibility study program and the CDA Agricultural International Trade Promotion Program. Both of these programs were individually sponsored by the EDC over the last several years. This initiative grants matching funds to assist Colorado companies in the research and development of new uses and markets for agricultural and food products involved in Research & Feasibility Studies or Marketing Promotion Projects. The Department of Agriculture was granted \$100,000 for two years.
- 3. Department of Agriculture, Colorado Proud Marketing 2008, Rural/Statewide** – The Colorado Department of Agriculture developed the “Colorado Proud” program to encourage consumers, restaurants and retailers to buy food and agricultural products that are grown, raised or processed in Colorado. The EDC has provided \$502,000 in grant funding since the beginning of the program. To date, there are more than 1,000 members, and 59% of people are very or somewhat familiar with the Colorado Proud logo. The Colorado Department of Agriculture received a \$150,000 grant from the EDC to support continuation of Colorado Proud marketing activities with \$235,300 raised in matching funds through partner contributions.

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

- 1. Advance Colorado Center, 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. There are currently four non-profit entities that are tenants of the ACC: Connect Organization for Responsible Economy (CORE), Colorado BioScience Association (CBSA), Colorado Software and Internet Association (CSIA) and Colorado Association for Manufacturing and Technology (CAMT). These tenants pay their prorated portion of the lease (including offices and common space). The EDC approved an 18-month grant for \$47,040 to pay for the unoccupied portion of the lease. The ACC is responsible for recruiting tenants to lease the unoccupied space to the best of their ability. If current or future tenants utilize any unoccupied space, such tenants shall pay for their use of that space and EDC funds will be decreased accordingly.
- 2. ASES Green Jobs Study, Statewide** – The Governor’s Energy Office implemented a study to comprehensively address all of the various facets of the Renewable Energy and Energy Efficiency industries (including training, installation, maintenance and operation, education, etc.) in Colorado. The EDC approved a \$25,000 grant to finance a portion of this study.

3. **Colorado Center for Space Entrepreneurship (CSE), Statewide** – The EDC approved a \$150,000 grant to assist with the establishment of the CSE. CSE is a non-profit assisting with the formation and development of Entrepreneurial Space Companies along with the workforce that supports them.
4. **Colorado Drug & Development Institute, Statewide** – The Fitzsimons Redevelopment Authority (FRA) received a \$200,000 grant from the EDC for a seven-month study/evaluation that will result in defining the scope of a new Colorado Drug & Device Development Institute. This project involves the development of a business plan and recommendations for implementing the institute in the near future.
5. **Colorado Springs EDC Community Business Expansion Program, Statewide** – The EDC approved a \$125,000 grant (\$50,000 year 1, \$50,000 year 2, \$25,000 year 3) to assist the Colorado Springs Economic Development Corporation (CSEDC) with the establishment of a new, statewide, business-expansion pilot program. The purpose of the grant is to promote the economic development of the state and encourage the creation and growth of businesses in Colorado. This program will help the Colorado Springs EDC realize expansion opportunities from employers currently doing business in Colorado and create a program model for business expansion that is replicable statewide. The project was started by CSEDC in November 2008, and will continue into 2009 and 2010.
6. **Grand Junction Incubator Center Feasibility Study, Grand Junction** – The Grand Junction Incubator Center (Incubator) is a nonprofit corporation that provides business counseling and workshops through the Small Business Development Center, financial support through the Business Loan Fund of Mesa County, hands-on business development through the Incubator Program and tax credits for investment and job creation through the Enterprise Zone. The Incubator initiated a feasibility study to create a plan for the long-term growth and stability for the Incubator’s programs concentrating on taking over the existing business park (where the Incubator is located and currently acts as the property manager) and incorporating minimal updates to the structures on the campus. The Grand Junction Incubator Center was granted \$50,000 to assist with the study.
7. **Job Growth Incentive Program Study, Statewide** – The Commission approved a \$15,000 grant to work with a consultant to conduct a study on new job growth incentive programs for the state. The study will provide research support to determine the estimated impact a new program may have on Colorado’s economy and state revenues.
8. **SportAccord, Statewide** – The EDC approved a \$150,000 grant to support the Metro Denver Sports Commission with the sponsorship of “SportAccord 2009,” an event that is an annual gathering of approximately 1,400 top sport leaders and officials in the world of amateur and Olympic sports. The event will be hosted in Denver, and is an opportunity to showcase Colorado to the international sports community, which will be the first event of this kind to be held in North America. The project will close after “Sport Accord 2009” has been successfully completed in Denver (April 2009).

