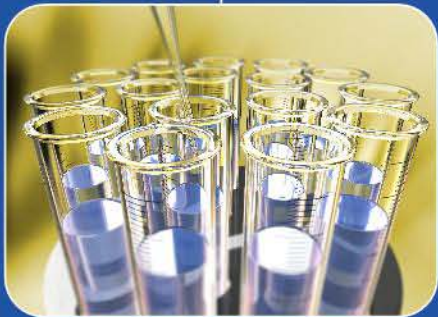




John W. Hickenlooper, Governor

Kenneth W. Lund, Executive Director
Alice Kotrlík, Deputy Director
Karla Tartz, Deputy Director

Colorado Office of Economic Development
& International Trade



Economic Development Commission

2011 Annual Report

Colorado Office of Economic Development &
International Trade
February 2012

February 1, 2012

Members of the Second 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 2011. The report contains information on projects supported by the EDC in calendar year (CY) 2011, as well as the status of active initiatives previously approved by the EDC.

During 2011, two new members were appointed to the EDC by the Speaker of the Colorado House of Representatives, Frank McNulty. These new members assisted the EDC with its continued support for businesses and job creation efforts throughout the state by supporting local communities' efforts in attracting job growth and businesses. These include Arrow Electronics, Inc. headquarters relocation to Arapahoe County, Bal Seal Engineering Company, Inc. expansion in Colorado Springs, the expansion of Parelli Natural Horse-Man-Ship, Inc. in Pagosa Springs, and the establishment of a new manufacturing facility for PTI, USA Manufacturing, LLC in Weld County.

Over the next year, the Economic Development Commission will continue to support state and regional objectives and key industries, with the primary focus being to create quality jobs in Colorado.

We welcome your comments on this report. On behalf of the EDC, we want to thank Governor Hickenlooper and members of the General Assembly 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 2011	1
Entegris, Inc., Colorado Springs	2
PrimeStar Solar, Denver Metro	2
SMA America Holdings, LLC, Denver Metro	2
Siemens Energy, Inc., Boulder	2
The Coleman Company, Inc., Denver Metro	3
Vestas Blades America, Inc., Vestas Nacelles America, Inc. and Vestas Towers America, Inc., Brighton and Pueblo	3
Bach Composite Colorado, Inc., Fort Lupton	3
Craig/Moffat One-Stop Business Incubation & Technology Center, Craig	4
JBS USA Holdings, Inc., Greeley	4
Parelli Natural Horse-Man-Ship, Inc., Pagosa Springs	4
Nano Renewable Energy Summit, Statewide	4
Colorado Space Coalition, Statewide	5
Enterprise Zone Marketing Activities and Policy Oversight, Statewide	5
Certified Capital Companies Program Waivers	6
Job Creation Performance Incentive Fund	7
American Gaming Group, LLC, Cripple Creek	7
Deloitte LLP, Denver Metro	7
Oncure Medical Corp., Denver Metro	7
Job Growth Incentive Tax Credit	8
Arrow Electronics, Inc., Denver Metro	8
Bal Seal Engineering Company, Inc., Colorado Springs	9
Cummins Rocky Mountain, LLC, Commerce City	9
PTI, USA Manufacturing, LLC, Johnstown	9
The TriZetto Group, Inc., Denver Metro	10
Status of Active Projects in 2011 Previously Approved by the EDC	11
Arrow Electronics, Inc., Denver Metro	11

Charles Schwab, Denver Metro	11
Colorado Center for Renewable Energy and Economic Development, Statewide	11
Corinthian Colleges, Inc., Colorado Springs	11
Dot Hill Systems Corp., Longmont	11
L.B. Foster, Pueblo	11
Lockheed Martin Orion Project, Jefferson County	11
Scottrade, Inc., Denver Metro	11
Space Foundation, Colorado Springs	11
Spirae, Inc., Fort Collins	11
United States Olympic Committee, Colorado Springs	11
Leitner-Poma of America, Grand Junction	11
Leprino Foods Company, Greeley	11
Lewis Engineering, Grand Junction	11
Monte Vista Market Capacity Study, Monte Vista	11
Parelli Natural Horse-Man-Ship, Pagosa Springs	12
Roaring Fork Virtual Incubator, Glenwood Springs	12
2010-11 Colorado Space Coalition, Statewide	12
Business Retention Expansion Program, Statewide	12
Community Assessment Program, Statewide	12
EDC Marketing, Statewide	12
Nano Renewable Energy Summit, Statewide	13
Colorado Association for Manufacturing and Technology – Technology Acceleration Program, Statewide	13
Colorado Clean Energy Supply Chain Initiative, Statewide	13
Colorado Regional Airports and Aviation Jobs Study, Statewide	13
Colorado Springs Business Expansion Program, Statewide	13
Procurement Technical Assistance Center, Statewide	13
Rocky Mountain Innovation Initiative, Northern Colorado	13

