
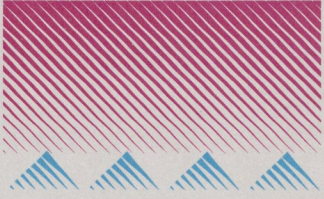


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# COLORADO

## ECONOMIC DEVELOPMENT

### *Data Book*



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**Statistics and comparisons of key indicators to evaluate Colorado's economic climate and to provide information of special interest to the business community.**

**Bill Owens, Governor**  
**David Solin, Director of Economic Development**

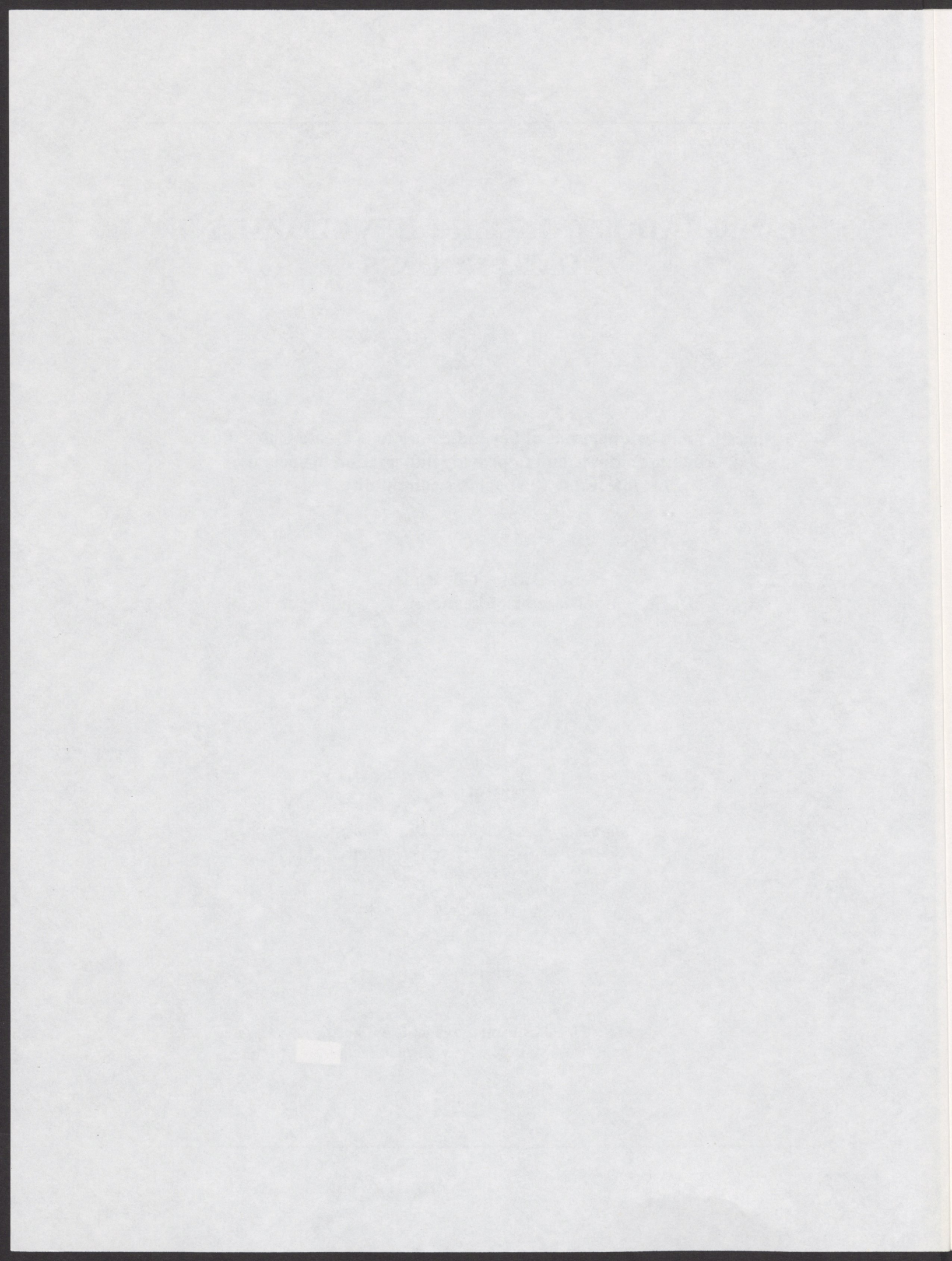
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**June 1999**

**NOTE: This document is available online at:**  
**[http://www.state.co.us/gov\\_dir/oed/facts.html](http://www.state.co.us/gov_dir/oed/facts.html)**

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State of Colorado



## ECONOMIC BASE

Colorado's key economic strength going into the 21<sup>st</sup> century is its diversity. The state is a hub for communications and transportation. It is home to US WEST, which provides telecommunications services to 14 western states; Qwest Communications and Level 3 Communications, have both moved their headquarters to Colorado. Also holding a major presence in Colorado are the communications giants AT&T and MCI. TCI and AT&T recently announced a merger that will create one of the world's largest telecommunications companies, known as Liberty Media Corporation. US WEST is in the process of merging with Global Crossing, Ltd. The goal of these mergers is to provide advanced telecommunications services on a global basis.

Colorado is also a major transportation center. With the opening of Denver International Airport in 1995, the state is strengthening its position as a global air transportation hub. In September 1998, British Airways began daily non-stop service to London's Gatwick Airport. Colorado serves as a key distribution center for the growing Rocky Mountain Region. An excellent system of highway and rail transportation supports this function.

Colorado's economy has a strong manufacturing base. Major non-durable goods include food processing, an important link to the state's agricultural production, and printing and publishing. In the durables sector, electrical and non-electrical machinery and instruments are the largest employers, primarily in computers and peripherals.

The University of Colorado at Boulder College of Business and Administration's 1999 Economic Outlook reported that Colorado's exports of manufactured products rose by 4.2% in 1997 to a record level of \$5.0 billion. The export of Colorado's manufactured goods has enjoyed phenomenal growth over the course of the past ten years. Through mid-year 1998, Colorado's manufactured exports rose 2% in spite of the Asian recession. The projection for 1999 is a 1% growth in manufactured goods exports. The overall future for Colorado's manufactured goods in overseas markets remains extremely bright.

The largest employment base is in the multi-faceted "services" sector. Colorado is a regional medical center, serving neighboring states as well as its own population. The business services and professional services sectors, led by legal, engineering, and architectural services, are also expanding steadily.

Agriculture and mining, once the economic strongholds in Colorado, represent a decreasing share of the state's total output. Nevertheless, technological advances have increased productivity in these sectors, and they continue to play an important role in the state's economy.

Finally, tourism, though not easily identifiable as a separate economic sector, is an important industry in Colorado. Visitors are drawn to Colorado year round, but primarily for the world-class skiing in the winter months, and for the myriad of recreational activities and breathtaking scenery in the summer months. Colorado currently ranks 8<sup>th</sup> in the nation for total tourism spending.

For the sixth straight year, Colorado received among the highest grades in the nation for economic performance in the Corporation for Enterprise Development's "1998 Report Card for the States." Colorado's scores in such criteria as Economic Performance, Business Vitality, and Development Capacity were outstanding, receiving A's in all three. Colorado's superior business climate and diversified economic base have attracted a number of companies beginning, expanding, or relocating facilities, most notably:

- **Level 3 Communications, Inc.**, a telecommunications and information services company, is constructing its new \$70 million corporate headquarters in Interlocken Business Park in Broomfield (metro Denver), Colorado. Employment levels are projected to reach 3,000 – 4,000 over four years.
- **T. Rowe Price**, a national leader in mutual funds, selected Colorado Springs as site of its new western investment services center. Employment is projected to reach 750 within five years.
- **The North Face**, a manufacturer of outdoor gear and sportswear, will build a plant in Carbondale, Colorado (Garfield County), employing 120 persons. The company also plans to relocate a number of its corporate headquarters functions from California to the Colorado facility.
- **Gateway Computers**, a global leader in direct marketing of PC's, selected Lakewood, Colorado, as the site for its new information technology data and development center. It is estimated this center will employ 300 people.
- **Oracle Corporation**, the world's leading supplier of software for information management, is expanding its customer support and services operations in Colorado Springs. It will construct an 185,000 square foot facility, and grow from 600 to 1,000 employees by the end of 1999.
- **Ashland Chemical Company** recently completed construction of a \$40 million ultra high-purity chemical plant in Pueblo, Colorado. It will employ 130 at full capacity, anticipated in 2000, and manufactures specialty chemicals for the semiconductor industry.

The above announcements notwithstanding, Colorado is dominated by small business. Over 100,000 business establishments, 88% of the total, report employment of less than

---

20 workers. Together, they employ about 29% of the state's workforce. Only 226 establishments have employment greater than 500, but they employ over 17% of the state's workers, as shown in the following table as well as in the graphic on the following page.

**Colorado Establishments by Sector  
and Employee Size Category, 1998**

Sector	Total Establishments	Very Small (< 20 emp.)	Small (20-99 emp.)	Medium (100-499 emp.)	Large (> 500 emp.)
Ag./Forest./Fish.	2,186	2,766	382	38	0
Mining	1,070	924	120	25	D
Construction	16,048	14,539	1,331	173	5
Manufacturing	6,061	4,564	1,136	298	62
Trans./Comm.	5,199	4,303	690	177	19
Utilities					
Wholesale Trade	12,239	11,068	1,053	111	7
Retail Trade	25,553	20,539	4,497	500	17
FIRE*	13,933	12,723	1,046	143	21
Services	50,267	45,170	4,117	896	84
<b>TOTAL</b>	<b>133,853</b>	<b>116,894</b>	<b>14,372</b>	<b>2,361</b>	<b>226</b>

\*FIRE stands for Finance, Insurance, and Real Estate.

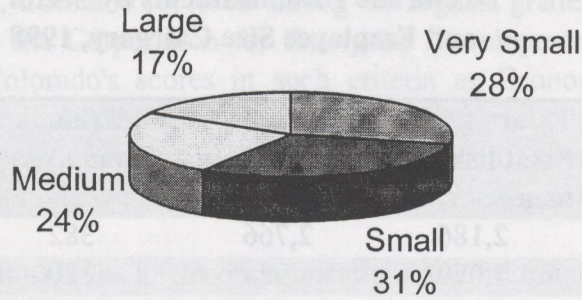
"D" indicates disclosure suppression.

Note: The sector totals may not add up to the statewide total because of a small number of "unclassifiable" establishments being included in the state total.

Source: Colorado Department of Labor & Employment, Labor Market Information, 3<sup>rd</sup> Quarter 1998 Employment and Wage Data; Private Industry Size Class data.

Inc. magazine's 1998 "State of Small Business" report ranked Colorado third in the nation for start-up companies. At the metropolitan level, Boulder ranked 6<sup>th</sup> nationally, Denver 8<sup>th</sup>, Fort Collins 10<sup>th</sup>, and Colorado Springs 11<sup>th</sup>. Entrepreneurial energy continues to be a foundation for Colorado's economic vitality.

## Colorado Employment by Size of Establishment



Source: County Business Patterns, 1996, U.S. Census Bureau. Released 10/98.

The above announcements notwithstanding, Colorado is dominated by small business. Over 1,000,000 business establishments, 88% of the total, report employment of less than

COLORADO BUSINESS ESTABLISHMENTS, 1996  
(Millions of Dollars)

**Colorado Business Establishments by Sector and Employees, 1996**

Sector	Number of Employees	Number of Establishments	Average Employees per Establishment
Ag./Forest./Fish.	10,968	2,118	5
Mining	15,446	1,058	15
Construction	109,715	14,074	8
Manufacturing	192,787	5,838	33
Trans., Comm., Utilities	113,499	4,866	23
Wholesale Trade	104,078	8,647	12
Retail Trade	361,761	26,036	14
FIRE*	121,337	13,464	9
Services	571,927	45,819	13
Unclassified	546	534	1
<b>Total</b>	<b>1,602,064</b>	<b>122,454</b>	<b>13</b>

\*FIRE stands for Finance, Insurance, and Real Estate.

Source: County Business Patterns, 1996, U.S. Census Bureau.

Almost 90% of Colorado establishments fall into the "very small" category, with less than 20 employees. The sectors with the greatest number of large establishments (over 500 employees) are Services and Manufacturing.

**\*Note:** *County Business Patterns* is based on **establishments** rather than companies. Thus, while many of the largest employers in Colorado are retailers (e.g. Wal-Mart, King Soopers, Safeway, and Target Stores), their multiple locations are counted as individual establishments. The table on the following page lists the top 25 Colorado private sector employers. Also, the time of year the survey is conducted, the week of March 12, may over- or under- represent employment in certain sectors. For example, retail will have its highest levels of employment during November and December. Detail on *average annual* employment by sector is included in the section entitled "Employment."

