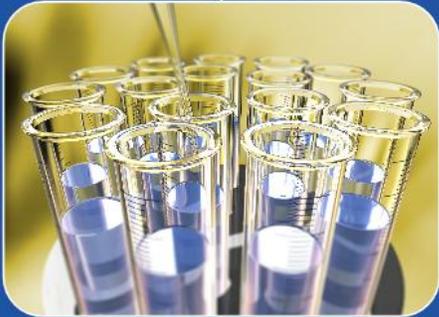




Governor, John Hickenlooper

Alice Kotrlík, Interim Executive Director
and Deputy Director

Colorado Office of Economic Development
& International Trade



Economic Development Commission

2010 Annual Report

Colorado Office of Economic Development &
International Trade
February 2011

February 1, 2011

Members of First Regular Session of the Sixty-eighth 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 2010. The report contains information on projects supported by the EDC in calendar year (CY) 2010, as well as the status of initiatives approved in CY 2009.

Over the past year, the EDC continued its support for businesses and job creation efforts throughout the state along with its focus on identifying emerging industries and opportunities. The Commission supported local communities' efforts in attracting job growth and businesses. These include Arrow Electronics, Inc. in Arapahoe County, Scottrade Inc. in Westminster, Cummins Rocky Mountain in Commerce City, the Space Foundation's retention and expansion in Colorado Springs, Spirae Inc. in Fort Collins and Leprino Foods Company's expansion in Greeley. Small businesses and rural areas remained a priority for the EDC in 2010 with support provided to a number of projects, including the Colorado Clean Energy Supply Chain Initiative, provision of matching funds for Enterprise Zone marketing efforts, the continuation of the statewide Community Assessment Program and funding provided for Performance Incentive Fund applications.

The Commission will continue to partner on statewide economic development activities and collaborate with communities to support their regional priorities and opportunities. The EDC is committed to assisting these communities with their efforts 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 you for your ongoing support and guidance.

Sincerely,



Richard L. Monfort
Chairman

TABLE OF CONTENTS	Page No.
List of Commission Members	i
List of Projects	ii
Introduction	1
New Initiatives: Projects Approved by the EDC in 2010	1
Arrow Electronics, Inc., Denver Metro	2
Robert W. Baird & Co., Inc., Denver Metro	2
Scottrade, Inc., Denver Metro	2
Space Foundation, Colorado Springs	2
Spirae, Inc., Fort Collins	3
Leprino Foods Company, Greeley	3
Market Capacity Study, Monte Vista	3
Business Retention Expansion Program, Statewide	4
Community Assessment Program, Statewide	4
OEDIT Marketing 2010, Statewide	4
Colorado Clean Energy Supply Chain Initiative, Statewide	4
Colorado Regional Airports and Aviation Jobs Study, Statewide	4
Colorado Space Coalition, Statewide	4
Technology Acceleration Program and Aerospace and Clean Energy Park, Statewide	5
Enterprise Zone Marketing Activities and Policy Oversight, Statewide	5
Certified Capital Companies Program Waivers	6
Performance Incentive Fund	7
Deloitte LLP, Denver Metro	7
dpiX, LLC, Colorado Springs	7
EnCana Oil & Gas USA, Corp., Statewide,	7
Gordon Holdings, Inc., Montrose	8
Intelligent Software Solutions, Inc., Colorado Springs	8
Neumann Systems Group, Inc., Colorado Springs	8
Job Growth Incentive Tax Credit	8
Cummins Rocky Mountain, LLC, Commerce City	8
Mountainside Medical Colorado, LLC, Thornton	9
Nelnet, Inc., Denver Metro	9

onTargetjobs, Inc., Denver Metro	9
Outreach, Inc., Colorado Springs	10
Status of Projects Approved by the EDC in 2009	10
Charles Schwab, Denver Metro	10
Corinthian Colleges, Inc., Colorado Springs	10
Dot Hill Systems Corp., Longmont	10
Roaring Fork Virtual Incubator, Glenwood Springs	10
OEDIT Marketing 2009, Statewide	11
Colorado Center for Renewable Energy and Economic Development, Statewide	11
Colorado Cleantech Industry Association, Statewide	11
Nano-Renewable Energy Summit, Statewide	11
Rocky Mountain Innovation Initiative, Northern Colorado	11