COMMISSION MEMBERS AS OF JANUARY 2012

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Richard L. Monfort
Greeley, CO

VICE CHAIRMAN

Don Elliman
Charles C. Gates Center for Regenerative
Medicine and Stem Cell Biology
Aurora, CO

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Robinson Dairy
Denver, CO

William Sisson
Grand Junction, CO

Howard Gelt
Polsinelli Shughart
Denver, CO

Wellington Webb
Webb Group International
Denver, CO

Dwayne Romero
Related Colorado
Snowmass Village, CO

Darius Allen
Alamosa, CO

J.J. Ament
Littleton, CO

**PROJECTS APPROVED BY THE ECONOMIC DEVELOPMENT COMMISSION IN 2011
GENERAL PROGRAM – VARIOUS**

PROJECT	AREA	EDC \$	OTHER \$/ SOURCE	CONTRACT STATUS
Entegris, Inc.	Colorado Springs	\$109,266	\$111,000 Local	Pending
PrimeStar Solar	Denver Metro	\$168,000	\$88,254 Local	Pending
SMA America Holdings, LLC	Denver Metro	\$1,000,000	\$490,930 Local	Pending
Siemens Energy, Inc.	Boulder	\$250,000	\$50,000 Local	Pending
The Coleman Company, Inc.	Denver Metro	\$370,000	\$370,000 Local	Pending
Vestas Blades America, Inc., Vestas Nacelles America, Inc. and Vestas Towers America, Inc.	Brighton and Pueblo	\$1,000,000	\$25.5 million Public/Local/ Private	Pending
Bach Composite Colorado, Inc.	Fort Lupton	\$164,000	\$10,000 Local	Pending
Craig/Moffat One-Stop Business Incubation & Technology Center	Craig	\$115,000	\$130,100 Public/Local/ Private	Pending
JBS USA Holdings, Inc.	Greeley	\$1,000,000	\$3.2 million Local	Pending
Parelli Natural Horse-Man- Ship, Inc.,	Pagosa Springs	\$125,000	\$125,000 Local	Contracted
Nano Renewable Energy Summit	Statewide	\$35,000	\$37,000 Public/Private	Contracted
Colorado Space Coalition	Statewide	\$100,000	\$100,000 Public/Private	Contracted

**PROJECTS APPROVED BY THE ECONOMIC DEVELOPMENT COMMISSION IN 2011
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	Contracted
Arapahoe County EZ Marketing	Arapahoe County	\$12,500	\$12,500/EZ	Contracted
Denver EZ Marketing	Denver	\$12,500	\$12,500/EZ	Contracted
East Central EZ Marketing	Multi County	\$25,000	\$25,000/EZ	Contracted
El Paso County EZ Marketing	El Paso County	\$12,500	\$12,500/EZ	Contracted
Greeley/Weld County EZ Marketing	Weld County	\$12,500	\$12,500/EZ	Contracted
Jefferson County EZ Marketing	Jefferson County	\$12,500	\$12,500/EZ	Contracted
Larimer County EZ Marketing	Larimer County	\$12,500	\$12,500/EZ	Contracted
Mesa County EZ Marketing	Mesa County	\$12,500	\$25,000/EZ	Contracted
Northeast EZ Marketing	Multi County	\$25,000	\$25,000/EZ	Contracted
Northwest EZ Marketing	Multi County	\$25,000	\$25,000/EZ	Contracted
Pueblo County EZ Marketing	Pueblo County	\$12,500	\$12,500/EZ	Contracted
Region 10 EZ Marketing	Multi County	\$25,000	\$25,000/EZ	Contracted
San Luis/Upper Ark. EZ Marketing	Multi County	\$25,000	\$25,000/EZ	Contracted
South Central EZ Marketing	Multi County	\$25,000	\$25,000/EZ	Contracted
Southeast EZ Marketing	Multi County	\$25,000	\$25,000/EZ	Contracted
Southwest EZ Marketing	Multi County	\$25,000	\$25,000/EZ	Contracted
Upper Arkansas EZ Marketing	Multi County	\$25,000	\$25,000/EZ	Contracted