**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 2008, 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 for 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.** The 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 2008, the Commission approved 7 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 2008, the Commission approved 47 new projects, for a total of 463 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 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 2008, a CAPCO requested that the EDC review one business that did not meet all of the CAPCO program statutory and regulatory requirements, as follows:

- 1. American Armored Transport, Inc. (AATI), Henderson, Colorado** – proposed by Stonehenge Capital Fund Colorado, LLC (Stonehenge) – AATI was founded in 1995. The Company provides a long distance trucking service specializing in transporting coin and currency for the Federal Reserve Bank and U.S. mint systems. The EDC recommended that AATI be eligible to receive funding from Stonehenge, a Colorado Certified Capital Company, and thereby recommended a waiver of the requirement for 75% of AATI's total compensation to be paid to Colorado employees. Based on the EDC's recommendation, OEDIT approved AATI as an eligible business to receive this funding. Stonehenge is anticipating that the investment will be made in late 2008 or early 2009.

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

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.

The Enhanced Incentive Program was established by the EDC following the enactment of the Performance Incentive Fund. This 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.

During 2008, the general assembly passed legislation that allowed the EDC to make changes to the Performance Incentive Fund guidelines by expanding the job creation timeline, eliminating the application due date, enhancing the incentives and approving businesses' incentive based on a consistent definition of Enterprise Zone or Non-Enterprise Zone. As of November 2008, the updated program replaced the prior Performance Incentive Fund and the Enhanced Incentive Program.

Noted below are companies that received incentive payouts based on the previous Performance Incentive Fund and Enhanced Incentive Program guidelines. All payroll or other data submitted by the companies in their incentive applications were reviewed and approved by the state. In addition, all companies achieved their job creation and wage requirements. The following paragraphs include additional statutorily required reporting information.

- 1. 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 is expected to hire 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 began requesting incentives for the remaining 243 jobs under the Performance Incentive Fund and Enhanced Incentive Program in 2007 and 2008. During 2008, the company submitted seven applications and received the 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.

Application Month	Jobs Created	Average Annual Wages	Performance Incentive Fund	Enhanced Incentive Program
July 2006	10	\$137,711	\$15,000	\$10,000
September 2006	10	\$107,119	\$15,000	\$10,000
October 2006	14	\$ 99,220	\$21,000	\$14,000

February 2007	10	\$114,620	\$15,000	\$10,000
March 2007	24	\$ 81,310	\$36,000	\$24,000
April 2007	33	\$ 73,683	\$49,500	\$33,000
May 2007	20	\$ 80,488	\$30,000	\$20,000

2. **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. The company submitted eight applications and received the 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.

Application Month	Jobs Created	Average Annual Wages	Performance Incentive Fund	Enhanced Incentive Program
August 2006	20	\$90,260	\$30,000	\$20,000
September 2006	13	\$59,505	\$19,500	\$0
November 2006	12	\$84,369	\$18,000	\$9,000
January 2007	16	\$75,358	\$24,000	\$8,000
February 2007	13	\$78,686	\$19,500	\$9,750
March 2007	12	\$75,087	\$18,000	\$6,000
April 2007	12	\$61,292	\$18,000	\$0
May 2007	18	\$92,503	\$27,000	\$18,000