COMMISSION MEMBERS AS OF JANUARY 2011

CHAIRMAN

Richard L. Monfort
Greeley, CO

VICE CHAIRMAN

Michael Matthews
Wells Fargo Bank
Centennial, CO

MEMBERS

Richard L. Robinson
Robinson Dairy
Denver, CO

William Sisson
Grand Junction, CO

Jerry D. Biggs
Timberline Spraying and Fertilizing
Colorado Springs, CO

Howard Gelt
Polisinelli Shughart
Denver, CO

Wellington Webb
Webb Group International
Denver, CO

Don Elliman
Governors Office
Denver, CO

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

**PROJECTS APPROVED BY THE ECONOMIC DEVELOPMENT COMMISSION IN 2010
GENERAL PROGRAM – VARIOUS**

PROJECT	AREA	EDC \$	OTHER \$/ SOURCE	CONTRACT STATUS
Arrow Electronics, Inc.	Denver Metro	\$1,097,000	N/A	Contracted
Robert W. Baird & Co., Inc.	Denver Metro	\$14,000	\$14,000 Local	Pending
Scottrade, Inc.	Denver Metro	\$259,759	\$259,759 Local	Pending
Space Foundation	Colorado Springs	\$350,000	\$610,000 Private	Pending
Spirae, Inc.	Fort Collins	\$150,000	\$255,000 Private	Pending
Leprino Foods Company	Greeley	\$1,200,000	\$69,478,830 Local	Pending
Market Capacity Study	Monte Vista	\$20,000	\$25,000 Public/Local	Contracted
Business Retention Expansion Program	Statewide	\$74,700	N/A	Contracted
Community Assessment Program	Statewide	\$50,000	N/A	Contracted
OEDIT Marketing 2010	Statewide	\$135,000	N/A	Contracted
Colorado Clean Energy Supply Chain Initiative	Statewide	\$100,000	\$120,000 Private	Pending
Colorado Regional Airports and Aviation Jobs Study	Statewide	\$60,000	N/A	Contracted
Colorado Space Coalition	Statewide	\$100,000	\$100,000 Private	Contracted
Technology Acceleration Program and Aerospace and Clean Energy Park	Statewide	\$350,000	\$877,685 Private	Pending

PROJECTS APPROVED BY THE ECONOMIC DEVELOPMENT COMMISSION IN 2010
GENERAL PROGRAM – ENTERPRISE ZONE MARKETING ACTIVITIES
Alphabetically Listed

PROJECT	AREA	EDC \$	OTHER \$/ SOURCE	CONTRACT STATUS
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	\$12,500	\$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
EZ Tradeshow Marketing Grant 2009-2010	All EZs	\$25,000	N/A	Ends 12/31/10

**PROJECTS FUNDED BY THE ECONOMIC DEVELOPMENT COMMISSION IN 2010
PERFORMANCE INCENTIVE FUND
Alphabetically Listed**

COMPANY MONTH/YEAR JOBS CREATED	AREA	INCENTIVE
Deloitte LLP	Denver Metro	\$198,000
Deloitte LLP	Denver Metro	\$120,922
dpiX, LLC	Colorado Springs	\$58,500
EnCana Oil & Gas USA, Corp.	Statewide	\$360,000
EnCana Oil & Gas USA, Corp.	Statewide	\$310,500
Gordon Holdings, Inc.	Montrose	\$18,724
Intelligent Software Solutions, Inc.	Colorado Springs	\$67,500
Intelligent Software Solutions, Inc.	Colorado Springs	\$45,000
Neumann Systems Group, Inc.	Colorado Springs	\$22,500