**PROJECTS FUNDED BY THE ECONOMIC DEVELOPMENT COMMISSION IN 2011
PERFORMANCE INCENTIVE FUND
Alphabetically Listed**

COMPANY MONTH/YEAR JOBS CREATED	AREA	INCENTIVE
American Gaming Group, LLC November 2007 – April 2008	Cripple Creek	\$103,500
Deloitte LLP July – December 2007	Denver Metro	\$72,578
Oncure Medical Corp. November 2007 – April 2008	Denver Metro	\$63,000

**PROJECTS FUNDED BY THE ECONOMIC DEVELOPMENT COMMISSION IN 2011
JOB GROWTH INCENTIVE TAX CREDIT
Alphabetically Listed**

COMPANY	AREA	MAXIMUM TAX CREDIT
Arrow Electronics, Inc.	Denver Metro	\$11,417,912
Bal Seal Engineering Company, Inc.	Colorado Springs	\$1,135,815
Cummins Rocky Mountain, LLC	Commerce City	\$853,935
PTI, USA Manufacturing, LLC	Johnstown	\$2,205,847
The TriZetto Group, Inc.	Denver Metro	\$4,856,403

INTRODUCTION

During 2011, the Colorado Economic Development Commission continued to focus on encouraging, promoting, and stimulating economic development and employment in Colorado by awarding grants to employers in the form of performance-based incentives. To that end, the EDC supported Colorado businesses and communities, with the objective of creating jobs and strengthening the economy. As stated earlier, the information contained within this report, highlights the programs supported by the EDC for 2011 along with information on projects active in 2011 that were previously approved by the EDC.

Among the various economic development initiatives the EDC supports, it also provides funding for the Job Creation Performance Incentive Fund and oversight for the Job Growth Incentive Tax Credit and the Regional Tourism Act (RTA). For the CY 2011, there were three businesses that were awarded incentives in the amount of \$239,078 for the creation of 53 net new full-time positions from the Job Creation Performance Incentive Fund. In addition, there were five businesses that were approved for Job Growth Incentive Tax Credits. The Regional Tourism Act received six RTA applications for the first RTA review – which will be finalized in 2012.

The following table provides a general breakdown of all EDC projects approved in 2011 by Region:

Region	Number of Projects	Percentage of Total Projects
Rural	13	39%
Urban	14	53%
Statewide	3	8%
Total for Year	30	100%

Overall CY 2011 was a challenging year with limited resources available to assist with the EDC's focus on job creation and economic strengthening. The Office of Economic Development and International Trade (OEDIT) in conjunction with the EDC has requested that the General Assembly consider additional funding support for EDC programs during the 2012 legislative session.