## Colorado's Top Employers

Rank	Company	Type of Business	Colorado Employees
1	US West	Telecom	16,488
2	Centura Health Sys.	Health Care	13,920
3	King Soopers	Supermarkets	13,530
4	Safeway, Inc.	Supermarkets	10,066
5	Columbia HealthOne	Health Care	9,287
6	United Airlines	Commercial Airline	8,282
7	Lockheed Martin	Aerospace Design	7,360
8	Lucent Technologies	Telecommunications.	6,382
9	Exempla	Health Care Provider	5,800
10	United Parcel Service	Transportation	4,500
11	Coors Brewing Co.	Manufacturing	4,300
12	New Century Energies	Utility	4,107
13	Kaiser Permanente	Health Care Provider	3,979
14	Kmart Corporation	Discount Retail	3,718
15	Storage Technology Corp.	Network Computing Storage	3,550
16	Kaiser-Hill Team	Environ. Cleanup	3,200
17	Ball Corporation	Food & Beverage Packing, Aerospace	3,100
18	AT&T	Telecommunications	3,000
19	Tele-Communications, Inc.	Telecommunications	3,000
20	IBM	Data Processing	2,900
21	Vincam/Staff Admin.	Prof. Employer. Org.	2,880
22	Centrobe, Inc.	Customer Management	2,872
23	University of Colorado Hospital	Hospital-Health Care	2,796
24	Echostar Communications	TV Satellite Dish Sales	2,761
25	Raytheon Company	Electronics, Engineering	2,734
26	Great-West Life Annuity	Insurance	2,431
27	The Human Resource Co.	Admin. Employer	2,351
28	The Children's Hospital	Hospital	2,246

Sources: Denver Business Journal *Book of Lists*, December, 1998 *Colorado Business Magazine*, December, 1998.

**COLORADO GROSS STATE PRODUCT, 1997**  
(Millions of Dollars)

<b>TOTAL GROSS STATE PRODUCT</b>	<b>\$126,084</b>
<i>PRIVATE INDUSTRIES</i>	<i>\$110,193</i>
<b>Agriculture/Forestry/Fisheries</b>	<b>\$2,147</b>
<b>Mining</b>	<b>\$2,708</b>
<b>Construction</b>	<b>\$6,910</b>
<b>Manufacturing</b>	<b>\$14,480</b>
<b>Transportation/Communications and Public Utilities</b>	<b>\$13,762</b>
<b>Wholesale Trade</b>	<b>\$8,223</b>
<b>Retail Trade</b>	<b>\$12,229</b>
<b>Finance, Insurance, &amp; Real Estate</b>	<b>\$21,885</b>
<b>Services</b>	<b>\$27,850</b>
<b>Government</b>	<b>\$15,891</b>

[Note: Sector totals will not equal total GSP due to rounding and netting out of unallocated activity.]

Colorado had the fifth fastest growing GSP in the nation from 1996-97, increasing at a rate of 6.5% compared to the national average of 4.3%. Over the past decade, Colorado's economy has evolved into one of the strongest and most diversified. The Corporation for Enterprise Development rated it the best state for business for the fifth consecutive year in 1998. The highly-regarded DRI McGraw Hill forecast projects that Colorado will be one of the national leaders in GSP growth in the next ten years as well, based on projected employment growth, industry mix, and productivity gains.

Sources: U.S. Department of Commerce, Bureau of Economic Analysis, June 1999.  
Standard and Poor's *Regional Economic Outlook*, DRI McGraw Hill, October, 1997.

COLORADO GROSS STATE PRODUCT, 1997  
(Millions of Dollars)

Rank	Industry	Value (Millions of Dollars)
1	Manufacturing	103,400
2	Wholesale Trade	85,553
3	Retail Trade	101,100
4	Food & Beverage	85,553
5	Transportation & Public Utilities	57,953
6	Construction	60,850
7	Health Care	60,850
8	Education	60,850
9	Government	60,850
10	Professional Services	60,850
11	Real Estate	60,850
12	Finance, Insurance & Business Services	60,850
13	Information	60,850
14	Arts, Entertainment & Recreation	60,850
15	Accommodation & Food Services	60,850
16	Health Care	60,850
17	Education	60,850
18	Government	60,850
19	Professional Services	60,850
20	Real Estate	60,850
21	Finance, Insurance & Business Services	60,850
22	Information	60,850
23	Arts, Entertainment & Recreation	60,850
24	Accommodation & Food Services	60,850
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26	Education	60,850
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28	Professional Services	60,850
29	Real Estate	60,850
30	Finance, Insurance & Business Services	60,850
31	Information	60,850
32	Arts, Entertainment & Recreation	60,850
33	Accommodation & Food Services	60,850
34	Health Care	60,850
35	Education	60,850
36	Government	60,850
37	Professional Services	60,850
38	Real Estate	60,850
39	Finance, Insurance & Business Services	60,850
40	Information	60,850
41	Arts, Entertainment & Recreation	60,850
42	Accommodation & Food Services	60,850
43	Health Care	60,850
44	Education	60,850
45	Government	60,850
46	Professional Services	60,850
47	Real Estate	60,850
48	Finance, Insurance & Business Services	60,850
49	Information	60,850
50	Arts, Entertainment & Recreation	60,850
51	Accommodation & Food Services	60,850
52	Health Care	60,850
53	Education	60,850
54	Government	60,850
55	Professional Services	60,850
56	Real Estate	60,850
57	Finance, Insurance & Business Services	60,850
58	Information	60,850
59	Arts, Entertainment & Recreation	60,850
60	Accommodation & Food Services	60,850
61	Health Care	60,850
62	Education	60,850
63	Government	60,850
64	Professional Services	60,850
65	Real Estate	60,850
66	Finance, Insurance & Business Services	60,850
67	Information	60,850
68	Arts, Entertainment & Recreation	60,850
69	Accommodation & Food Services	60,850
70	Health Care	60,850
71	Education	60,850
72	Government	60,850
73	Professional Services	60,850
74	Real Estate	60,850
75	Finance, Insurance & Business Services	60,850
76	Information	60,850
77	Arts, Entertainment & Recreation	60,850
78	Accommodation & Food Services	60,850
79	Health Care	60,850
80	Education	60,850
81	Government	60,850
82	Professional Services	60,850
83	Real Estate	60,850
84	Finance, Insurance & Business Services	60,850
85	Information	60,850
86	Arts, Entertainment & Recreation	60,850
87	Accommodation & Food Services	60,850
88	Health Care	60,850
89	Education	60,850
90	Government	60,850
91	Professional Services	60,850
92	Real Estate	60,850
93	Finance, Insurance & Business Services	60,850
94	Information	60,850
95	Arts, Entertainment & Recreation	60,850
96	Accommodation & Food Services	60,850
97	Health Care	60,850
98	Education	60,850
99	Government	60,850
100	Professional Services	60,850

697.2 [Note: Sector totals will not equal total GSP due to rounding and leaving out of unallocated activity.]

Colorado had the 10th best growing GSP in the nation from 1996-97, increasing at a rate of 5.2% compared to the national average of 4.3%. Over the past decade, Colorado's economy has evolved into one of the strongest and most diversified. The Corporation for Enterprise Development ranked it the best state for business for the 10th consecutive year in 1998. The highly-regarded BRU Advisory Hill forecast predicted Colorado will be one of the nation's leaders in GSP growth in the next ten years as well. Based on projected employment growth, industry mix, and productivity gains.

Sources: U.S. Department of Commerce, Bureau of Economic Analysis, June 1999; Standard and Poor's Regional Economic Outlook, DRI McGraw Hill, October, 1997; Colorado Business Journal, December 1997.

## POPULATION AND DEMOGRAPHICS

Colorado's population has grown more rapidly than the national average since the 1940's. Since the 1990 census, Colorado has grown at an average of almost 2.5% annually. The 1995-96 growth rate of 2% was approximately twice the national average. The Colorado Division of Local Government's July 1, 1998 population estimate for the state was 4,025,368, showing a 2.3% growth rate for the year, which makes Colorado the fourth fastest growing state in the nation.

Population projections for Colorado indicate a growth rate higher than the national average, but considerably lower than the growth rates experienced in the 1990's. The high growth rates are largely driven by net in-migration, which is not an easily predictable variable.

The following table shows the population census counts, estimates, and projections for Colorado and major Metropolitan Statistical Areas, as well as sub-regional data from 1980 to 2010. Breakdown by sub-regions is based on statistics provided by the Demographic Office of the Colorado Division of Local Affairs.

### COLORADO POPULATION (1980-2010)

REGION	1980 Census	1990 Census	1993 Est.	1995 Est.	1998 Est.	2000 Proj.	2010 Proj.
<b>COLORADO</b>	2,889,735	3,294,473	3,579,936	3,771,527	4,025,368	4,175,380	4,907,892
Front Range*	2,326,479	2,686,341	2,917,883	3,056,492	3,254,647	3,358,198	3,888,901
Denver/Boulder /Greeley CMSA	1,741,899	1,980,140	2,152,597	2,243,012	2,394,608	2,466,018	2,838,863
Ft. Collins MSA	149,184	186,136	204,227	217,127	231,548	243,411	294,750
Colorado Springs MSA	309,424	397,014	435,101	466,172	492,180	508,870	596,131
Pueblo MSA	125,972	123,051	125,958	130,181	136,311	139,899	159,157
Western Slope	290,331	332,297	365,129	395,159	427,167	452,005	578,302
Eastern Mountains	96,714	102,995	114,939	128,305	141,592	152,785	193,442
San Luis Valley	37,914	40,207	41,779	44,035	46,469	47,874	54,470
Eastern Plains	138,297	132,633	140,206	147,536	155,493	164,522	192,777

\*Composition of Regions:

FRONT RANGE includes Adams, Arapahoe, Boulder, Denver, Douglas, El Paso, Jefferson, Larimer, Pueblo, and Weld counties.

WESTERN SLOPE includes Archuleta, Delta, Dolores, Eagle, Garfield, Grand, Gunnison, Hinsdale, Jackson, La Plata, Mesa, Moffat, Montezuma, Montrose, Ouray, Pitkin, Rio Blanco, Routt, San Juan, San Miguel, and Summit counties.

EASTERN MOUNTAINS includes Chaffee, Clear Creek, Custer, Fremont, Gilpin, Huerfano, Lake, Las Animas, Park, and Teller counties.

SAN LUIS VALLEY includes Alamosa, Conejos, Costilla, Mineral, Rio Grande, and Saguache counties.

EASTERN PLAINS includes Baca, Bent, Cheyenne, Crowley, Elbert, Kiowa, Kit Carson, Lincoln, Logan, Morgan, Otero, Phillips, Prowers, Sedgwick, Washington, and Yuma counties.

**ESTIMATED POPULATION GROWTH  
ATTRIBUTABLE TO NET-IN-MIGRATION, 1997**

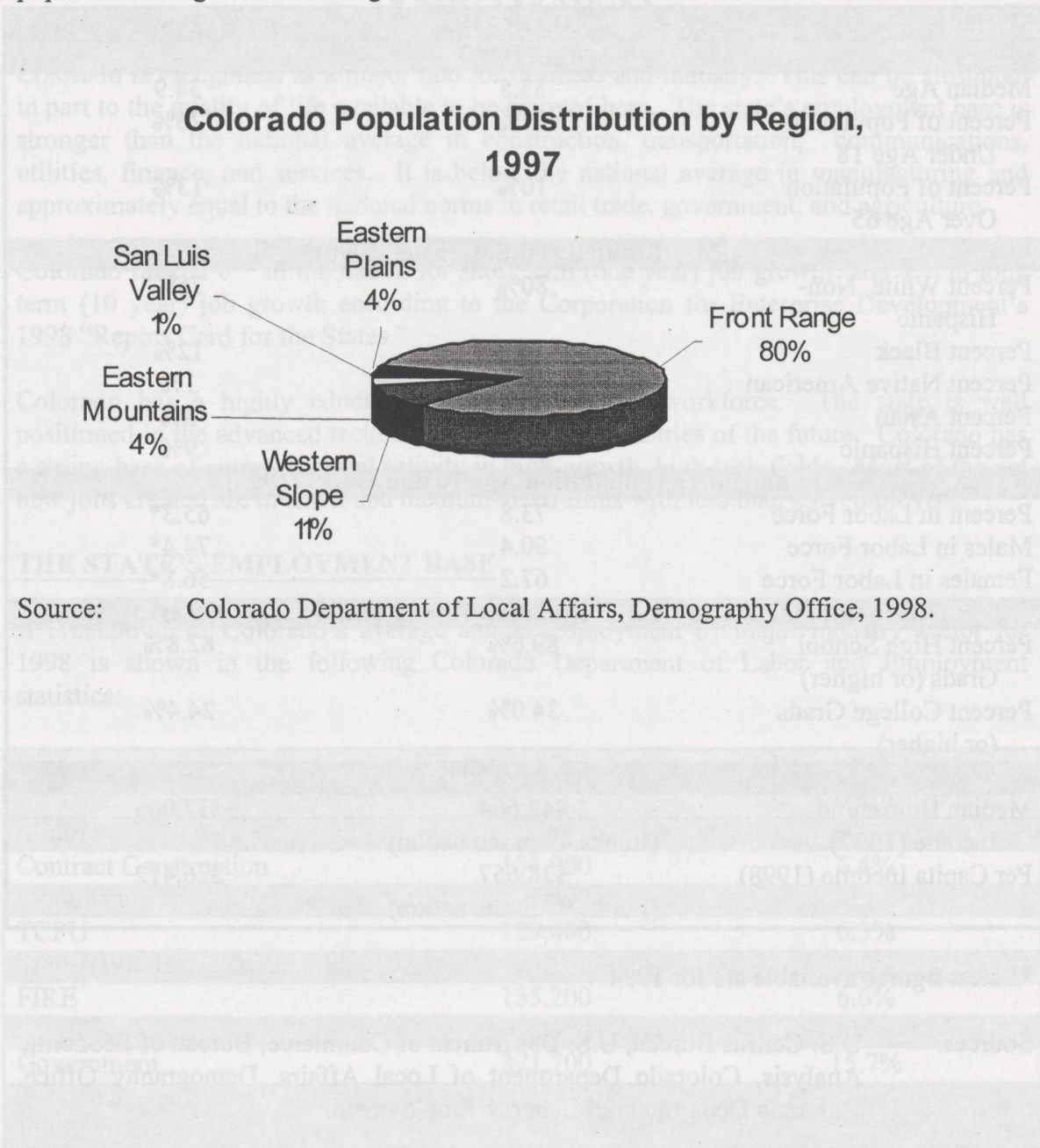
Area	Net In-Migration	Percent Share*
COLORADO	43,700	N/A
Front Range	27,760	63.5%
Western Slope	8,850	20.3%
Eastern Mountains	3,850	8.8%
San Luis Valley	650	1.5%
Eastern Plains	2,590	5.9%