**PROJECTS FUNDED BY THE ECONOMIC DEVELOPMENT COMMISSION IN 2010
JOB GROWTH INCENTIVE TAX CREDITS**

PROJECT	AREA	MAXIMUM TAX CREDIT	ISSUED TAX CREDIT
Cummins Rocky Mountain, LLC	Commerce City	\$384,771	N/A
Mountainside Medical Colorado, LLC	Thornton	\$441,921	N/A
Nelnet, Inc.	Denver Metro	\$789,174	N/A
onTargetjobs, Inc.	Denver Metro	\$895,624	N/A
Outreach, Inc.	Colorado Springs	\$1,530,470	N/A

INTRODUCTION

During 2010, the Colorado Economic Development Commission, like other government programs and private businesses, continued to address a variety of economic challenges by assisting local communities and businesses throughout Colorado. As the report indicates, the EDC supported business expansion opportunities and various economic development projects in its efforts to sustain Colorado's overall healthy economy.

Along with the businesses that received job creation incentives, a number of important special projects received support from the EDC including the Technology Acceleration Program and Aerospace and Clean Energy Park, the Colorado Clean Energy Supply Chain Initiative, the Community Assessment Program, and the Business Retention Expansion Program (including Colorado Companies to Watch).

The following table provides a general breakdown of EDC projects (including the Performance Incentive Fund and Job Growth Incentive Tax Credit approvals) in 2010:

Region	Number of Projects	Percentage of Total Projects
Rural	13	28%
Urban	24	51%
Statewide	10	21%
Total for Year	47	100%

The Performance Incentive Fund received 9 applications from 6 businesses which were awarded incentives in the amount of \$1,201,646 for the creation of 302 net new full-time positions.

The Economic Development Commission also has oversight for the Job Growth Incentive Tax Credit and the Regional Tourism Act. Both programs were created during the 2009 General Assembly. During 2010, the EDC approved 5 businesses for Job Growth Incentive Tax Credits. Guidelines for the Regional Tourism Act (RTA) were issued during the fourth quarter of 2010 and it is anticipated that the Regional Tourism Act program will begin receiving applications in the first half of 2011. Additional information on the RTA program will be reported in a separate report with the Department of Revenue.

The EDC looks forward to working with Governor Hickenlooper and the General Assembly to continue its focus on the creation of quality jobs throughout the state, economic recovery and to respond to new challenges.

New Initiatives: Projects Approved by the EDC in 2010

During 2010, the EDC worked with communities, businesses, local economic development organizations and other regional organizations 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. Incentive awards approved by the EDC in 2010 were based primarily on the number of net new jobs created and the average annual

salary level of the new jobs relative to the prevailing county average annual salary in addition to 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. Arrow Electronics, Inc., Denver Metro** – Arrow Electronics is a global provider of products, services and solutions to industrial and commercial users of electronic components and enterprise computing solutions. The company will expand and invest approximately \$1.4 million at its existing leased facility in Arapahoe County to establish a professional shared services facility to support its North American region. The EDC approved an incentive of \$1,097,000 (\$2,500/job) for the attraction and creation of 439 new jobs to support this new facility. The annual average wage for these positions is at least \$84,086 and the median wage is \$81,895.
- 2. Robert W. Baird & Co., Inc., Denver Metro** – Robert W. Baird & Co., Inc. provides financial services and advice to individuals, corporations, institutions, and municipal clients and has more than 100 locations in the United States, Europe and Asia. The company considered opening a new branch office in Utah and Arizona before deciding on Denver. The company anticipates spending \$858,495 in renovations for a leased space. The EDC approved an incentive of \$14,000 for the creation of up to 14 jobs with annual average wages of \$128,964 and a median wage of \$171,779. The City and County of Denver will provide a match of up to \$14,000.
- 3. Scottrade, Inc., Denver Metro** – Scottrade, Inc. is an online investing firm offering a full line of investment products, online trading services and market research tools based out of St. Louis, Missouri. The company needed a secondary business operations center and was considering Denver, Phoenix and St. Louis for this project. In January 2010, Scottrade acquired approximately 200,000 square feet of office space in Westminster, Colorado. This project included an EDC commitment of \$259,759 to attract the \$34 million investment and the 285 jobs with an annual average wage and median wage of \$52,500. The City of Westminster will provide a match of \$196,215 in rebates of permit fees and use tax and Jefferson County will provide a personal property tax rebate in the amount of \$63,544 over five years.
- 4. Space Foundation, Colorado Springs** – The United States Space Foundation d/b/a the Space Foundation supports space activities, space professionals and education as well as conducting the annual National Space Symposium in Colorado Springs. The Space Foundation currently employs 47 individuals and has outgrown its current location. It was considering Texas, Florida, and Nebraska before finding another location in Colorado Springs that will provide for additional growth and ensure the retention of the Space Foundation in Colorado Springs. The Space Foundation anticipates that this new location will allow it to grow its staff through new programs to a total of 70 full-time positions over five years (47 retained and 23 new) with annual average wages of \$90,284 and a median