New Initiatives: Projects Approved by the EDC in 2011

During 2011, the EDC collaborated with communities, businesses, local economic development organizations and other regional organizations in an effort to strengthen the state's economy and employment base. The EDC participated in initiatives that support business in urban and rural areas. Incentive awards approved by the EDC in 2011 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. Entegris, Inc., Colorado Springs** – Entegris, Inc. is a global company that provides solutions for advanced manufacturing in an expanding array of high-technology industries, including semiconductor, microelectronics, alternative energy and life sciences through its infrastructure of manufacturing, service centers and research facilities. The company will invest approximately \$13 million to expand its manufacturing presence in Colorado Springs with its first North American expansion of its Microenvironments Division in more than 10 years. The EDC approved providing Entegris, Inc. with an incentive in the aggregate amount of \$109,266 for the potential creation of 63 net new full time jobs at an annual wage rate of \$36,098 and median wage of \$25,581. The City of Colorado Springs and El Paso County anticipate providing local matching support in the amount of \$111,000 through business personal property tax credits/exemptions.
- 2. PrimeStar Solar, Denver Metro** – PrimeStar Solar was founded as a private company in 2006 and became a wholly-owned subsidiary of GE in April 2011. The company's proprietary semiconductor technology and equipment have been optimized for automated continuous manufacturing for high throughput and yield that will result in low cost photovoltaics (PV) modules. The company established and expanded its manufacturing presence in Arvada with its \$23 million investment and creation of approximately 84 net new full time jobs with an average wage rate of at least \$72,012 and a median wage of \$79,000. The EDC approved an incentive grant in the amount of \$168,000 to support this initiative. Jefferson County provided a four year personal property tax rebate in the amount of \$88,254.
- 3. SMA America Holdings, LLC, Denver Metro** - SMA America Holdings, LLC is the U.S. subsidiary of the parent company, SMA Solar Technology AG (SMA Solar) based in Germany and founded in 1981. SMA Solar develops, produces and distributes photovoltaic inverters, monitoring systems for photovoltaic plants and power-electronic components for railway technology. In 2009, SMA Solar Technology AG established its first production facility outside Germany in Denver, Colorado. Total costs associated with establishing this manufacturing facility was approximately \$35 million. This project included an EDC commitment of \$1,000,000 to attract this new facility and the anticipated creation of 500 net new full-time employees by the end of 2012. There is also potential, upon ramp-up of production, that employment could reach 700 or more - with some portion of the employment being seasonal. The average annual salary of these new full-time equivalent positions is anticipated to be \$30,749 with a median wage of \$22,880. The City and County of Denver offered \$490,930 in matching funds in the form of job creation grants, relocation cost reimbursement, and wage subsidy.
- 4. Siemens Energy, Inc., Boulder** –Siemens Energy, Inc. supplies a complete spectrum of products, services and solutions for the generation, transmission and distribution of power and for the extraction, conversion and transport of oil and gas and is a subsidiary of Siemens AG, a German company with over 160 years of history. The EDC approved an incentive in the amount of \$250,000 to support the establishment of a R&D facility - including a capital

investment of approximately \$5.6 million and the creation of 60 net new full-time positions. The new positions will be primarily in engineering with an average annual salary of \$98,553 and a median wage of \$100,000. The City of Boulder provided an incentive and training rebate in the amount of \$50,000.

5. **The Coleman Company, Inc., Denver Metro** - The Coleman Company, Inc. was incorporated in 1991 and is the U.S. subsidiary of its parent company, Jarden Corporation. It is the supplier of outdoor recreational gear, employing 1500 employees at its headquarters and outlet stores in Wichita, KS. The EDC approved an incentive grant of up to \$370,000 for the creation of 74 net new full-time positions in the Denver Metro area with an anticipated commitment of a \$1:\$1 match from the local community. The annual average wages for the 74 net new positions are approximately \$118,000/year with a median wage of \$131,340.
6. **Vestas Blades America, Inc., Vestas Nacelles America, Inc. and Vestas Towers America, Inc., Brighton and Pueblo** –Vestas Blades America, Inc., Vestas Nacelles American, Inc. and Vestas Towers America, Inc. are subsidiaries of Vestas Wind Systems A/S (Vestas Wind) - the largest manufacturer of utility-scale wind turbines with approximately 22,216 employees worldwide. Vestas Wind develops, manufactures, sells, maintains and monitors wind power plants in 65 countries over five continents. In 2006, Vestas Wind recognized that the Americas would be a key growth market, which led to the investment of its first wind turbine blades manufacturing plant in Windsor, CO. While Vestas Wind was preparing for its March 2008 facility opening in Windsor, it began researching locations for its first American tower factory, its first nacelle assembly plant and a second blade factory. These additional facilities were required to meet production capacity requirements of North American customers. After a thorough site selection, Vestas Wind determined that Pueblo would be the home of the tower factory and a campus would be established in Brighton for the nacelle and blade facilities. Vestas Wind has spent approximately \$618 million for these facilities. Vestas will receive approximately \$25.5 million from the various local communities to support this initiative. The EDC approved a Strategic Fund incentive in the amount of \$1,000,000 for the creation of 1,750 net new full-time jobs at the three Vestas plants noted above with annual average wages of \$37,131 and median wages of \$34,500.

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

1. **Bach Composite Colorado, Inc., Fort Lupton** – Bach Composite Colorado, Inc. (Bach Composite) was incorporated in June 2009 and is a wholly owned subsidiary of Bach Composite Group a/s. Bach Composite manufactures premium-quality composite products for wind industry manufacturers in Colorado and throughout North America. The EDC approved a \$164,000 incentive to Bach to support the establishment of a composite manufacturing facility in Fort Lupton and the creation of 100 net new full-time positions. It is anticipated that the average annual wages for these positions will be approximately \$31,700 and the median wage will be \$31,700. In addition, the company has spent approximately \$14 million to date on land, construction, infrastructure, machinery, equipment, furniture and fixtures. Fort Lupton provided \$10,000 for a site engineering study to support this project.