3. **Delta Solutions and Strategies, LLC., Colorado Springs** – Delta Solutions is a technical and management consulting company for the defense industry located at 1625 S Murray Blvd., Colorado Springs, CO 80916; phone number 719-475-0605. Kelly Roth is the Chief Executive 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. The company submitted one application for 10 jobs created in January 2006 due to business growth. The average annual wage for these positions was \$87,826. Delta Solutions received \$15,000 from the Performance Incentive Fund and \$10,000 from the Enhanced Incentive Program.
4. **Progressive Casualty Insurance Company, Statewide** – Progressive Casualty Insurance Company (Progressive) is an insurance company headquartered at 6300 Wilson Mills Rd, Mayfield Village, Ohio 44143 with several locations throughout the state of Colorado. The company's phone number is 440-461-5000. Brian Domeck is the Chief Financial Officer. This company has indicated that it reduced employment at other sites controlled by the company in Colorado as a result of other business activity, however, the company ultimately achieved net new job growth for all combined Colorado locations. Progressive submitted seven applications for net new jobs created.

Application Month	Jobs Created	Average Annual Wages	Performance Incentive Fund	Enhanced Incentive Program
August 2006	20	\$62,701	\$30,000	\$10,000
September 2006	11	\$46,251	\$16,500	\$0
November 2006	19	\$47,276	\$28,500	\$0
December 2006	30	\$55,415	\$45,000	\$0
January 2007	32	\$51,765	\$48,000	\$0
February 2007	11	\$64,156	\$16,500	\$8,250
March 2007	19	\$45,459	\$28,500	\$0

5. **Trizetto, Denver Metro** - Trizetto is a computer software company headquartered at 500 Technology Drive, Naperville, IL 60563. The company's phone number is 630-414-5336. Michael Laudizio is the VP of Tax. The company has a Colorado location in Englewood and the 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. Trizetto submitted three applications for jobs created due to company growth.

Application Month	Jobs Created	Average Annual Wages	Performance Incentive Fund	Enhanced Incentive Program
February 2007	12	\$74,864	\$18,000	\$6,000
March 2007	20	\$64,329	\$30,000	\$0
April 2007	10	\$73,699	\$15,000	\$5,000

6. **The Williams Companies, Statewide** – This is a natural gas company located at One Williams Center, MD 42, Tulsa, OK 74172 with employees located throughout the state. The company's phone number is 918-573-7390. Michael Johnson is the Chief Administrative Officer. The company submitted three applications and received the 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.

Application Month	Jobs Created	Average Annual Wages	Performance Incentive Fund	Enhanced Incentive Program
July 2006	12	\$78,842	\$18,000	\$12,000
September 2006	12	\$52,840	\$18,000	\$0
March 2007	14	\$60,658	\$21,000	\$7,000

7. **United Launch Alliance, Jefferson County** – United Launch Alliance (ULA) is a joint venture between Boeing and Lockheed Martin that offers its launch services to U.S. government customers. The company is located at 9100 E Mineral Circle, Centennial, CO 80112; phone number 303-269-5241. Bob Lange is the Treasurer. The company submitted four applications and received the 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.

Application Month	Jobs Created	Average Annual Wages	Performance Incentive Fund	Enhanced Incentive Program
January 2007	21	\$130,697	\$31,500	\$21,000
February 2007	17	\$136,672	\$25,500	\$17,000
March 2007	22	\$110,249	\$33,000	\$22,000
April 2007	39	\$108,328	\$58,500	\$39,000

**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 Colorado Film Production Cash Fund 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 2008, one production company had claimed incentives. Double Edge Films is a Denver Metro production company that received \$19,661 after submitting the proof of production documentation for their film.

**Status of Projects Approved by the EDC in 2007**

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

- 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 and on June 17, 2008, IBM hosted the grand opening of the new facility. The EDC contract remains active, and IBM is currently training new employees. This project should close in mid-2009.
- 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 anticipated 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. No EDC funds have been disbursed at this time.

## **Projects in Rural Areas Approved in 2007**

- 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 provided 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. During 2008, the company received incentives in the amount of \$78,000 for the creation of 26 net new full-time positions.
- 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 consisted 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 withdrew their request. No EDC funds were disbursed.