wage of \$77,700. The EDC committed \$350,000 toward the project and the local community will provide a match of up to \$610,000.

- 5. Spirae, Inc., Fort Collins** – Spirae, Inc. develops infrastructure solutions for distributed energy and smart grid applications and co-owns and operates the InteGrid Test and Development Laboratory (InteGrid Lab) in collaboration with Colorado State University. Spirae wants to continue to build on its and the InteGrid Lab's successes based on smart grid technologies by developing the Center for Smart Grid Advancement and will hire 30 new full-time employees. The local community will provide a match of \$255,000. The Commission approved an incentive of \$150,000 for the creation of 30 new jobs at an average wage rate of at least \$93,833 and a median wage of \$90,000.

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

- 1. Leprino Foods Company, Greeley** – Leprino is a home grown company located in Denver since its beginnings as a family run grocery store in the 1950's. The company manufactures pasta filata cheese (primarily mozzarella) and produces a variety of whey by-products. Leprino's current Colorado processing facilities are at capacity and the company has acquired land in Greeley, Colorado to build a new production facility. This new facility will process dairy related products and it is anticipated that it will be at full build out by the end of 2015. The EDC approved a \$1,200,000 job creation incentive tied to a five year phased project with the creation of at least 400 full-time employees at the new Leprino plant in Greeley. The average wage rate for these new positions is \$44,950 with a median wage of \$40,485. The local community will provide a match of approximately \$69 million.
- 2. Market Capacity Study, Monte Vista** - The city of Monte Vista is one of the four pilot communities involved with Executive Order D 2010-007 (the Colorado Sustainable Main Streets Initiative). This initiative brings a collaborative, integrated process to leverage technical and existing financial resources to help communities enhance the sustainability of their downtowns. While there is not a dedicated funding source for this initiative, the program will work to break down silos among state agencies, reduce barriers to state resources, and leverage technical and financial resources more efficiently. The City of Monte Vista requested funding assistance for a market capacity study that will help the community realize a number of outcomes for its downtown, including infill commercial development, reducing the number of vacant storefronts, and increasing private investment in downtown redevelopment. The Commission approved \$20,000 to support the \$45,000 study. The Colorado Department of Local Affairs and the local community will provide the remaining \$25,000 in funding.

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. Business Retention Expansion Program, Statewide** – The Business Retention and Expansion Program was initially funded in 2003 due to the high number of jobs lost in early 2000. At that time, studies had proven that it took eight times the resources to attract a new job than it took to retain or grow jobs. Studies also show that 60 to 80 percent of future job growth comes from the expansion of existing business. The Economic Development Commission is continuing its support of this program by funding a \$74,700 three year grant. These funds will provide community assistance for establishing local Retention Expansion programs and provide funding to support the successful Colorado Companies to Watch program.
- 2. Community Assessment Program, Statewide** – The Community Assessment Program leverages the resources of the Office of Economic Development & International Trade staff and volunteers from the economic development community to conduct in-depth assessments of the economic development strengths, weaknesses, and opportunities of rural communities. The assessments are conducted on a request basis. The EDC approved an award of up to \$50,000 over 3 years to reimburse participating non-state employee volunteers for travel and other program related expenses.
- 3. OEDIT Marketing 2010, Statewide** – In 2010, the EDC allocated \$135,000 to continue promoting and marketing Colorado’s attractive business environment and quality of life with various marketing initiatives focusing on supporting the state’s tradeshow presence at key industry cluster events, marketing/promotional materials and resources, and targeted advertisements for key industries.