2. **Craig/Moffat One-Stop Business Incubation & Technology Center, Craig** - The Craig/Moffat One-Stop Business and Technology Center is a small, quasi-virtual incubator center with the intention to primarily provide centralized start up resources, services, classes, counseling, a technology center and office space for state, regional and federal partners. This project was identified as a priority in the regional statements submitted as part of the Statewide Bottom Up Economic Development Plan/Colorado Blueprint for the Craig/Moffat area. The incubator requested a \$115,000, 3-year grant to support incubator operations. The program has a commitment of \$130,100 in community support over the same time period.
3. **JBS USA Holdings, Inc., Greeley** - JBS USA Holdings, Inc. (JBS) is a subsidiary of the publicly-listed, Brazilian company, JBS S.A., a Brazilian producer of animal protein founded in the 1950's. JBS' Northern American corporate headquarters is located in Greeley, Colorado and currently employs over 4,000 FTEs in Weld County – primarily in the packing plant, trucking division and corporate office in Greeley. This project involves the expansion of JBS' headquarters in Greeley as a result of the consolidation of its Pilgrim's Pride Corporation (PPC) employees and the expansion of JBS Carriers, Inc. The local incentive for the headquarters' relocation and JBS Carriers' expansion included approximately \$3.2 million from the City of Greeley (including waste water disposal assistance, water conservation revenue reduction, job creation incentives and waived fees/taxes). The Company has hired approximately 330 employees (169 for PPC and 161 for JBS) and invested more than \$153 million on the new facilities. The EDC approved an incentive in the amount of \$1,000,000 from the EDC for the creation of 200 net new full-time jobs with average annual wages at approximately \$70,682 and median wages of \$50,800.
4. **Parelli Natural Horse-Man-Ship, Inc., Pagosa Springs** - Parelli Natural Horse-Man-Ship, Inc. (Parelli) is headquartered in Pagosa Springs. The company bases its services and training on master horseman and founder Pat Parelli's systematic, comprehensive and user-friendly system of horse training. This natural horsemanship method of training relies upon techniques of psychology and communication rather than coercion and fear. The EDC provided a \$125,000 incentive to Parelli to expand employment at its Pagosa Springs, Colorado facility. Archuleta County and the Town of Pagosa Springs are offering to match the EDC's incentive offer in the form of cash incentives with a value of approximately \$125,000. To accomplish its goals of increased production and sales, the company will create 25 new jobs (with an average annual salary of \$37,180 and a median wage of \$31,200). This expansion will allow the company to produce horse equipment within its existing facility and to update its studio set to produce additional episodes of "Horseman's Apprentice" (currently airing on RFD-TV). Capital investment in inventory and fixed assets (excluding buildings) for this expansion project is expected to exceed \$500,000.

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. **Nano Renewable Energy Summit, Statewide** – The Nano Renewable Energy Summit is a gathering of renewable energy and nanotechnology experts from around the world. The event focuses on business, commercialization, and economic development potential of

emerging technologies in the renewable energy and sustainability sectors. The EDC approved a grant in the amount of \$35,000 to fund various components of the Summit. The total cost of the Summit was \$72,000.

Objective B: Develop and support special projects and activities.

- 1. Colorado Space Coalition, Statewide** – The Colorado Space Coalition is a partnership between the Denver Metro Chamber of Commerce/Metro Denver Economic Development Corporation, the State of Colorado, Colorado Springs Economic Development Corporation, the Colorado Space Business Roundtable, multiple economic development partners, private sector companies, universities and research institutions. Metro Denver Economic Development Corporation requested \$100,000 to be used for strategic marketing to help grow Colorado’s space industry – which will be matched by various public/private and local partners. In July of 2011, the EDC approved a \$100,000 grant to be used to support the 28th National Space Symposium in 2012, the National Colorado Aerospace Marketing Campaign, the Colorado Aerospace Video Update, the Space Foundation Membership and the Colorado Space Roundup in December of 2011.

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 state tax incentives to encourage job creation and private investment in these areas. For an area to use these incentives successfully, existing and new businesses must be aware of the area's zone status. To assist Colorado's zones with this effort, the EDC continued its annual funding to help implement individual Enterprise Zone marketing plans.