## **Marketing Projects Approved in 2007**

- 1. Colorado Aerospace Marketing 2008, Statewide** - In 2007, the EDC approved a \$150,000 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. The funds were used to establish significant visibility at the December 2007 Colorado Space Rendezvous (Denver) and the April 2008 National Space Symposium (Colorado Springs). The project was completed after the April 2008 National Space Symposium.
- 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 targeted advertisements, participation in industry related trade shows with representatives of local economic development organizations, industry specific literature and printed materials, creation and distribution of 12 eNewsletters, redesign of the OEDIT website, creation of other collateral material and media relations' efforts.

## **Special Projects and Activities Approved in 2007**

- 1. Advance Colorado Center Outreach Program, Statewide** – 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. In 2007, the ACC requested \$300,000 from the EDC to establish the 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 ACC 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. No EDC funds were disbursed.
- 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. To date, the Incubator has set up infrastructure, counseling networks, partnering programs, and is currently assisting several clients.
- 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. The scope of the study analyzed Colorado's competitiveness for the bioscience industry with respect to three facility/company scenarios and provided research support that assisted with incentive development for the bioscience industry.
- 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 was matching support for the same amount from private stakeholders. The final study was completed and recommended several actions for the state to undertake – including the development of a business plan for the Colorado Drug, Diagnostic, and Device Development Institute.
- 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. No EDC funds were disbursed.

- 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 were 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 that 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. Through June 2008, CEF had closed 77 new loans along the Front Range that either created or maintained over 300 jobs.
- 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 plans for future funding. The Commission granted an additional \$125,000 for operational needs through June 2008 while the CFC moved forward with its plans to obtain alternative funding. During 2008, the General Assembly passed legislation that transferred \$300,000 from the Film Incentives Cash Fund to support CFC operations through July 2009.
- 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. The Commission approved a three-year \$150,000 grant in support of the CHDA. CHDA promotes collaboration with universities, government agencies, and corporations to improve national security and public safety. CHDA continues to receive funding from Universities to assist with their tech transfer initiatives and now have more than 25 members throughout the state.
- 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 501(c)3 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 has completed several activities including, but not limited to, hiring an executive director, facilitating an Economic Impacts Study, assembling a SWAT team of science experts and establishing an inventory of the technology transfer functions that exist between Federal Labs and the community.

- 10. Nano-Renewable Energy Summit, Statewide** – The Colorado Nanotechnology Alliance (CNA) a Colorado 501(c)6 nonprofit nanotechnology-focused economic development entity requested funding from the EDC to support the first Nano-Renewable Energy Summit in July 2008. The EDC provided \$35,000 to support the \$130,000 summit. The summit provided a unique perspective on how emerging nanotechnologies can dramatically change/improve the need for sustainable energy solutions and was attended by hundreds of participants.
- 11. Procurement Technical Assistance Centers (PTAC), Statewide** – The purpose of the Procurement Technical Assistance Center is to position Colorado businesses to win federal procurement contracts as more and more federal small business set-asides occur. The center proposed in Colorado will include an outreach program and dedicated staff to support all counties in the State. Colorado currently ranks 16<sup>th</sup> in the nation in total federal contract award dollars from 2000-2008. The EDC approved a five-year \$1,000,000 grant to support the formation of a PTAC program in Colorado. The State of Colorado received notice in September 2008 from the legislative affairs office of the Defense Logistics Agency that the Defense Logistics Agency (DLA) will be awarding a cost sharing cooperative agreement with the Colorado Office of Economic Development and International Trade. The Office of Small Business Programs, DLA, is in the process of issuing an award document that will be finalized in the near future. The anticipated award date is early 2009.
- 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 was 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 included (but not limited to) solar energy, value-added agriculture, biodiesel production, tourism, etc. The final output of the study provided a high level of objectives for the entire area. Currently, the local communities are in the process of evaluating what objectives may fit with each of their strategic initiatives.
- 13. Veterans Business Initiative for National Sustainment (VINS), Statewide** - In 2007, the EDC approved a \$30,000 grant to help support the Veterans Business Initiative project. The objective of the project was to establish a program designed to help veterans start and manage their own successful businesses. This program was to be supported through the Pueblo Economic Development Corporation (PEDCO). In 2008, PEDCO changed their strategic direction with this initiative and withdrew the request. The project is closed, and no funds were disbursed by the EDC.