Objective B: Develop and support special projects and activities.

- 1. Colorado Clean Energy Supply Chain Initiative, Statewide** - The Colorado Clean Energy Supply Chain Initiative will be facilitated by a partnership between the Colorado Clean Energy Cluster (CCEC) and the Colorado Association for Manufacturing and Technology (CAMT). CCEC and CAMT will work together to identify supply chain gaps and opportunities and work with economic development partners to attract, or entrepreneurially create, firms to meet supply chain needs. The EDC approved a one year grant of \$100,000 to assist with the implementation of this initiative.
- 2. Colorado Regional Airports and Aviation Jobs Study, Statewide** – The EDC approved a \$60,000 grant to support the creation of a strategic plan to help Colorado’s aviation sector achieve maximum economic benefit and job creation by developing and promoting best-practice governance and aviation business management models to fully realize the economic benefit that is available in Colorado’s existing and future regional and general aviation airports.
- 3. Colorado Space Coalition, Statewide** – The EDC approved a \$100,000 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. 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 National Space Symposium in

Colorado Springs, to support development of a Colorado Aerospace video, and to support continual maintenance of the Space Coalition website.

- 4. Technology Acceleration Program (TAP) and Aerospace and Clean Energy Park (ACE), Statewide** - CAMT is working with a developer to build an ACE Manufacturing Innovation Park and providing value-added services (TAP) to accelerate product commercialization and manufacturing excellence. TAP will allow CAMT to perform the necessary due diligence to ensure the Park is a success. The EDC approved a two year grant for \$350,000 to support TAP, specifically:
- Asset mapping
 - Technical assistance for supplier development
 - Establishing a grant funding office
 - Technology transfer

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 and two sub-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 2010, the Commission allocated a total of \$337,500 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 tract/block group 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 2010, the Commission approved 2 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 2009, the Commission approved 28 new projects, for a total of 435 active projects at year-end. In 2010, the Commission approved 39 new projects, for a total of 432 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 2010, 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.

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 and that have maintained such positions for at least one year. The program is designed to support and encourage new business development, business expansions and relocations that generate new jobs throughout the state.

Noted below are companies that received incentive payouts from the Performance Incentive Fund during CY 2010. 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 and indicated that they 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. All applicants were not adjudicated to be in violation of any federal, state, or local laws affecting the health, safety, or working conditions of employees for at least the prior five years. The following paragraphs include additional statutorily required reporting information.

- 1. Deloitte LLP, Denver Metro** – Deloitte LLP provides professional services including audit, tax consulting and financial advisory services. The company has a location in Denver at 555 17th St., #3600, Denver, CO 80202 and is headquartered in Parsippany, New Jersey. The company’s phone number is 973-602-6247. Frank Friedman is a Partner and Attorney-in-fact. Deloitte LLP submitted two applications for jobs created due to company growth.

Months Jobs Created	Jobs Created	Average Annual Wages	Median Wage	Incentive
July – Dec 2006	44	\$83,486	\$69,500	\$198,000
July – Dec 2007	43	\$99,897	\$90,000	\$120,922

- 2. dpiX, LLC (dpiX), Colorado Springs** – dpiX is a manufacturer of high resolution amorphous silicon arrays located at 1635 Aeroplaza Drive, Colorado Springs, CO 80916; phone number 719-457-7717. Frank Karis is the Chief Executive Officer. In 2010, dpiX received \$58,500 for the creation of 13 jobs from January through June 2008 due to the company’s long term plan to relocate production California to Colorado Springs. The average annual wage for these positions was \$72,537 and the median wage was \$40,515.
- 3. EnCana Oil & Gas USA, Corp. (EnCana), Statewide** – EnCana is an oil and gas exploration and production company located at 370 17th Street, Suite 1700, Denver, CO 80202; phone number 303-623-2300. Tim Blackwood is the Vice President, Finance. EnCana is engaged in the exploration and production of natural gas reserves in certain Colorado field locations. The company submitted two applications for net new jobs created due to business growth.