In 2011, 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 their primary communities and economic development organizations within their zones. The zones assisted these organizations in producing updated targeted advertising and direct mail, attending targeted industry trade shows and conducting 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 2011, the Commission approved 3 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 2010, the Commission approved 39 new projects, for a total of 432 active projects at year-end. In 2011, the Commission approved 38 new projects, for a total of 441 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 2011, 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 2011. 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. American Gaming Group, LLC, Cripple Creek** – American Gaming Group, LLC is involved with entertainment. The company is located at 119 Carbonate Street, Cripple Creek, Colorado 80813. The company's phone number is 719-689-7251 and Joseph Canfora is a Member of the group. In 2011, the company received \$103,500 for the creation of 23 net new positions created from November 2007 through April 2008 and maintained for one year due to company growth. The average annual wages of these positions were \$42,917 and the median wages were \$38,000.
- 2. 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. In 2010, the company submitted an application for the creation of 43 net new jobs created from July through December 2007 and maintained for one year. The average annual wages for the net new jobs was \$99,897 with a median wage of \$90,000. The eligible incentive amount for this application was \$193,500, but due to the lack of funding availability in 2010 only \$120,922 was disbursed on behalf of this application with the remaining balance of \$72,578 being disbursed upon the receipt of funding in 2011.
- 3. Oncure Medical Corp., Denver Metro** – Oncure Medical Corp. is a national network of cancer treatment centers that partners with leading radiation oncology medical groups to offer cancer patients a comprehensive range of radiation oncology treatment options. The company's headquarters are in Englewood at 188 Inverness Drive West, Suite 650,

Englewood, Colorado 80111. The company's phone number is (303) 643-6500 and David Chernon is the President and CEO. The company submitted one application for jobs created due to its relocation from California to Colorado and subsequent creation of net new positions in Colorado. In 2011, Oncure Medical Corp. received \$63,000 for the creation of 14 net new jobs created from November 2007 through April 2008 that were maintained for one year. The average annual wages of these jobs were \$80,206 and the median was \$70,500.

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 2011, conditional approvals were executed and tax credits for 2010 were issued in the amount of \$521,738 for the companies noted in the following table. Please note that information on tax credits claimed is not available to report since the Department of Revenue has indicated this information is deemed privileged tax information.

Company	\$ Tax Credit Issued	# Jobs Created	Average Wage	Pass-through
Cummins Rocky Mountain, LLC	\$ 13,586.26	20	\$ 54,342	Yes*
DaVita Inc.	\$ 237,641.43	244	\$ 136,876	No
Mountainside Medical Colorado, LLC	\$ -	-	\$ -	N/A
Nelnet, Inc.	\$ 69,900.99	63	\$ 78,342	No
onTargetjobs, Inc.	\$ -	-	\$ -	N/A
Outreach, Inc.	\$ -	-	\$ -	N/A
REpower USA Corp.	\$ 40,274.11	21	\$ 101,399	No
Sierra Nevada Corporation	\$ 160,335.50	74	\$ 74,189	No
Total	\$ 521,738.29	422	\$ 111,468	

Pass-through Schedule(s)*

Cummins Rocky Mountain, LLC	\$ Tax Credit
William Wolpert	\$ 6,967.29
Cummins, Inc.	\$ 4,483.47
Eric Sparks	\$ 1,001.31
Joe Vrablik	\$ 1,001.31
Kenneth Peterson	\$ 132.88
Total	\$ 13,586.26

In addition to the activity highlighted above, there were five companies that applied for the program during 2011. Details about the company and the project are highlighted in the paragraphs below.

- 1. Arrow Electronics, Inc., Denver Metro** – Arrow Electronics, Inc., Denver Metro – Arrow Electronics, Inc. (Arrow) is a global provider of products, services and solutions to industrial

and commercial users of electronic components and enterprise computing solutions. In October 2011, the EDC approved a Job Growth Incentive Tax Credit for the potential creation of 1,250 high paying jobs in Colorado. The average wage for these jobs is \$79,602 and a median wage of \$71,000. If the terms of the agreement are met, the potential maximum tax credit for the job creation is \$11,417,912. Arrow anticipates that it will invest approximately \$33.8 million for this expansion. In addition to this project, the company was approved in 2010 for approximately \$1.1 million in Strategic Fund incentives to support the establishment of a shared services facility and the creation of 439 net new jobs. These jobs are entirely separate from the Job Growth Incentive Tax Credit and each project and its respective job creation will be monitored separately.