\*Percent share will not add to 100% due to rounding.

Source: Colorado Division of Local Government, Demography Office, September, 1997.

Colorado is projected to add nearly 1 million citizens to its populace between 1995 and 2010. In recent years, almost 60% of the population increase has been attributable to net in-migration. This trend slowed a bit during 1995 and 1996, but the preliminary estimated statistics foresee net in-migration to rise again in the next millenium and once again account for approximately 60% of the state's annual population increase into the year 2010. It is also hypothesized that net in-migration will play a larger role in population increases in particular areas of the state, especially the Front Range and the western slope. The remaining increase in population can be attributed to natural increase: births minus deaths. As stated earlier, net in-migration is very difficult to accurately predict. The number of people moving into or out of a given state fluctuates widely with both the regional and national economies, as well as with any number of other factors.

The following graphic of population distribution by region illustrates the concentration of population along the Front Range corridor:



Source: Colorado Department of Local Affairs, Demography Office, 1998.

County level employment data can be found at:  
<http://hml.edle.state.co.us/cs202/97/annual/employmente.htm>

Source: Colorado Department of Labor and Employment, March, 1999.

## BASIC DEMOGRAPHICS

Variable	COLORADO	U.S.
<b>Age (1997)</b>		
Median Age	33.5	34.9
Percent of Population Under Age 18	27%	26%
Percent of Population Over Age 65	10%	13%
<b>Race/Ethnicity (U.S. Census, 1990)</b>		
Percent White, Non-Hispanic	80%	75%
Percent Black	4%	12%
Percent Native American	1%	1%
Percent Asian	2%	3%
Percent Hispanic	13%	9%
<b>Labor Force (Population Age 16 and Over) (1995)</b>		
Percent in Labor Force	73.8	65.3*
Males in Labor Force	80.4	74.4*
Females in Labor Force	67.2	56.8*
<b>Educational Attainment (Population Age 25 and Over) (1998 est.)</b>		
Percent High School Grads (or higher)	89.6%	82.8%
Percent College Grads (or higher)	34.0%	24.4%
<b>Income (1997)</b>		
Median Household Income (1997)	\$42,664 (Ranks 4 <sup>th</sup> in the nation)	\$37,005
Per Capita Income (1998)	\$28,657 (Ranks 9 <sup>th</sup> in the nation)	\$26,412

\*Latest figures available are for 1994.

Sources: U.S. Census Bureau, U.S. Department of Commerce, Bureau of Economic Analysis, Colorado Department of Local Affairs, Demography Office, Colorado Department of Labor & Employment.

## EMPLOYMENT

Colorado is recognized as a major hub for business and industry. This can be attributed in part to the quality of life available to be enjoyed here. The state's employment base is stronger than the national average in construction, transportation, communications, utilities, finance, and services. It is below the national average in manufacturing and approximately equal to the national norms in retail trade, government, and agriculture.

Colorado ranked 6<sup>th</sup> in the nation for short term (one year) job growth, and 7<sup>th</sup> in long term (10 year) job growth according to the Corporation for Enterprise Development's 1998 "Report Card for the States."

Colorado has a highly educated, technically trained workforce. The state is well positioned in the advanced technology and service industries of the future. Colorado has a strong base of entrepreneurial activity in high-growth, high-tech fields. Most of the net new jobs created are in small and medium-sized firms with less than 250 employees.

### THE STATE'S EMPLOYMENT BASE

A breakdown of Colorado's average annual employment by major industry sector for 1998 is shown in the following Colorado Department of Labor and Employment statistics:

Sector	Number of Employees	Percent of Total Workforce
Mining	14,100	0.7%
Contract Construction	131,900	6.4%
Manufacturing	207,400	10.1%
TCPU	129,400	6.3%
Trade (Wholesale & Retail)	493,100	24%
FIRE	135,200	6.6%
Services	618,300	30.1%
Government	321,700	15.7%
Total Wage & Salary Employment	2,051,000	100%

County level employment data can be found at:

<http://lmi.cdle.state.co.us/es202/97annual/employme.htm>

Source: Colorado Department of Labor and Employment, March, 1999.

**AVERAGE ANNUAL EMPLOYMENT BY SECTOR 1988, 1997, 1998**

The following table shows the change in employment by sector over the last decade for a long-term analysis of growth trends in Colorado's employment base, as well as the latest figures available for a short-term analysis. From 1988 to 1998, wage & salary employment has increased by 43.8% and from 1997 to 1998, it exhibited a steady growth rate of 4.2%. Certain sectors have exhibited enormous growth, such as the services industry, whereas the mining industry has seen large-scale downsizing.

**COLORADO WAGE & SALARY  
EMPLOYMENT, 1988, 1997, 1998**

Sector	1988	1997	1998	Total 10 Yr. Change	% Change
Mining	20,800	13,900	14,100	-6,700	-32.2%
Construction	59,100	118,400	131,900	72,800	123%
Manufacturing	189,200	203,600	207,400	18,200	9.6%
TCPU*	91,200	121,700	129,400	38,200	42%
Trade (Wholesale & Retail)	350,800	464,500	493,100	142,300	40.5%
FIRE**	95,100	127,000	135,200	40,100	42%
Services	353,000	596,900	618,300	265,300	75%
Government	266,300	314,600	321,700	55,400	20.8%
<b>TOTAL</b>	<b>1,425,500</b>	<b>1,977,000</b>	<b>2,051,000</b>	<b>625,500</b>	<b>43.8%</b>

\*TCPU stands for Transportation, Communications, and Public Utilities.

\*\*FIRE stands for Finance, Insurance, and Real Estate.

Note: Numbers in parentheses denote declines in employment.

Source: Colorado Department of Labor and Employment, March 1999.  
<http://lmi.cdle.state.co.us/ali/98bmcolo.htm>

**GEOGRAPHIC DISPERSION OF THE LABOR FORCE****COUNTIES, MSA\*, & LMA\*\*  
EMPLOYING 10,000 OR MORE WORKERS, 1997**

<b>County, MSA, or LMA</b>	<b>1997 Employment</b>
Alamosa-Conejos LMA	11,841
Boulder-Longmont MSA	167,202
Colorado Springs MSA	244,876
Delta County	10,380
Denver MSA	1,087,975
Adams County	172,872
Arapahoe County	270,719
Denver County	278,556
Douglas County	66,824
Jefferson County	299,004
Eagle-Lake-Summit LMA	34,163
Eagle County	18,890
Summit County	12,104
Ft. Collins-Loveland MSA	133,688
Fremont County	16,568
Garfield County	20,479
Grand Junction MSA	56,639
Greeley MSA	80,485
La Plata County	23,978
Montezuma County	11,137
Montrose-Ouray LMA	16,800
Montrose County	15,080
Morgan County	13,109
Otero-Crowley LMA	10,433
Pueblo MSA	59,614
Routt County	10,469
Teller County	13,492

\*MSA stands for Metropolitan Statistical Area.

\*\*LMA stands for Labor Market Area.

Source: Colorado Department of Labor and Employment, Labor Market Information Section, March, 1998.

**COLORADO'S UNEMPLOYMENT RATE**

As of March 1999, Colorado's unemployment rate was 2.7%, compared to a national average unemployment rate of just 4.4%. Colorado had the fifth lowest unemployment rate in the nation, and has consistently had unemployment rates below the national average every year since 1991.

The following table indicates the unemployment rate averages of representative labor markets throughout the state since 1991. Additional county-specific labor market information is available from the Labor Market Information Section of the Colorado Department of Labor and Employment.

**COLORADO UNEMPLOYMENT RATE**  
(Percent of Labor Force)

Labor Market	1992	1993	1994	1995	1996	1997	1998
U.S. AVERAGE	7.4	6.8	6.1	5.6	5.4	5.0	4.6
Colorado	5.8	5.2	4.2	4.2	4.2	3.3	3.8
Denver MSA	5.6	4.7	3.9	3.8	3.8	2.8	3.2
Boulder-Longmont MSA	4.0	4.5	3.7	4.1	3.8	2.8	3.3
Ft. Collins-Loveland MSA	4.4	4.9	3.9	3.9	3.8	3.2	3.8
Greeley MSA	5.1	5.3	4.4	4.7	4.6	3.9	4.5
Colo. Springs MSA	6.8	5.9	4.7	4.6	4.6	3.6	4.5
Pueblo MSA	7.6	7.8	5.5	5.9	5.9	4.7	7.6

Source: Colorado Department of Labor and Employment, Labor Market Information Section, March 1999.

## A LEADER IN TECHNOLOGY

Over the course of the past decade, Colorado has emerged as one of the premiere locations in the U.S. for operating a high-tech business. According to the "Rocky Mountain High Technology Directory," and various publications by University of Colorado Business Research Division, there are several thousand companies across the state that are classified as "high-tech." Most of them are concentrated along the Front Range Corridor, but they are located in all areas of the state. Using Colorado's 1998 employment base as a reference, almost 165,000 Colorado workers are employed by high tech firms. The American Electronics Association's *Cyberstates 3.0* report ranked Colorado as the #2 state in the nation for high-tech workers per 1,000 employed, with 80. Nearly a third of the state's high-tech workers are involved with computer services and software development.

For the period from 1990 to 1997, Colorado ranked #4 in the nation for job-growth in the high-tech industry sectors, adding almost 50,000 net new high tech jobs. Software and computer services, telecommunications and high-tech manufacturing are especially strong in Colorado's high tech mix.

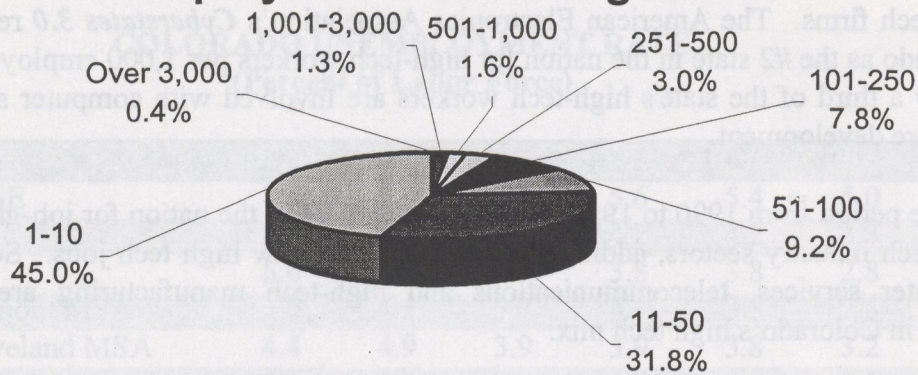
In 1998, Colorado was ranked #5 in the nation for venture capital investment, with venture capitalists investing almost \$500 million in the state's booming high-tech sectors.