Months Jobs Created	Jobs Created	Average Annual Wages	Median Wage	Incentive
Jan – June 2007	80	\$88,744	\$80,000	\$360,000
July – Dec 2007	69	\$91,587	\$85,000	\$310,500

- 4. Gordon Holdings, Inc., Montrose** – Gordon Holdings, Inc. is a manufacturer of high performance composites used on equipment used in the archery, watercraft, food preparation and construction industries. The company is located at 2350 Air Park Way, Montrose, CO 81401; phone number is 970-240-4460. D. Michael Gordon is the Chief Executive Officer. The company submitted one application for 23 jobs created November 2007 through April 2008 due to new business growth. The average annual wage for these positions was \$35,337 and the median wage was \$27,900. Gordon Holdings, Inc. received \$18,724.
- 5. Intelligent Software Solutions Inc. (ISS), Colorado Springs** – ISS is a service/software and engineering company located at 5450 Tech Center Dr., Colorado Springs, CO 80919; phone number 719-234-0634. Jay Jesse is the President. The company submitted two applications for net new jobs created due to business growth.

Months Jobs Created	Jobs Created	Average Annual Wages	Median Wage	Incentive
July – Dec 2006	15	\$82,050	\$86,840	\$67,500
July – Dec 2007	10	\$98,939	\$93,669	\$45,000

- 6. Neumann Systems Group, Inc. (Neumann), Colorado Springs** – Neumann Systems Group, Inc. is a technology and product development company located at 890 Elkton Dr., Suite 101, Colorado Springs, CO 80907; phone number 719-593-7848. Michael Neumann is the Chief Financial Officer. In 2010, Neumann received \$22,500 for the creation of 5 jobs from January through June 2008 due to business growth. The average annual wage for these positions was \$60,200 and the median wage was \$59,000.

Goal VII: Job Growth Incentive Tax Credit

The Job Growth Incentive Tax Credit provides a state income tax credit to businesses undertaking job creation projects that would not occur in Colorado without this program and that have created net new high paying positions in the state. Requirements under the statute specify that a company must create at least 20 net new full-time positions during the credit period (60 consecutive months) with an average yearly wage of at least 110% of the county average wage rate where the business is located. A business located in an Enhanced Rural Enterprise Zone has to create at least 5 net new jobs in Colorado during the credit period with an average yearly wage of at least 110% of the county average wage rate where the business is located.

As of December 2010, five companies had been approved to receive tax credits through this program. Conditional Approval documents are pending and the first year a company can submit a request for a Tax Credit Certificate is by March 1, 2011 for net new jobs meeting program requirements.

- 1. Cummins Rocky Mountain, LLC (Cummins), Commerce City** – Cummins is a global corporation that designs, manufactures, sells and services diesel engines and related

technology around the world. The company is headquartered in Columbus, Indiana and currently employs 40,000 workers throughout the world with approximately 175 employees in Colorado. The company is building a new diesel engine remanufacturing plant in Commerce City, creating 42 net new full-time positions with an annual average wage of \$66,740/year and a median wage of \$62,480. The projected capital investment for the first five years of operations is \$8.5 million. The EDC approved a maximum tax credit of \$384,771 for the creation of 42 net new full-time jobs over the credit period.