2. **Bal Seal Engineering Company, Inc., Colorado Springs** – Bal Seal Engineering Company, Inc. (Bal Seal) manufactures and distributes springs and seals used in a variety of industries that utilize medical electronics, analytical instrumentation, medical devices, aerospace and defense, energy management, automotive and industrial equipment. The company decided to relocate approximately half of the current production to Colorado Springs instead of expanding on its existing headquarters site in California. The projected capital investment by the company for the first five years of operations is \$32 million. Additionally, the company anticipates that it will create 211 net new full-time positions with an average wage of \$49,725/year and a median wage of \$46,000. The EDC approved a maximum potential Job Growth Tax Incentive Credit of \$1,135,815 over five years for the creation of 211 net new full-time jobs.
3. **Cummins Rocky Mountain, LLC, Commerce City** - Cummins Rocky Mountain, LLC (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 215 employees in Colorado. This project is staged in three phases and involves a training center, back-office shared services center, and a new oil field equipment manufacturing facility at a campus setting adjacent to its existing building in Commerce City. The projected capital investment for the first five years of operations is \$11 million. It is anticipated that this initiative will create a total of 73 net new full-time positions with an annual average wage of \$67,206/year and median wage of \$65,000. The EDC approved a maximum tax credit of \$853,935.
4. **PTI, USA Manufacturing, LLC, Johnstown** – PTI, USA Manufacturing, LLC (PTI) is a division of PTI Group which is a Canadian subsidiary of Houston based Oil States International, Inc. (OIS). OIS provides a broad range of services worldwide to the oil and gas industry, including remote site accommodations, production-related rental tools, oil country tubular goods distribution and land drilling services as well as being a leading manufacturer of products for deepwater production facilities and subsea pipelines. The EDC approved a tax credit at a maximum of \$2,205,847 over five years for the creation of 249 net new full-time jobs with average annual wages of \$46,321 and median wages of \$45,207. The company will expand its North American manufacturing capacity in Johnstown with an estimated capital investment for the start up of the new facility in the amount of \$11.4 million.

5. **The TriZetto Group, Inc., Denver Metro** - 5. The TriZetto Group, Inc. (TriZetto) provides software and services for the healthcare industry and healthcare insurance providers. The company has experienced significant growth in the past three years which is leading it to optimize its footprint and identify a location for a Center of Excellence (COE). If the COE is located in Colorado, it will become a Corporate Center of Excellence to supplement the existing headquarters. The company is considering a building with approximately 160,000 square feet for lease in Douglas County and anticipates that it will invest approximately \$110 million in construction, IT equipment, and furniture and fixtures. The EDC approved a maximum tax credit of \$4,856,403 for the creation of 553 net new full-time jobs beginning 2011 and completed by 2015. The average annual salary of these positions is \$86,729 with a median wage of \$104,000.

Status of Active Projects in 2011 Previously Approved by the EDC

Job Creation Projects in Urban Areas

COMPANY	TOTAL INCENTIVE AWARDED	DISBURSED FUNDS	FORECASTED JOB CREATION	ACTUAL JOBS CREATED	AVERAGE WAGE RATE
Arrow Electronics, Inc.	\$1,097,000	\$0	439	Under Review	\$84,086
Charles Schwab	\$1,000,000	\$0	500	Report Pending	\$75,245
Colorado Center for Renewable Energy and Economic Development (CREED)	\$615,000	\$615,000	123	132	\$72,000
Corinthian Colleges, Inc.	\$1,200,000	\$0	600	Under Review	\$41,363
Dot Hill Systems Corp.	\$250,000	\$0	100	Under Review	\$108,800
LB Foster	\$42,000	\$0	21	Report Pending	\$30,160
Lockheed Martin Orion Project	\$900,000	\$0	300	562	\$70,000
Scotttrade, Inc.	\$259,759	\$0	285	Pending Review	\$52,500
Space Foundation	\$350,000	\$350,000	23 new and 47 retained	Report Pending	\$90,284
Spirae, Inc.	\$150,000	\$0	30	Pending Review	\$93,833
United States Olympic Committee	\$500,000	\$500,000	Retain 170	284 retained and created	\$71,463