The Corporation for Enterprise Development, a Washington, D.C.-based research institute, has compiled an annual "Report Card for the States" for the past eleven years. Colorado has performed extremely well once again in the 1998 survey, and *especially* well in the technology-related measures. The following table outlines how Colorado compares in various technology-related criteria:

Measure	Rank	Comments
Ph.D. Scientists and Engineers	8	Number of employed doctoral scientists and engineers per 1,000 workers
Science and Engineering Graduate Students	4	Number of science and engineering graduate students in doctorate-granting institutions, per million population
Patents Issued	10	Number of patents issued per 1 million population
University Research & Development	8	University research \$ granted per capita
Federal Research & Development	9	Federal research \$ granted per capita
Small Business Innovation Research (SBIR) Grants	3	SBIR grants (\$) awarded per worker

Most of Colorado's high-tech firms are relatively small in size. Almost half of them, 45%, have ten or fewer employees, with 3/4ths of them employing fewer than 50. Also, nearly half of these firms have annual sales under \$1,000,000, and another 25% average sales between \$1-3 million. The following table and pie chart offer a detailed statistical description of high-tech firms operating in Colorado:

### Colorado High-Tech Companies by Employment Size Categories



### Colorado High-Tech Companies by Annual Sales Volume

Annual Sales	Number of Companies
Under \$1 Million or N/A	706
\$1-3 Million	381
\$3-10 Million	212
\$10-30 Million	93
\$30-100 Million	51
\$100-300 Million	20
\$300 Million-\$1 Billion	13
\$1-3 Billion	16
Over \$3 Billion	20

Source: Rocky Mountain High-Technology Directory, Leading Edge Communications, Inc., 1997.

The following table illustrates how widely diverse the technology industry is in Colorado. From aerospace engineering to pharmaceutical innovation, Colorado's more than 2,000 high-tech companies produce not only high-quality products, but also ideas that are sure to revolutionize future industrial processes and products.

**Colorado High Tech Companies  
by Product Classification**

Product Type	Number of Companies
Aerospace/Aircraft & Equipment	53
Analytical & Testing Instruments	125
Biotechnology	7
Chemicals	44
Communications Equipment/Services	125
Components	150
Computer Systems (Hardware)	59
Computer Peripherals/Accessories	60
Energy	9
Electronics Production Equipment	23
Environmental/Alternative Energy	78
Industrial Equipment	130
Lasers/Optics/Photonics	43
Material Handling Equipment	24
Medical Equipment/Devices	105
Microelectronics	138
Military Equipment/Services	17
Monitoring/Controlling Equipment	64
Non-industrial Electrical Products	28
Pharmaceuticals	44
Plastics/Advanced Materials	65
Power Devices/Systems	39
Research, Development, & Testing	164
Robotics/Factory Automation	23
Software Development	275
Software Related Services	375
<b>TOTAL</b>	<b>2,267</b>

**Note:** The above breakdown is based only on Colorado listings in the 1999 Rocky Mountain High Technology Directory. This is a self-selecting publication and not all Colorado companies choose to be included.

**INFORMATION TECHNOLOGY**

At the current time, firms that specialize in computer services and software development dominate Colorado's high-tech industry. The explosion of Colorado's information technology sector has helped transform the state's economic base, which once depended heavily on Colorado's abundant natural resources and the support of the U.S. government to provide jobs and facilitate economic growth. Companies such as US West, which is the state's single largest employer, Qwest, and newcomer Level 3 Communications, there has been a tremendous upsurge in the role information technology plays in Colorado's regional economy. The following North American Industry Classification System (NAICS) codes outline the specific types of companies that are included under the broad description "information technology":

**IT Sectors, Estimated Number of Jobs, and Percent of Total**

NAICS Classification	Number of Jobs	Percent of Total
3341-Computer & Peripheral equipment	19,000	14%
3342-Communications equipment	4,000	4%
3344-Semiconductor & other components	10,000	7%
5131-Radio & TV Broadcasting	3,500	3%
5132-Cable Networks & Program Distribution	8,500	6%
5133-Telecommunications Services	36,000	27%
5141-Information Services	5,200	4%
5142-Data Processing services	47,800	36%
<b>TOTAL</b>	<b>134,000</b>	<b>100%</b>

It is estimated that the number of jobs provided by this continuously expanding industry is likely to show growth far above the average well into the 21<sup>st</sup> century. From 1992 to 1998, IT jobs grew from 79,500 to 134,000, a growth of 69%. Also, the number of IT firms grew by a corresponding factor during this same period. The large growth in IT operations is expected to have been supplemented by a large number of individuals

leaving corporate employers and venturing out on their own to create IT-related startup firms. This phenomenon is indicative of the Colorado's booming entrepreneurial spirit. The IT industry, with its over 134,000 jobs, currently provides employment for 7% of the state's citizens. In comparison to other industries across the Front Range, IT jobs pay **extremely well**, with the average salary estimated at over \$50,000 per year. Total wages and compensation paid by the IT industry in Colorado exceed its share of employment, accounting for approximately 12% of the total wage and compensation paid to employees in the state.

The age of IT is transforming the face of Colorado's economy. The picture is made even brighter when one glances over statistics concerning the state's international trade situation. A large portion of Colorado's exports come from technology-intensive industries, with IT leading the way. As the world economy continues to be more dependent upon international trade as we head into the next millenium, Colorado stands poised and ready to capture a significant share of this rapidly expanding market.

### **BIOTECHNOLOGY**

It has been said that "biotechnology will change the world more profoundly than did the industrial revolution." Colorado is proud to be at the forefront of this technological evolution. The ever-expanding industry of biotechnology has a broad spectrum of applications from diagnosis and treatment of human diseases to the development of technologies that will increase the productivity of agriculture. Several criteria need to be in place for a state to provide a quality environment for the development of new biotechnologies, including solid university, public-, and private-sector research facilities, as well as a well-educated and highly skilled labor force. Colorado meets these demands with amazing proficiency.

A great deal of biotechnology development in Colorado occurs at its many state-supported universities and institutions. The University of Colorado at Boulder is a world-renowned center in the field of biochemistry and is home to Nobel Prize winner Thomas Cech, who in 1989 made groundbreaking discoveries that eventually lead the entire world of science to reevaluate the cellular process. The National Academy of Science ranked CU-Boulder's MCDB (Molecular, Cellular, and Development Biology) department 6<sup>th</sup> in the nation. CU-Boulder employs over 100 scientists who not only exhibit the highest quality standards for research, but also work regularly with the industry as a whole to apply scientific innovation to commercial use. In addition to CU-Boulder, the University of Colorado Health Sciences Center, the University of Colorado at Colorado Springs, and Colorado State University also conduct research that make significant contributions to the development of this ever-growing industry. Other state entities that specialize in the field of biotechnology include: the Eleanor Roosevelt Institute for Cancer Research, the National Jewish Center for Immunology and Respiratory Medicine, and the National

Renewable Energy Laboratory. In addition to Colorado's state-supported research and development centers, the number of privately funded operations is growing steadily every year.

The availability of high-quality human capital is essential for any technology-intensive firm. Colorado's labor force is among the top five in the nation in terms of educational attainment. Colorado ranks #1 in the nation for percentage of citizens holding a four-year degree from an accredited institution, and #3 in the nation for percentage of citizens that are high school graduates.

Due to Colorado's superior environment for technological advancement, it is estimated that over half of the state's students graduating with technical degrees remain in the state to pursue their careers and develop technologies that are certain to permanently change our already high standard of living.

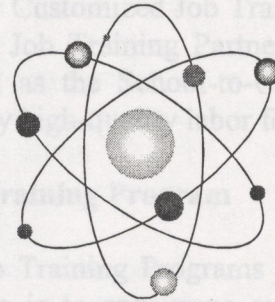
### **LOOKING AHEAD**

When assessing Colorado's position in the area of high-tech development, glancing at current statistics is noteworthy, but looking at the state's growth rates over the course of this decade truly brings into focus the immensity of this economic development. Reading over some simple statistics, one begins to truly understand why Colorado is emerging as the premiere venue for high-tech business development.

One of the best indicators of the state's progression in this field is the number of jobs created. Colorado ranked first in the nation in net job creation from 1997-98, and this growth was led by high-tech jobs. The latest figures show that Colorado employs well over 160,000 of its citizens in various high tech sectors, and growth is projected to remain strong into the next century. Several firms have recognized the state's favorable environment for technological advancement. For example, Sun Microsystems, Inc., one of the world's largest producers of computer networking products, recently expanded operations to Broomfield's "Interlocken Advanced Technology Business Park." The expansion will eventually result in the creation of some 4,000 jobs with average salaries ranging from \$45,000 to \$75,000 per year. Also, Level 3 Communications, Inc., a telecommunications provider, relocated its corporate headquarters to Colorado in 1998, a move that will eventually add some 3,000-4,000 jobs to the regional economy over the course of the next two to three years. Finally, Ashland Chemical Company recently completed a 200,000 square-foot electronic chemicals facility in Pueblo to be fully operational by the year 2000, employing about 130 people.

Legislation enacted in 1999 provides an appropriation of almost \$4.7 million in incentive grants to Colorado communities to upgrade telecommunications services by aggregating all public and quasi-public demand to create a functional "anchor tenant" in sparsely populated rural areas of the state. The purpose of the legislation is to encourage private sector investment in state-of-the-art telecommunications. The desired outcome is for advanced telecom infrastructure to foster more even dispersion of population growth and economic opportunity throughout all geographic regions of the state.

The list of companies that have recognized the potential in Colorado for economic development of their high-tech operations goes on and on. Perhaps the best feature of this economic expansion is that it is a mutually beneficial venture. High-tech firms enjoy a favorable environment for technological advancement and economic development, while the citizens of Colorado enjoy high-quality jobs in industry sectors that are constantly elevating our already high quality of life.



Colorado FIRST and Existing Industries CTFP are administered jointly between the Colorado Office of Business Development and the Colorado Community College and Occupational Education System (CCCOES). These two agencies work together to ensure that during the site-selection negotiations, a trained local workforce is available to match the new or expanding company's specific skill needs, which are crucial to the improvement of economic development activities statewide.

In Fiscal Year 1997, the following job training programs received the largest portion of funding:

- Companies that utilize innovative approaches to training.
- Permanent, non-seasonal, primary jobs created by non-retail companies newly locating or undertaking a significant expansion in Colorado.
- Job-specific and short-term training, lasting until the start-up or expansion training needs of the participating company are satisfied. Training programs are not designed to assist companies with normal, ongoing training requirements.
- Jobs which pay well above minimum wage and provide a health plan for their employees, to generate an adequate return on the tax dollars invested.

The list of companies that have recognized the potential in Colorado for economic development is growing rapidly. High-tech firms enjoy a favorable environment while the citizens of Colorado enjoy high-quality jobs in industry sectors that are constantly elevating the quality of life.

When assessing Colorado's position in the area of high-tech development, it is not enough to look at the state's current status, but to look at the state's growth rates over the course of this decade truly brings into focus the momentum of this economic development. Reading over some simple statistics will help you truly understand why Colorado is emerging as the premier venue for high-tech business development.

One of the best indicators of the state's progression in this field is the number of jobs created. Colorado ranked 5th in the nation in net job creation from 1997-98, and this growth was led by high-tech jobs. The latest figures show that Colorado employs well over 160,000 of its citizens in various high tech sectors, and growth is projected to remain strong into the next century. Several firms have recognized the state's favorable environment for technological advancement. For example, Sun Microsystems, Inc., one of the world's largest producers of computer networking products, recently expanded operations to Colorado's "Innovation Advanced Technology Business Park." The expansion will eventually result in the creation of some 4,000 jobs with average salaries ranging from \$45,000 to \$75,000 per year. Also, Level 3 Communications, Inc., a telecommunications provider, relocated its corporate headquarters to Colorado in 1998, a move that will eventually add some 3,000-4,000 jobs to the regional economy over the course of the next two to three years. Finally, Astland Chemical Company recently completed a 200,000 square-foot electronic chemicals facility in Pueblo to be fully operational by the year 2000, employing about 130 people.

## JOB TRAINING PROGRAMS

Colorado is proud of its highly trained and hard-working labor force. There are several excellent training programs in place to provide the skills demanded by employers. Colorado is committed to continually enhancing the quality of its labor force. Several programs, including the Colorado FIRST and Existing Industry Customized Job Training Programs, the programs initiated under the legislation of the Job Training Partnership Act, the Colorado Workforce Coordinating Council as well as the School-to-Career Partnership Program, have helped to enhance Colorado's already high-quality labor force.

### Colorado FIRST and Existing Industries Customized Job Training Program

The Colorado FIRST and Existing Industries Customized Job Training Programs were created in 1984 and 1989, respectively. Their main purpose is to encourage quality economic development within the state by providing training incentives for the location of new industries or the expansion of existing firms within Colorado. The ultimate goal is one that is mutually beneficial for Colorado's diverse industries as well as for the citizens of Colorado.

Colorado FIRST and Existing Industries CJTP are administered jointly between the Colorado Office of Business Development and the Colorado Community College and Occupational Education System (CCCOES). These two agencies work together to ensure that during the site-selection negotiations, a trained local workforce is available to match the new or expanding company's specific skill needs, which are crucial to the improvement of economic development activities statewide.