2. **Mountainside Medical Colorado, LLC (Mountainside), Thornton** – Mountainside is headquartered in Boulder County and specializes in the contract manufacturing of complex, tight tolerance medical device components and instruments. This includes laparoscopic instruments and orthopedic implants and instruments. The company has outgrown its current manufacturing facility and will lease space in Louisville, Colorado. The projected capital investment by the company for the first five years of operations is \$6.3 million. The EDC approved a maximum tax credit of \$441,921 for the creation of 69 net new full-time jobs over the credit period with an average wage of \$58,707 and a median wage of \$45,306.
3. **Nelnet, Inc., Denver Metro** – Nelnet, Inc. provides student loan products and services to students, as well as a full range of student-lending services and technology-based products to schools nationwide. This includes student loan origination and lending, holding, student loan and guarantee servicing and software solutions. Due to the recent and ongoing financial crisis, along with uncertainty in the future of the student loan industry, Nelnet, Inc. has begun to reorganize and focus on future opportunities in student loan servicing and fee-based education services. The company is in the process of evaluating how to operate more efficiently and support future business initiatives which involves the expansion and subsequent creation of net new jobs in Aurora and Highlands Ranch, Colorado. It is anticipated that the company will expand its Data Center/Disaster Recovery Site to Aurora, Colorado and create 37 net new full-time positions. In addition, the company is relocating its' Nelnet Enrollment Solutions technology center to the company's 5280 Solutions subsidiary in Highlands Ranch and creating 38 positions that would provide full-service technical consulting to third party groups. The projected capital investment for both projects will be funded by the company in the amount of \$5.8 million. The EDC approved a maximum tax credit of \$789,174 for the creation of 75 net new full-time jobs over the credit period with an average wage of \$74,513 and a median wage of \$73,500.
4. **onTargetjobs, Inc. Denver Metro** – onTargetjobs, Inc. was formed in 2005 as a roll-up of individually owned job recruitment websites that were the premier job search sites serving particular niche markets. Acquisition of these job boards was backed by Warburg Pincus a private equity firm with over 40 years experience, investing more than \$35 billion in approximately 600 companies around the world. OTJ's first acquisition was Applied Recruitment Technologies based in Englewood, Colorado which evolved into HEALTHeCAREERS Network. OTJ is the parent company of HEALTHeCAREERS Network, MedHunters, BioSpace.com, RegionalHelpWanted.com, Jobshop.ca, Job Loft and Hcareers. These job boards provide online career services to the biotech, healthcare, hospitality, insurance, pharmaceutical and restaurant markets. OTJ is consolidation its company headquarters in Arapahoe County, Colorado and is anticipated to create up to 114 full-time jobs with a capital investment of approximately \$2.6 million on equipment,

computers and materials in a 30,000 square foot leased facility over a six year period. The EDC approved a maximum tax credit of \$895,624 for the creation of 114 net new full-time jobs over the credit period with an average wage of \$67,566, and a median wage of \$62,500.

- 5. Outreach, Inc., Colorado Springs** – Outreach, Inc. is a large provider of church outreach products and services worldwide. The company distributes resources in a variety of forms, including books, media and film, postcard invitations, banners, bulletin covers, curriculum, and church campaign materials. Outreach, Inc. is relocating its headquarters from California to Colorado Springs, Colorado. The EDC approved a maximum tax credit of \$1,530,470 for the creation of 162 net new full-time jobs over the credit period with an average wage of \$53,583, and a median wage of \$50,000.

Status of Projects Approved by the EDC in 2009

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

- 1. Charles Schwab, Denver Metro** – Charles Schwab is a financial services company, headquartered in California. The company is expanding at its Englewood location. The Commission approved an incentive of \$1,000,000 (\$2,000/job) for the attraction and creation of the first 500 new jobs created at its new facility in Englewood. No EDC funds have been disbursed at this time.
- 2. Corinthian Colleges, Inc., Colorado Springs** – Corinthian Colleges, Inc. is a large post secondary education company based in California. The company plans on establishing a new service center facility in Colorado Springs which will create up to 600 new full-time jobs. The community will provide a match of up to \$1.9 million. The Commission approved an incentive of \$1,200,000 for the creation of 600 new jobs. No EDC funds have been disbursed at this time.
- 3. Dot Hill Systems Corp., Longmont** – Dot Hill is a provider of entry-level and midrange storage systems for organizations that require networked storage and data management solutions. The company is headquartered in Carlsbad California and will relocate its headquarters from Carlsbad to an existing facility in Longmont, Colorado. The Longmont facility currently employs approximately 150 employees at this location. The headquarters relocation is anticipated to result in the creation of 100 new full-time jobs in Colorado. The Commission approved a grant in the amount of \$250,000 for the creation of 100 new jobs. No EDC funds have been disbursed at this time.