Projects in Rural Areas

COMPANY	TOTAL INCENTIVE AWARDED	DISBURSED FUNDS	FORECASTED JOB CREATION ¹	ACTUAL JOBS CREATED ¹	AVERAGE WAGE RATE ¹
Leitner-Poma of America	\$300,000	\$78,000	100	104	\$43,680
Leprino Foods Company	\$1,200,000	\$0	400	Contract Pending	\$44,950
Lewis Engineering	\$42,000	\$24,000	14	8	\$36,994
Monte Vista Market Capacity Study	\$20,000	\$18,000	The city of Monte Vista was one of the four pilot communities involved with Executive Order D 2010-007 (the Colorado Sustainable Main Streets Initiative). Its purpose was to bring a collaborative, integrated process to leverage technical and existing financial resources to help communities enhance the sustainability of their downtowns. A dedicated funding source was not available for this initiative. So, the City of Monte Vista requested funding assistance for a \$45,000 market capacity study to 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 and the		

			Colorado Department of Local Affairs and the local community provided the remaining \$25,000 in funding. This final study was completed in 2011. The City of Monte Vista is now working on several initiatives based on the outcome of the plan developed from this study. Examples include, branding, directional signage for Hwy 160, and website updates.		
Parelli Natural Horse-Man-Ship	\$50,000	\$48,250	25	25	\$38,854
Roaring Fork Virtual Incubator	\$150,000	\$53,064	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 focuses on education and training, access to capital, and economic development. This project will receive its final anticipated year of funding from the EDC in 2012.		

¹If the project does not involve incentives for job creation, then a general description of the project will be provided.

Marketing Projects

COMPANY	TOTAL INCENTIVE AWARDED	DISBURSED FUNDS	PROJECT DESCRIPTION
2010-11 Colorado Space Coalition	\$100,000	\$100,000	The Colorado Space Coalition is a partnership between the Denver Metro Chamber of Commerce/Metro Denver Economic Development Corporation, the State of Colorado, Colorado Springs Economic Development Corporation, the Colorado Space Business Roundtable, multiple economic development partners, private sector companies, universities and research institutions. This funding provides strategic marketing assistance to help grow Colorado's space industry.
Business Retention Expansion Program	\$74,700	\$13,188	The Business Retention and Expansion Program was established in 2003. The program has provided assistance to communities wanting to establish local Retention Expansion programs. In addition, the Colorado Companies to Watch program is also supported by this grant.
Community Assessment Program	\$50,000	\$10,667	The Community Assessment Program was created in 2004 and has leveraged 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.
EDC Marketing	\$225,400	\$169,135	EDC Marketing has promoted and marketed 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.

Special Projects and Activities

COMPANY	TOTAL INCENTIVE AWARDED	DISBURSED FUNDS	PROJECT DESCRIPTION
Colorado Association of Manufacturing and Technology (CAMT) – Technology Acceleration Program	\$350,000	\$243,813	CAMT was awarded a grant by the EDC to develop a technical assistance program (TAP) to assist businesses in the Aerospace and Clean Energy Park in Loveland and other businesses statewide. The development is underway and focuses on asset mapping, technical assistance for supplier development, and a grant funding office for the TAP and technology transfer.
Colorado Clean Energy Supply Chain Initiative	\$100,000	\$25,327	The Colorado Clean Energy Supply Chain Initiative is facilitated by the Colorado Clean Energy Cluster (CCEC) along with assistance from 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.
Colorado Regional Airports and Aviation Jobs Study	\$60,000	\$60,000	The Colorado Regional Airports and Aviation Jobs Study developed a strategic plan for Colorado’s aviation sector to 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. The final report presented opportunities to assist with growth opportunities in regional airports and focus on policy and political efforts for the industry.
Colorado Springs Community Business Expansion Program	\$125,000	\$125,000	This grant provided funding to the Colorado Springs EDC to develop a new business-expansion pilot program that could potentially be incorporated in to a statewide program. The pilot program was completed in 2010 and the Colorado Springs EDC received the International Economic Development Council’s award for a retention project in a community of its size.
Procurement Technical Assistance Center (PTAC)	\$1,000,000	\$641,762	The Colorado PTAC was created in 2009 as a public/private partnership with the State of Colorado. Its purpose is to generate employment and improve the general economic condition of the state by assisting Colorado companies, including those eligible for preferential consideration, in obtaining and performing under local, state and federal government contracts. The PTAC has been operational for +2 years.
Rocky Mountain Innovation Initiative	\$150,000	\$75,000	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. This project will receive its final anticipated year of funding from the EDC in 2012.