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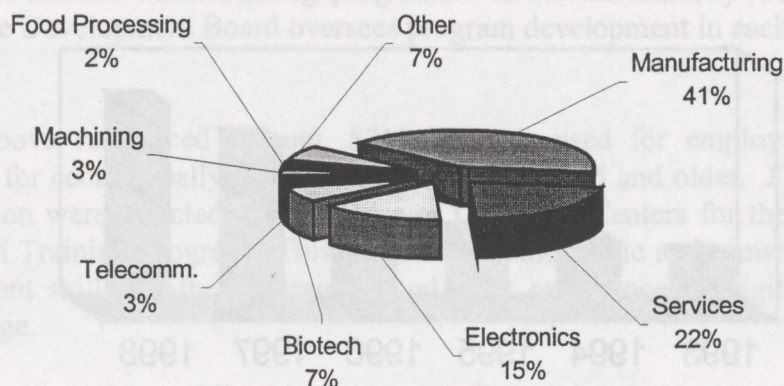
- Companies which coordinate their training through local community college or vocational/technical institutions. The same institutions can also administer the paperwork on behalf of the business.
- Companies willing to contribute technical expertise, machinery, training space, money, and other appropriate resources to improve program effectiveness.
- Company sponsorships, in some cases requiring a percentage of the training costs in in-kind contributions to be provided by the company. Colorado FIRST funds cannot be used to pay wages or stipends to trainees during a training session.
- Companies that make conservative projections of new job and wage creation; funds may be recovered by the state if stated goals are not met.

Recent Colorado FIRST recipients run the gamut of economic sectors, from telecommunications to manufacturing to service industries. Particularly notable successes include Hughes Information Technology, which recently trained 180 software designers. MCI, a leading telecommunications company with a growing Colorado workforce, trained 385 workers in an expansion of its Colorado Springs operations. OEA, Inc. and Sheldahl, manufacturers of automotive airbags and computer chips, respectively, used the program to train workers in new products. California Casualty, which recently moved a division to Colorado Springs, trained 250 new workers.

In Fiscal Year 1998, which began on July 1, 1997, the funding level of the Colorado FIRST and Existing Industries CJTP was set at \$3.7 million. This figure includes the base appropriation of \$3.1 million as well as an increase in the amount of \$500,000 approved by the Colorado General Assembly. During Fiscal Year 1999, which begins on July 1, 1998, the program will have funding once again in the amount of \$3.6 million. Here is a short list that outlines just *some* of the benefits brought about by these innovative programs:

- Job-specific and short-term training, lasting until the start-up or expansion training needs of the participating company are satisfied. Training programs are not designed to assist companies with normal, ongoing training requirements.
- Jobs which pay well above minimum wage and provide a health plan for their employees, to generate an adequate return on the tax dollars invested.

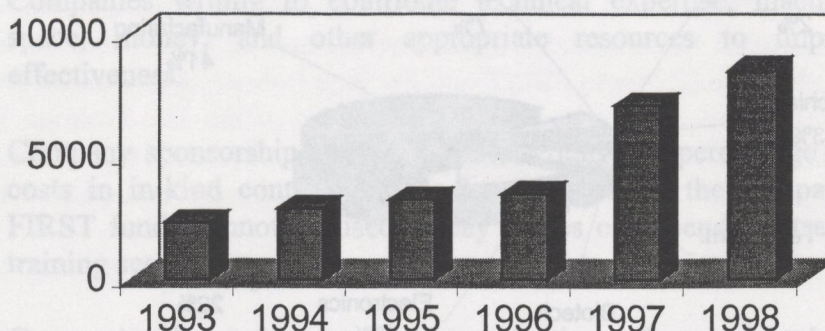
### Colorado FIRST Training by Industry



Source: Colorado Office of Business Development, 1997.

- During Fiscal Year 1997, 102 companies received training grants to train (or retrain) 9,839 of Colorado's workers.
- Since the inception of the program (1984 for FIRST, and 1989 for Existing Industries), over 45,000 trainees have upgraded their job skills, resulting in individual benefits and benefits to companies by making them more competitive. It is also notable that the quality of life enjoyed by the families supported by those employees trained through this program has undoubtedly improved significantly.
- Substantial private investment on the part of the companies receiving grants is required. These programs do not pay wages of the trainees, only expenses directly associated with training. This has increased the level of outside investment into Colorado's growing economy.
- The 10-year payback on the Colorado FIRST portion of the Customized Job Training Programs is estimated at \$9.75 to the dollar, which represents direct fiscal impact to the state of nearly \$10 for each dollar appropriated for these training programs. This is tantamount to the success the state has had in increasing the level of statewide investment.

## Colorado FIRST Employees Trained



Source: Colorado Office of Economic Development, 1999.

### Colorado Workforce Coordinating Council

The Colorado Workforce Coordinating Council was created in 1994 as the primary entity for coordinating workforce development, economic development, and educational resources. It is made up of a combination of business, labor, educational, and community-based organizations, as well as state and local government entities. The council recommended the creation of a locally administered network of One-Stop Career Centers. These One-Stop Career Centers are being implemented to provide customer choice, service integration, and performance outcomes in the state's provision of job services.

The Workforce Coordinating Council subsequently applied for and received a three-year \$9.5 million federal grant to create the One-Stop network. Six Workforce Development Regions have received funding and are in the process of creating their One-Stop Career Centers. Eight additional regions have submitted applications and will begin implementation in the second quarter of 1998. The remaining four regions have received planning grants and are in the process of planning their One-Stop systems. All regions are well along in setting up their one-stop centers.

### Job Training Partnership Act

The Colorado Department of Labor and Employment administers the Colorado allocation of Federal Job Training Partnership Act (JTPA) funds for training and development of economically disadvantaged youth and adults, as well as the state's dislocated workers.

The majority of the nearly \$18.3 million in JTPA funds available for Colorado's 1996-97 program year is forwarded directly to the state's nine Service Delivery Areas (SDA's) or the recently developed One Stop Centers, to facilitate responsive, locally-planned and directed youth and adult training programs. A Private Industry Council or Regional Workforce Development Board oversees program development in each SDA or One Stop Region.

Of the above referenced amount, \$360,000 was used for employment and training programs for economically disadvantaged individuals 55 and older. JTPA funds totaling \$5.1 million were directed to the SDA's or One Stop Centers for the 1996-97 Summer Youth and Training Program. This program provides basic and remedial education, pre-employment skills, on-the-job training and work experience to eligible youth 14 to 21 years of age.

Funds totaling \$4.9 million, provides funds to the SDA's/One Stop Centers for "dislocated workers" training and job search assistance. Rapid Response to companies experiencing large-scale layoffs is coordinated through the Colorado Department of Labor and Employment.

The coordinated and professional approach of the Job Training Partnership system with the Colorado Training network provides Colorado business with excellent access to publicly-funded worker training programs for JTPA eligible persons.

The Colorado Department of Labor and Employment, Colorado Community College and Occupational Education System, and the local Service Delivery Area system, can assist new and expanding businesses by providing customized training programs, on-the-job training, federal tax credits, and labor brokerage service to assure that employers have an available and trained workforce.

### **School-to-Career Partnership Program**

Colorado's vision is a standards-based educational system, tied to economic development that ensures through partnerships that all of its young people are prepared to excel in the competitive and dynamic global marketplace. The Colorado School-to-Career Partnership is a statewide effort assisting local schools and communities to develop a K-16 learning system that promotes attainment of high academic standards, career development, and workforce preparation for every student. School-to-Career allows students to make better career and academic planning choices while in school, offers job shadowing, internships, mentorships, and work-based experience opportunities, integrates school curriculum with relevant examples from the workplace, and prepares students to enter the workforce after graduation from high school or college.

To date, the program has been a tremendous success, with the number of School-to-Career partnerships with Colorado businesses growing nearly twelve-fold from its

inception in 1995. The following table outlines the growing success of this innovative program:

**Colorado School-to-Career Partnership Program Growth**

	October 1995	March 1996	November 1996	October 1997
Number of STC Partnerships	7	38	65	81
Number of K- 12 Districts Involved	10	61	120	144
Percent of Total K-12 Student Population	33%	86%	90%	93.5%
Number of Post-Second. Institutions	18	Unavailable	Unavailable	33

The Colorado School-to-Career Partnership works closely with the following business associations:

- Colorado Association of Commerce and Industry (CACI)
- National Employer Leadership Council (NELC)
- Local Chambers of Commerce, Rotary, and other business, professional, labor, and industry organizations.

According to a March 1997 employer-partner survey, **91% of these employers plan to expand (42%) or sustain (49%)** their involvement with School-to-Career.

In October 1995, Colorado was awarded a five-year, \$24 million grant from the U.S. Departments of Labor and Education. Colorado has received \$4 million in year 1, \$8 million in year 2, and \$6 million last year (1997). Of the total grant, \$20 million is to be distributed locally.

The Colorado School-to-Career Partnership Program is just another example of the state's commitment to continually enhancing the quality of its workforce. The State of Colorado has long recognized the importance of developing its most abundant and precious resource...*human capital.*

## TAXES

### COLORADO BUSINESS TAXES

#### Corporate Income Taxes

Effective for tax years commencing on or after January 1, 1999, Colorado's corporate income tax rate is 4.75% of Colorado net income, defined as the corporation's federal taxable income, with some modifications. This corporate income tax rate is among the lowest in the nation. Colorado ranks 43<sup>rd</sup> nationally, the fourth lowest of all states which have a corporate income tax, in per capita corporate income tax revenue. Its collections in 1996 totaled \$53.81 per capita, compared to a national average of \$110.73 for corporate income tax revenue.

#### Per Capita State Corporate Net Income Tax Revenue, 1997

State	Per Capita	National Rank
Alaska	\$543	1
Connecticut	\$162	8
California	\$180	5
Minnesota	\$149	12
New York	\$168	7
Illinois	\$150	11
Idaho	\$114	20
<b>U.S. Average</b>	<b>\$115</b>	<b>N/A</b>
Arizona	\$132	14
Kansas	\$112	21
New Mexico	\$100	22
Oregon	\$118	18
Utah	\$86	29
Nebraska	\$83	31
<b>COLORADO</b>	<b>\$58</b>	<b>43</b>

\*Colorado's ranking of 43<sup>rd</sup> is the fourth lowest of all the states that have corporate income taxes.

Source: Morgan Quitno Corporation, State Rankings-1999.

### THE STATE'S METHOD OF APPORTIONING INCOME

Colorado is unique among states in that two alternative apportionment formulas have been adopted which allow the taxpayer to choose the method, which produces the lesser tax liability. The taxpayer can make a decision annually on whether to use the standard

three-factor formula or a special two-factor formula. The three-factor formula averages the corporation's wages, property, and sales in Colorado and compares that average to total wages, property, and sales to determine what proportion of its profits will be taxed.

The two-factor formula averages property and sales in Colorado only, and compares that average to the total property sales.

The three-factor formula, commonly referred to as the Multi-state Tax Commission formula, was adopted in 1968. At the same time, the legislature determined that the two-factor formula should remain as an option.

The two-factor election is particularly advantageous to corporations with a significant part of their business in Colorado, as it omits the payroll factor and eliminates "throwback sales." For example, the placement of a facility in Colorado which would be labor intensive would not unduly increase tax liability. Conversely, placement of such a facility in another state with a formula averaging wages would have the opposite effect. Moreover, under Colorado's two-factor formula, income that is directly attributable to the State of Colorado and is produced by a corporation whose state of domicile is Colorado, is still apportionable but may go untaxed since none of such income is apportionable (or allocable) to any state using a three-factor formula.

### **Unitary Taxation**

Colorado has a liberal "water's edge" system of unitary taxation rather than a "worldwide" unitary system. Specifically, foreign corporations, as well as "80-20" corporations, i.e., corporations with 80% of their property and payroll outside the U.S., are not included in a Colorado income tax return. Corporations doing business in Colorado, as well as other states, must apportion to Colorado that portion of their net income derived from sources within Colorado. These corporations may choose to utilize either the Colorado Income Tax Act or the Multi-State Tax Compact. The Tax Act apportions income according to percentages of property owned in Colorado versus nationally, and the gross receipts in Colorado versus nationally. The Tax Compact adds the payroll in Colorado versus nationally as an additional factor.

A Colorado unitary return includes domestic corporations that fall within certain "objective" measures. The Colorado system eliminates the uncertainty that existed under the traditional "subjective" measure used in the past.

The objective tests of allowing or requiring a combined report of unitary business activities are summarized as follows:

Members of an affiliated group or corporation shall be included in a combined report only if they meet three of the following criteria for the current tax year and two preceding tax years, as listed below.