Projects in Rural Areas Approved in 2009

- 1. Roaring Fork Virtual Incubator, Glenwood Springs** – The Roaring Fork Virtual Incubator was created to support a rural region from Parachute to Aspen, Colorado with practical business assistance for entrepreneurs and new/early stage businesses. This virtual incubator will focus on education and training, access to capital, economic development and anticipates becoming a model for other incubators in rural Colorado. The Commission approved a

three-year \$150,000 grant in support of this incubator. The project will complete its first year of funding during the first quarter of 2011.

Marketing Projects Approved in 2009

1. **OEDIT Marketing 2009, Statewide** – In 2009, the EDC allocated \$80,000 to continue promoting and marketing Colorado’s attractive business environment and quality of life with various marketing initiatives focusing on monthly eNewsletters, New Energy booklets, and targeted advertisements for emerging industries.

Special Projects and Activities Approved in 2009

1. **Colorado Center for Renewable Energy and Economic Development (CREED), Statewide** –The first of its kind in the nation, CREED is envisioned as a “crossroads” facility for technology commercialization, where NREL scientists, engineers and researchers can meet, conference and discuss important technical, business, market and policy issues with entrepreneurs, venture capital firms, angel investors, analysts, and policymakers. It will be a base for state and regional initiatives that foster the creation of new businesses, and will emphasize the commercial deployment of renewable energy and energy efficiency technologies that emerge from NREL’s technology transfer and commercialization programs. The Economic Development Commission approved a grant of \$615,000 for the creation of 123 net new jobs created at the NREL facility. It is anticipated that CREED will be operational by May 2011. No EDC funds have been disbursed at this time.
2. **Colorado Cleantech Action Plan, Statewide** – The Colorado Cleantech Action Plan will provide a statewide strategic framework or roadmap to guide the development and growth of the Cleantech industry in Colorado. The data collected from the study and strategic initiatives identified by the plan will be used to market the state’s opportunity outside the region, to educate about the importance of the industry to Colorado’s economy and to create a new, collaborative coalition that drives continued growth for the future. The Commission approved a \$100,000 grant to support the \$200,000 study. The study has identified four key areas of focus including, increasing funding for seed and technology commercialization, increasing funding for early-stage companies, strengthening cleantech company incubator and accelerator programs and boosting leadership training programs. Funds were disbursed and this contract is closed.
3. **Nano Renewable Energy Summit 2009, Statewide** - The Nano Renewable Energy Summit is a gathering of experts from around the world focused on renewable energy and nanotechnology, with a specific emphasis on the business, commercialization, and economic development potential of emerging technologies in the renewable energy and sustainability sectors. The EDC provided \$35,000 to support the second annual summit. This project utilized other funds for this event and EDC funds were not disbursed.
4. **Rocky Mountain Innovation Initiative (RMI2), Northern Colorado** – RMI2 is a virtual and physical incubator offering support programs, business facilities, training, mentoring and business assistance to entrepreneurs. The primary target market of the incubator is Northern Colorado, with an emphasis on Larimer and Weld Counties. Part of RMI2’s mission

includes advancing the region's existing and emerging scientific and technology industry clusters and accelerating technology transfer, research commercialization and spin-offs from Colorado State University and the University of Northern Colorado. The EDC awarded a \$150,000 three-year grant to support incubator operations. In November 2010, RMI2 presented its annual report and the EDC approved year 2 funding for this incubator.