1. Sales or lease of one member to, or from, another member must exceed 50 percent of gross receipts or gross sales of member.
2. Fifty percent or more of five or more of certain listed services must be provided by other members of the affiliated group. The listed services are advertising, public relations, accounting, legal, personnel, sales, purchasing, research and development, insurance procurement, employee benefit programs and pensions, profit-sharing and stock purchase plans.
3. Twenty percent of long-term debt of one member is owed to another member.
4. One member substantially uses the patents, trademarks, logos, copyrights, etc., of another member.
5. Fifty percent or more of the directors of one member are officers or directors of another member.
6. Twenty-five percent or more of the twenty highest-ranking officers of a member are officers or directors of another member.

Colorado has a statutory provision that allows the filing of a consolidated return in lieu of separate returns for those members of an affiliated group that would otherwise be required to file a separate tax return for Colorado purposes.

### Sales and Use Taxes

The State of Colorado collects a 3% sales or use tax on goods purchased by a business that are not intended for resale. Services are not taxed, only sales of non-food items. Local municipalities may collect up to an additional 4.1% sales tax. Items exempt under the state sales and use tax may not be exempt from local sales taxes.

Use taxes substitute for sales taxes in cases where an item is purchased for consumption in Colorado from a source outside Colorado or other circumstances where a sales tax was not paid. Purchases of manufacturing equipment or machine tools of over \$500 are exempt from state sales and use tax. Legislation passed in the 1999 session also exempts farm equipment and machinery over \$1,000 from state sales and use tax. Component parts, fuels and electricity, ink and newsprint, and packaging materials are also exempt from state sales and use tax.

### Unemployment Taxes

An employer's unemployment insurance tax liability is based on the taxable wage base, which is the first \$10,000 of each worker's wages. If covered for the first time, the tax

rate will be 1.7% of the wage base or a rate equal to the average rate for the industry, whichever is greater. All employers who are not yet eligible for the computed rate will be assessed with a tax surcharge of .002%, as of January 1, 1998. The surcharge is reviewed each year and adjusted depending on the financial condition of the UI fund.

Legislation passed in 1997 reduced the length of time for rate calculations based on an employer's individual experience from 36 months to 12 months. Because most jobs pay more than the \$10,000 annual base rate, the effective unemployment tax rate is much lower than the 1.7% nominal rate. Colorado has cut unemployment taxes for the past three years and is one of the lowest cost states in the nation for this tax.

Specific information on the tax rate for a business can be obtained from the Colorado Department of Labor and Employment at (303) 603-8234.

### **Worker's Compensation**

Worker's Compensation Insurance is provided by private companies and the State Compensation Insurance Fund, which carries coverage for the majority of Colorado employers. The fund is a permanent, self-sustaining, non-profit service organization operated for the benefit of its policyholders and their employees.

Major worker's compensation reform legislation in 1991 has resulted in effective cost containment. As a result, Colorado employers have had four consecutive years of premium reductions, averaging 6.3% in 1994, 9.6% in 1995, 8.6% in 1996, and proposed decrease of 1.5% decrease in 1997. These follow a three-year freeze on rates so that effectively, many Colorado employers are paying lower rates for coverage in 1997 than they did in 1990.

These cuts have saved Colorado employers well over \$100 million in premiums alone, with total savings calculated at \$1.5 billion when benefits from fraud prevention and safety programs are factored in.

For rate information for a specific business, please contact the Colorado Compensation Authority at (303) 782-4000 or 1-800-FON-CCIA.

### **Property Taxes**

The State of Colorado does not impose property taxes on businesses; local governmental units assess property taxes primarily to fund public school operations and local government services.

Commercial and industrial property is assessed for property tax purposes at 29% of market value. Cities or counties in state-designated Enterprises Zones have the option of providing an incentive payment to new companies. This incentive cannot exceed the

difference in property taxes after development less the property taxes prior to Zone designation. The statewide average of local mill levies in 1997 was 78.744 mills.

Personal property (machinery and equipment) used in commercial and industrial operations is also assessed at 29% of actual value, based on replacement cost, expected economic life of the asset and other factors. Effective in 1999, a credit against Colorado state income tax equal to the lesser of \$500 or the total amount of personal property tax can be claimed, contingent upon a surplus in state revenues. For amounts over \$500, an additional credit of 12.1% of the personal property tax paid may be claimed. Local governments, including municipalities, counties and school districts, have the option to negotiate up to 50% rebate or credit on their portion of personal property tax as an economic development incentive.

#### **Inventory Taxes**

Inventory taxes are not assessed in Colorado.

#### **Severance Taxes**

Colorado levies a tax upon the severance from the earth of metallic minerals and energy resources based upon the gross income of the extraction operation or upon the amount extracted. Only operations exceeding \$19 million in annual gross income are subject to this tax.

### **TAX CREDITS INCENTIVES FOR INVESTMENT IN THE STATE**

#### **Investment Tax Credits**

The Colorado Tax Equity Act, signed into law during the 1987 legislative session, reinstates the Colorado Investment Tax Credit, up to \$1,000 per year, for tax years beginning on or after January 1, 1998, based on 10% of what the Federal Investment Tax Credit would have been had such credit not been restricted by the Tax Reform Act of 1986. Excess credits may be carried forward up to three years.

#### **Enterprise Zone Tax Credits**

Enterprise Zones are geographic areas designated to promote economic development. Sixteen such zones have been designated in Colorado. They cover most rural areas of the state with the exception of the ski area/resort counties. There are also urban zones designated to attract investment and jobs to selected areas. Enterprise Zones offer the following advantages to businesses locating or expanding within their boundaries:

1. **\$500 job tax credit.** A \$500 credit for each new full-time employee working within the Zone. This credit is available during the first full income tax year in the Zone. The credit may be taken in subsequent years for each additional employee above the maximum number employed in any prior tax year. An expansion of an existing facility may be considered a "new" facility subject to certain conditions.
2. **Double job tax credit for agricultural processing.** A credit of an additional \$500 for each employee employed in a business which adds value through manufacturing or processing to agricultural commodities. The credit applies to the number of employees employed during the year in excess of the maximum number employed in any prior tax year.
3. **\$200 job tax credit for employer health insurance.** A credit of \$200 during the first two years of business operations within the Zone for each new full-time employee covered by a company-provided (company providing greater than 50 percent of the cost) health insurance plan or program.
4. **Local government incentives.** The ability to negotiate for credits or refunds with municipal or county governments on property taxes payable or sales tax charges paid.
5. **Three percent investment tax credit.** Businesses making investments in equipment used exclusively in an Enterprise Zone may claim a credit against their Colorado income taxes equal to three percent of the amount of the investment, subject to limitations on the amount which can be claimed in any one year.
6. **Exemption from state sales and use taxes for manufacturing equipment.** Purchases of manufacturing machines and machine tools are exempt from the three percent state sales and use tax statewide.
7. **R & D tax credit.** Income tax credit of up to three percent of their expenditures on research and development activities (as defined in federal tax laws) in an Enterprise Zone.
8. **Building rehab credit.** A credit of 25 percent of qualified expenditures up to \$50,000 to rehabilitate buildings which are at least 20 years old which have been vacant at least two years.
9. **Credit for contributions to Zones.** A 25 percent tax credit for private contributions to local zone administrators for qualifying projects or programs within zones.

10. **Job Training and School-to-Work Credit.** A 10 percent tax credit for employer expenditures for qualified job training and school-to-work programs.

### Sales Tax Exemptions

1. A number of business-oriented sales/use tax exemptions related to the formation, transfer, and dissolution of corporations and partnerships range from exempting the transfer of assets which would otherwise be taxable if the transferor has already paid a sales/use tax on the transferred asset.
2. Sales or use tax exemptions for purchases over \$500 are granted on machinery and machine tools purchased for use in manufacturing. Farm equipment and machinery over \$1,000 is also exempt, effective July 1, 1999.
3. Sales and purchases of electricity, coal, gas, or fuel oil for use in processing, manufacturing, and all industrial uses are deemed to be wholesale sales and are exempt from taxation. The exemption would not apply to office areas, parking lots, cafeterias, etc., within the operation.
4. The sale of tangible personal property for testing, modification, inspection, or similar types of activities in Colorado is exempt from sales tax. Such an exemption is available if the ultimate use of such property in manufacturing or similar types of activities occurs outside Colorado, and if the test, modification, or inspection period does not exceed ninety days.
5. Interstate long distance telephone charges are exempt in Colorado.
6. Farm machinery and equipment.

Various other special interest and general sales tax exemptions are available. These can be found in 1978 C.R.S., Sections 39-26-102 and 29-26-114.

## COLORADO PERSONAL TAXES

### Income

Individual income taxes in Colorado are a flat rate of 4.75 percent of *federally adjusted taxable income*, with some modifications. Local governments in Colorado do not assess income taxes.

### **Sales Taxes**

The State of Colorado levies a 3.0 percent sales tax on all non-food retail sales. Cities, counties, and special districts are permitted to add up to 4.1 percent additional local sales tax by public referendum. Various special districts may impose additional sales taxes, including the Regional Transportation District in the Denver metro area and Mass Transit districts in Pitkin and Summit counties, the Cultural Facilities District and the Major League Baseball Stadium District, Jefferson County Open Space, and several others. In no case does the cumulative special district sales tax exceed .8 percent.

### **Property Taxes**

Residential property is assessed at approximately 10.75 percent of market value (it fluctuates from year to year due to a statutory formula for shares of revenue from commercial versus residential property). The mill levy, which is the tax rate on each dollar of assessed valuation, varies widely within the state. For the 1997 fiscal year, the average total mill levy for the state was 78.744. This figure includes counties, municipalities, school districts, and other special districts. Mill levies for cities and counties in Colorado can be found at the Colorado Department of Local Affairs, Division of Property Taxation (303) 866-2371, or by calling the county assessor for each individual county.

### **Occupational Taxes**

All persons who work in the City and County of Denver and earn more than \$250 per month are assessed a monthly occupational tax of \$5.75. Their employers pay an additional \$5.00 per month per employee. Anyone working in the cities of Greenwood Village or Aurora, who receives a salary greater than \$250 per month, is assessed \$2 per month, regardless of salary level, which is matched by the employer.

### **COMPARATIVE DATA AMONG SELECTED STATES**

Factors such as sales tax exemptions and graduated rates for income tax are recognized to significantly compromise the use of rates as a method of comparison. As a consequence, nationally and locally recognized public interest research groups have adopted the concept of "effective rate," typically measured by sales or income tax paid per \$1000 of personal income. Colorado's effective combined state and local tax rate was among the lowest of the following states for fiscal year 1995-96.

**Combined State and Local Taxes of  
Neighboring States Per \$1,000 Income**

State	Income		Property	Sales	Total	Total Rank
	Indiv.	Corp.				
Arizona	\$19.75	\$4.25	\$38.23	\$43.01	\$124.42	12
<b>Colorado</b>	<b>\$25.15</b>	<b>\$1.91</b>	<b>\$34.64</b>	<b>\$29.60</b>	<b>\$107.17</b>	<b>42</b>
Kansas	\$23.75	\$5.07	\$36.83	\$30.97	\$117.31	20
Nebraska	\$22.54	\$3.56	\$43.13	\$27.36	\$117.05	21
New Mexico	\$21.87	\$4.64	\$16.49	\$53.31	\$131.70	5
Oklahoma	\$23.89	\$2.95	\$17.89	\$31.80	\$109.27	37
Utah	\$30.82	\$4.17	\$31.25	\$39.64	\$122.05	14
Wyoming	\$0.00	\$0.00	\$49.22	\$28.65	\$128.00	7

**State Tax Collections per \$1,000 Income**

State	Rank	Tax
Alaska	1	\$104.31
U.S. Average	N/A	\$68.40
<b>Colorado</b>	<b>48</b>	<b>\$52.53</b>
New Hampshire	50	\$28.37

**Colorado's Rank in Selected  
State Taxes Per \$1,000 Income**

Tax	Colorado		National	
	Rank	Tax	High	Low
Sales/Use	43	\$14.40	\$48.38	\$0.00
Individual Income	23	\$24.78	\$41.03	\$0.00
Corporate Income	45	\$2.24	\$22.40	\$0.00

Source: Colorado Legislative Council, *Issue Brief*, 1997.

**Sales Taxes**

**Combined State and Local Taxes of**

The state of Colorado levies a 2.9 percent tax on retail sales. Cities, counties, and special districts are permitted to add up to 4.1 percent additional local sales tax.

State	1995	1996	1997	1998	1999	2000
Alabama	2.1	2.1	2.1	2.1	2.1	2.1
Arizona	2.9	2.9	2.9	2.9	2.9	2.9
California	4.7	4.7	4.7	4.7	4.7	4.7
Colorado	2.9	2.9	2.9	2.9	2.9	2.9
Florida	2.9	2.9	2.9	2.9	2.9	2.9
Georgia	4.0	4.0	4.0	4.0	4.0	4.0
Illinois	6.25	6.25	6.25	6.25	6.25	6.25
Indiana	7.0	7.0	7.0	7.0	7.0	7.0
Iowa	6.0	6.0	6.0	6.0	6.0	6.0
Kansas	6.5	6.5	6.5	6.5	6.5	6.5
Michigan	4.0	4.0	4.0	4.0	4.0	4.0
Minnesota	6.5	6.5	6.5	6.5	6.5	6.5
Mississippi	7.0	7.0	7.0	7.0	7.0	7.0
Missouri	4.0	4.0	4.0	4.0	4.0	4.0
Montana	6.0	6.0	6.0	6.0	6.0	6.0
Nebraska	4.0	4.0	4.0	4.0	4.0	4.0
Nevada	4.0	4.0	4.0	4.0	4.0	4.0
New Hampshire	0.0	0.0	0.0	0.0	0.0	0.0
New Jersey	7.0	7.0	7.0	7.0	7.0	7.0
New Mexico	4.0	4.0	4.0	4.0	4.0	4.0
New York	4.0	4.0	4.0	4.0	4.0	4.0
North Carolina	4.0	4.0	4.0	4.0	4.0	4.0
North Dakota	4.0	4.0	4.0	4.0	4.0	4.0
Ohio	4.0	4.0	4.0	4.0	4.0	4.0
Oklahoma	4.0	4.0	4.0	4.0	4.0	4.0
Oregon	4.0	4.0	4.0	4.0	4.0	4.0
Pennsylvania	6.0	6.0	6.0	6.0	6.0	6.0
Rhode Island	4.0	4.0	4.0	4.0	4.0	4.0
Texas	4.0	4.0	4.0	4.0	4.0	4.0
Utah	4.0	4.0	4.0	4.0	4.0	4.0
Vermont	4.0	4.0	4.0	4.0	4.0	4.0
Virginia	4.0	4.0	4.0	4.0	4.0	4.0
Washington	4.0	4.0	4.0	4.0	4.0	4.0
West Virginia	4.0	4.0	4.0	4.0	4.0	4.0
Wisconsin	4.0	4.0	4.0	4.0	4.0	4.0
Wyoming	4.0	4.0	4.0	4.0	4.0	4.0

Commercial versus residential property. The mill levy, which is the tax rate on each dollar of assessed valuation, varies widely within the state. For the 1997 fiscal year, the average total mill levy for residential property in Colorado includes counties, municipalities, school districts, and other special districts. Mill levies for cities and counties in Colorado are available from the Department of Local Affairs, Division of Property Taxation, 1775 Broadway, Suite 1000, Denver, CO 80202. For individual counties, contact the county assessor.

**Occupational Taxes**

All persons who work in the City and County of Denver and earn more than \$250 per month are assessed a monthly occupational tax of \$5.00. Their employers pay an additional \$5.00 per month. Persons who work in the cities of Greenwood Village or Aurora, who receive a salary greater than \$250 per month, are assessed \$2 per month.

State	1995	1996	1997	1998	1999	2000
Alabama	2.1	2.1	2.1	2.1	2.1	2.1
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California	4.7	4.7	4.7	4.7	4.7	4.7
Colorado	2.9	2.9	2.9	2.9	2.9	2.9
Florida	2.9	2.9	2.9	2.9	2.9	2.9
Georgia	4.0	4.0	4.0	4.0	4.0	4.0
Illinois	6.25	6.25	6.25	6.25	6.25	6.25
Indiana	7.0	7.0	7.0	7.0	7.0	7.0
Iowa	6.0	6.0	6.0	6.0	6.0	6.0
Kansas	6.5	6.5	6.5	6.5	6.5	6.5
Michigan	4.0	4.0	4.0	4.0	4.0	4.0
Minnesota	6.5	6.5	6.5	6.5	6.5	6.5
Mississippi	7.0	7.0	7.0	7.0	7.0	7.0
Missouri	4.0	4.0	4.0	4.0	4.0	4.0
Montana	6.0	6.0	6.0	6.0	6.0	6.0
Nebraska	4.0	4.0	4.0	4.0	4.0	4.0
Nevada	4.0	4.0	4.0	4.0	4.0	4.0
New Hampshire	0.0	0.0	0.0	0.0	0.0	0.0
New Jersey	7.0	7.0	7.0	7.0	7.0	7.0
New Mexico	4.0	4.0	4.0	4.0	4.0	4.0
New York	4.0	4.0	4.0	4.0	4.0	4.0
North Carolina	4.0	4.0	4.0	4.0	4.0	4.0
North Dakota	4.0	4.0	4.0	4.0	4.0	4.0
Ohio	4.0	4.0	4.0	4.0	4.0	4.0
Oklahoma	4.0	4.0	4.0	4.0	4.0	4.0
Oregon	4.0	4.0	4.0	4.0	4.0	4.0
Pennsylvania	6.0	6.0	6.0	6.0	6.0	6.0
Rhode Island	4.0	4.0	4.0	4.0	4.0	4.0
Texas	4.0	4.0	4.0	4.0	4.0	4.0
Utah	4.0	4.0	4.0	4.0	4.0	4.0
Vermont	4.0	4.0	4.0	4.0	4.0	4.0
Virginia	4.0	4.0	4.0	4.0	4.0	4.0
Washington	4.0	4.0	4.0	4.0	4.0	4.0
West Virginia	4.0	4.0	4.0	4.0	4.0	4.0
Wisconsin	4.0	4.0	4.0	4.0	4.0	4.0
Wyoming	4.0	4.0	4.0	4.0	4.0	4.0

significantly compromise the use of rates as a method of comparison. As a consequence, nationally and locally, the concept of "effective rate," typically measured by sales or income tax paid per \$1000 of personal income. Colorado's effective combined state and local tax rate was among the lowest of the following states for fiscal year 1995-96.

## **PUBLIC FINANCING PROGRAMS**

This section describes major federal and state business financial assistance programs available in Colorado. The information provided covers eligible applicants, eligible uses, terms of assistance, and the general application process. All of these programs require varying degrees of documentation showing the ability of applicants to succeed in their field, the financial requirements of the business, past performance, future projections, and public benefits to be derived. Private sector participation through lending institutions and equity most likely will be required by all of these programs. **Public funds are designed to fill gaps in project financing.**

### **COMMUNITY DEVELOPMENT BLOCK GRANT REVOLVING LOAN FUND PROGRAM**

Every year, the State of Colorado receives an allocation of federal Community Development Block Grant (CDBG) funds from the Department of Housing and Urban Development to use for both community development and economic development efforts in the state. The funds are allocated to the Department of Local Affairs which uses the funds for community development projects such as housing and public facilities. The Colorado Office of Economic Development (OED) receives approximately one-third of the annual allocation of CDBG funds to use specifically for economic development efforts statewide.

The Office of Economic Development uses its allocation of CDBG funds to further economic development in two ways:

First, OED provides direct financial assistance to businesses throughout rural regions of Colorado for a variety of purposes. The CDBG funds may be awarded in the form of low interest loans, loan guarantees, or infrastructure grants.

Second, OED uses its allocation of CDBG funds to capitalize the state's Regional Revolving Loan Fund (RLF) program. Currently, the state has fifteen RLF locations which have service areas covering the majority of the rural areas of the state. The state's RLF program does not cover any of the metropolitan or "entitlement" cities in Colorado. These urban communities receive their own allocation of CDBG funds.

The fifteen RLF programs are responsible for promoting and fostering economic development efforts at the local level by providing financial assistance in the form of loans and loan guarantees to businesses in their respective regions. The RLF program is locally driven, with each RLF having its own local loan review committee and local Board of Directors who approve the types of businesses they feel will have a positive economic impact in the community. The process for application and approval follows brief summaries of the Loan and Infrastructure Grant programs.

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### ***Summary of Programs***

The CDBG is designed to create new permanent jobs and retain existing jobs, primarily for low- and moderate-income persons. This program encourages new business development, expansions and retentions of businesses located in non-entitlement cities and counties (that shall minimize, to the extent practicable, displacement of existing businesses and jobs in neighborhoods).

Federal funds are utilized for this program; therefore, there are federal requirements which must be met.

The Office of Economic Development may provide a loan or an infrastructure grant in support of a specific business through an eligible public entity such as a city or county that is willing to take the financial risk in order to create or retain jobs. Additionally, for a grant, all other businesses which will create or retain jobs as a result of the CDBG improvements may be required to comply with the program's primary objective, creation or retention of jobs for low-to-moderate income benefit.

### ***Eligibility***

Eligible applicants are non-entitlement (primarily rural) cities and counties. Contact the Office of Economic Development to determine applicant eligibility.

Assisted businesses must demonstrate project feasibility and financial capability to develop the proposed plans that will result in creating and/or retaining jobs primarily for low- and moderate-income persons.

At least one full-time equivalent job must be created and/or retained for every \$20,000 of CDBG assistance.

Final funding decisions are made by the state's Financial Review Committee.

### ***Use of Proceeds***

#### GRANTS\*

water/wastewater facilities/lines  
sewer/sewage treatment facilities/lines  
roadways  
natural gas-line services  
electric-power services

#### LOANS

machinery and equipment  
furniture and fixtures  
working capital  
purchase of land/depreciable  
property

- railroad spurs
- lighting
- sidewalks
- alternative power sources (such as solar)
- new construction
- rehabilitation of existing facilities

\*this list is not necessarily all-inclusive. These improvements are typically owned and/or maintained by a public or quasi-public entity.

**Terms**

**INFRASTRUCTURE GRANTS**

For businesses that have been operating for at least three years, the grant amount may not exceed fifty percent of the total cost of the CDBG defined project.

For businesses that have been operating for less than three years, the grant amount may not exceed thirty-five percent of the total cost of the CDBG defined project.

The minimum award is generally \$100,000. OED will consider requests for less than \$100,000 on a case-by-case basis.

The maximum award is \$500,000. OED will consider requests for more than \$500,000 on a case-by-case basis.

**LOANS**

<b>Loan Guidelines</b>	<b>Established Businesses (Operating at least three years)</b>	<b>New Businesses (Operating Less than three years)</b>
Loan Amount	Up to 50% of Total Project Cost	Up to 35% of Total Project Cost
Equity Required	Minimum 10% new equity injection by business	Minimum 20% new equity injection by business

<b>Other Loan Criteria</b>	<b>Requirement</b>
Interest Rate	Fixed at Wall Street Journal prime rate.
Maturity	Permanent working capital - up to five years; Other - tied to remaining life of assets being financed.
Collateral	Adequate to support loan amount.

**Process**

The business should contact the local unit of government (or the regional revolving loan fund, if applicable) as the federal guidelines require the local unit of government to make an application for funding in support of the business.

Prior to submitting a pre-application, the applicant (and the regional revolving loan fund, if applicable) and the business must complete a CDBG application workshop and a specific project consultation with OED staff. In some cases, it may be possible to request an individual CDBG project consultation in place of the required workshop; however, this determination must be made on a case-by-case basis as time allows.

The applicant and the business requesting assistance must complete a pre-application which is submitted to the Office of Economic Development for processing.

If the pre-application is recommended for funding by the Financial Review Committee, the applicant is invited to submit a formal application which is due within 45 days of such notice.

For further information or to obtain an application, please contact:

Director of Finance and Business Development  
Colorado Office of Economic Development  
(303) 892-3840  
fax: (303) 892-3848

**ECONOMIC DEVELOPMENT COMMISSION**

The Economic Development Commission (EDC) receives an annual appropriation for economic development projects and marketing programs. The EDC will provide interest rate write-downs, low interest rate loans or subsidies to companies interested in relocating to or expanding in Colorado. The company must use the funds as a gap-financing source by showing a matching amount from the local municipalities or two dollars in local incentives for every one dollar received from the EDC. The EDC meets once a month to determine allocations on a case by case basis, considering project merit, quality of jobs and economic impact on the state.

Below is a listing of what the Governor's Office of Economic Development looks at prior to making a presentation to the EDC:

- comprehensive business plan and description of operations
- length of time in business
- legal structure (C corp., S corp., Partnership, etc.)
- last 3 FYE and current interim financial statements (include balance sheet and income statement)
- monthly cash flow and income statement projections for the past two years
- debt service requirements on existing debt (detailing term, monthly principle and interest payments, collateral pledged, and current status)
- personal financial statements
- tax returns (both business and personal) for the past two years

For information on EDC programs, contact:

Gayle Brody , EDC Director  
Office of Economic Development  
(303) 892-3840  
fax: (303) 892-3725

#### **PRIVATE ACTIVITY BOND PROGRAM**

Private Activity Bonds (PABs) provide a tax-exempt financing vehicle for qualified manufacturing projects. Eligible projects include facilities and equipment used in the manufacture or production of tangible personal property, including facilities which are ancillary to the manufacturing process. PABs are issued by a public entity on behalf of the borrower to finance new facilities, rehabilitate existing facilities and/or to purchase new equipment. Interest paid on the Bonds is tax-free to investors, thus inducing them to lend at substantially lower rates to the borrower, often as much as 2-3% below conventional financings.

The State of Colorado's Private Activity Bond (PAB) allocation program was established to monitor the allocation of PABs at the ceiling amount.

After direct allocation to state agencies and to the larger designated local governments, the remaining balance of the state ceiling on January 1 of each year will be available to *(1) local issuers not receiving a direct allocation or (2) state agencies and larger local governments that have turned in their direct allocations to the statewide balance.* The issuers may access the statewide balance through applications to the Department of Local Affairs, which will be reviewed by staff, then by the Bond Allocations Committee. An application fee is required to apply for allocation from the statewide balance.

**Program Purposes**

A few of the many purposes of the PAB allocation program are identified below.

- to establish an orderly and equitable process of allocating tax-exempt PAB issuance authority.
- to encourage development in areas of the state where jobs, housing, certain infrastructure improvements and higher education are most needed.
- to encourage the increase or maintenance of the local tax base.

**Allocation Review Factors**

Some of the factors used by staff and the Bond Allocations Committee in evaluating allocation proposals:

- to what extent does the proposed project address needs in the existing or projected community or area?
- will the project lead to creation and/or retention of jobs in the short-term/long-term or does the project shift jobs from one area to another at the expense of the original location?
- what is the availability of additional or alternative funding sources? what type of arrangements have been made for credit enhancement for the financing?
- are all required permits in place?
- is the project part of an overall plan for economic development in the community or region?
- who are the individuals and companies involved in the project, including the developer?
- what other commitments/agreements are involved with the project?
- will jobs be created by this project?

**Eligibility Requirements\***

Manufacturing "small issue" (not to exceed \$10,000,000) industrial development bonds - bonds sold for construction of manufacturing facilities that cause a change in the condition of goods or products.

Qualified redevelopment bonds - bonds sold to acquire real property in blighted areas; to clear and prepare land for redevelopment; and to relocate occupants of structures on the acquired property.

Exempt facility bonds - Hazardous waste facilities, solid waste disposal facilities, water and sewer facilities, mass-commuting facilities, local district heating and cooling facilities, local electric energy or gas facilities, and multifamily housing bonds.

\*not all are listed

THE DEPARTMENT OF LOCAL AFFAIRS RECOMMENDS THAT ANY PROJECT DEVELOPER CONSIDERING UTILIZATION OF PRIVATE ACTIVITY BONDS WORK WITH COUNSEL AT THE OUTSET TO DETERMINE PROJECT ELIGIBILITY UNDER FEDERAL DEFINITIONS FOR PRIVATE ACTIVITY BONDS AND TO DETERMINE WHETHER OR NOT THE PROJECT FINANCING COULD BE STRUCTURED IN SUCH A WAY AS TO AVOID THE NECESSITY OF AN ALLOCATION.

For more information contact:

Patrick Coyle  
Colorado Department of Local Affairs  
(303) 866-4123

#### **SMALL BUSINESS ADMINISTRATION (SBA) LOANS**

The SBA offers a guaranteed loan program. They will guarantee up to 80 percent on loans under \$100,000 and up to 75 percent on loans of more than \$100,000. Guaranteed loans may be financed for seven years on working capital, ten years for (or the life of) equipment and up to 25 years on real estate. The maximum dollar amount of an SBA guaranteed loan is \$750,000. The interest rate will vary depending upon the lender, the market, and the term of the loan. You should contact your private lender first if you are interested in a guaranteed loan. The lender will contact the SBA for the guarantee. You must meet minimum credit qualifications for all SBA loans.

Additionally, the SBA has special loans for targeted industries. These loan programs include the Export Revolving Line of Credit International Trade Loans, Solar Energy & Conservation Loans, Surety Bond Guaranteed Loans to Small General Contractors, Pollution Control Loans and Seasonal Lines of Credit.

For more information regarding SBA loan programs contact:

Small Business Administration  
Business Development Division  
721 19<sup>th</sup> Street, Room 449  
Denver, CO 80202  
(303) 844-3461.

Source: Colorado Department of Education, Annual Report, 1999.

## COLORADO HOUSING AND FINANCE AUTHORITY LOANS

The Colorado Housing and Finance Authority (CHFA) offers a number of loan programs to small and medium-sized businesses. Through the Quality Investment Capital (QIC) program, CHFA acts as a secondary lender to the SBA 7(a) loan program. QIC provides fixed interest rates for projects which qualify for SBA 7(a) financing. In this program, CHFA purchases, from the lender, the guaranteed portion of an SBA guaranteed loan and sets a fixed interest rate. Through the "ACCESS" program, CHFA acts as a secondary lender in the SBA 504 loan program. Businesses are eligible if they are acquiring land or buildings in Colorado; machinery, equipment or furnishings as part of a real estate project; or performing construction, conversion, renovation or expansion work in Colorado. Through the US Export-Import Bank, CHFA assists export businesses with both technical assistance and export credit insurance to protect against liability in overseas exporting. Credit insurance covers liability for political and commercial risks. CHFA also has an Export Accounts Receivable Financing program.

Other business loan programs include Colorado Credit Reserve, "Renew Colorado" for Colorado enterprises engaged in recycling or waste diversion, and programs for agricultural and rural development projects.

For further information, please contact:

### Commercial Division

Colorado Housing and Finance Authority

1981 Blake Street

Denver, CO 80202-1272

(303) 297-7329

TDD (303) 297-7305

(toll free in Colorado) 1-800-877-CHFA, ext.329

## EDUCATION

Colorado's population is knowledge-intensive and extremely well educated. The educational attainment of the citizens of Colorado has been among the highest in the nation for years. U.S. Census Bureau estimates for 1998 rank Colorado first in the nation in percent of population with a college degree, with 34%, and fourth in the nation in percent of population with a high school diploma, with 89.6%. Colorado students score significantly higher than national averages on college entrance tests.

Colorado universities have a broad range of scientific, engineering, and technical training programs. Half of the scientific and technical graduates of Colorado's universities remain in the state to pursue their professions. This major resource is augmented by high rates of in-migration of college graduates from other states and nations.

All of the states' institutions of higher learning have programs directed at encouraging women and minorities in technical disciplines, as well as programs to assist the handicapped and gifted.

All colleges and universities in Colorado conduct joint research and training programs with corporations, particularly in technical and scientific areas.

### COLORADO EDUCATION FUNDING

#### State of Colorado K-12 Education Revenues by Source (1996)

SOURCE	DOLLARS (BILLIONS)	PERCENT OF TOTAL
Local Property Tax	\$1.54	52.5% Local
Other Local	.64	
State Equalization	\$1.64	42.7% State
Other State	.13	
Federal	.21	4.8% Federal
<b>TOTAL</b>	<b>\$4.16 Billion</b>	<b>100.0%</b>

Source: Colorado Department of Education. Annual Report, 1999.

**COLORADO STUDENT TEST SCORES**

**SAT:** Approximately 30% of Colorado's high school seniors took this test in 1997.

**ACT:** Approximately 60% of Colorado's high school seniors took this test in 1997.

On both the ACT and SAT tests, Colorado students scored above the national average. The results are summarized in the table below:

*Colorado Student Performance on College Entrance Exams, 1997*

Test	COLORADO Average	U.S. Average
ACT	21.6	21.0
SAT	1079	1017

Source: Morgan-Quitno Corporation, *State Rankings 1999*.

**"EDUCATION QUOTIENTS" OF COLORADO SCHOOL DISTRICTS**

For the past six years, *Expansion Management* magazine has been compiling an "education quotient" for school districts across the United States. They examine over 700 school districts nationwide and create an index based on their graduate outcomes, community educational attainment, school spending, student:teacher ratios, and other criteria. The average scores are indexed to equal 100.

Colorado's public schools have done very well in this ranking. In 1996, 11 Colorado districts from all over the state were included, and in 1997, 12 Colorado schools were included in the index. The following districts earned the "blue ribbon" rating, described as "Great Academics/Low Spending," which it characterized as being a best buy in terms of positive returns of educational spending. Several of the districts made this list in 1995, 1996, and most recently, 1997.

District	Education Quotient
Adams-Arapahoe	116
Boulder	115
Cherry Creek	134
Cheyenne Mountain	113
Englewood	131
Ft. Collins (Poudre)	127
Littleton	119
Thompson	129

Source: *Expansion Management*, 1997 Ratings Issue.

**COLORADO EDUCATIONAL ATTAINMENT**

**Percent of Population Graduated From High School (1998)\***

State	Percent	U.S. Rank
Alaska	90.6	2
Washington	92.0	1
<b>COLORADO</b>	<b>89.6</b>	<b>4</b>
Utah	89.3	6
Wyoming	90.0	3
Nebraska	87.7	11
Minnesota	89.4	5
Maine	86.7	13
Vermont	86.7	13
New Hampshire	84.0	28
<b>U.S. AVERAGE</b>	<b>82.8</b>	<b>N/A</b>
Pennsylvania	84.1	27
Georgia	80.0	40
Texas	78.3	45
West Virginia	76.4	50

Source: Morgan-Quitno Corporation, *State Rankings, 1999*.

**Percent of Population With a Bachelor's Degree or Higher (1998)\***

State	Percent	U.S. Rank
<b>COLORADO</b>	<b>33.3</b>	<b>1</b>
Connecticut	32.7	2
Massachusetts	32.6	3
Vermont	30.3	4
Minnesota	28.5	5
New Jersey	27.9	6
Rhode Island	27.9	6
Washington	26.6	8
Maryland	26.4	9
New York	26.3	10
<b>U.S. AVERAGE</b>	<b>23.0</b>	<b>N/A</b>
Montana	22.1	25
Wyoming	21.1	30
Louisiana	20.1	35
Arizona	19.1	40
Mississippi	17.6	45

\*Persons 25 and older. U.S. Census Bureau estimates, 1998.

**COLORADO HIGHER EDUCATION ENROLLMENTS (FALL 1998)**

Four-Year State-Supported Colleges and Universities:

<b>Institution</b>	<b>Location</b>	<b>Enrollment</b>
Adams State College	Alamosa	2,350
Colorado School of Mines	Golden	3,336
Colorado State University	Ft. Collins	22,679
Fort Lewis College	Durango	4,447
Mesa State College	Grand Junction	4,714
Metropolitan State College	Denver	17,063
University of Colorado at Boulder	Boulder	25,468
University of Colorado at Colorado Springs	Colorado Springs	6,492
University of Colorado at Denver	Denver	11,306
University of Colorado Health Sciences Center	Denver	2,329
University of Northern Colorado	Greeley	10,662
University of Southern Colorado	Pueblo	4,071
Western State College	Gunnison	2,515
Colorado College	Colorado Springs	2,000
Regis University	Denver	7,303
U.S. Air Force Academy	Colorado Springs	4,073
University of Denver	Denver	8,510

Two-year Colleges:

<b>Institution</b>	<b>Location</b>	<b>Enrollment</b>
Aims Community College	Greeley	6,579
Arapahoe Community College	Littleton	7,363
Colorado Mountain College	Glenwood Springs	9,186
Colorado Northwestern College	Rangely	2,060
Community College of Aurora	Aurora	4,297
Community College of Denver	Denver	6,198
Front Range Community College	Westminster, Boulder	10,658

continuation of table...

Institution	Location	Enrollment
Lamar Community College	Lamar	1,107
Morgan Community College	Ft. Morgan	1,571
Northeastern Junior College	Sterling	3,799
Otero Junior College	La Junta	1,305
Pikes Peak Community College	Colorado Springs	8,804
Pueblo Community College	Pueblo	4,624
Red Rocks Community College	Lakewood	8,130
Trinidad State Junior College	Trinidad	2,543

- **Headcount** enrollment totaled 181,516 at Colorado public post-secondary institutions for Fall 1997.
- **FTE** enrollment is estimated at 119,700 for Fall of 1998, the *highest ever* for Colorado higher education. FTE is calculated by dividing total student credit hours by the full-time course load, usually 30 credit hours (per school year).
- Private colleges and universities in Colorado had enrollments totaling almost 22,000.
- Finally, vocational schools and proprietary institutions provide another post-secondary education option for Coloradans. Vocational schools reported Fall 1997 enrollments of 7,489, while the proprietary institutions offer instruction in a wide variety of subject areas. Fall 1996 enrollment was nearly 15,000 in over 100 institutions ranging in size from 20 students to nearly 2,000.

Source: [http://www.state.co.us/cche\\_dir/2attend.html](http://www.state.co.us/cche_dir/2attend.html) (Table).

**COLORADO HIGHER EDUCATION - DEGREES CONFERRED**

Colorado students received 30,330 certificates and degrees awarded by 28 public higher education institutions in Fiscal Year 1997. This is the most certificates and degrees ever awarded in one year. The following table summarizes the awards, by level, and by major subject area of study.

Nearly 5,000 Colorado students received degrees in Business and Management, and almost 2,700 received Engineering degrees in 1997.

Major	Cert/Voc	Bach	Master	PhD/Prof	Total
Agriculture/Natural Resources	171	269	55	15	510
Architecture/Design	0	149	145	0	294
Arts/Humanities	2,801	6,117	763	161	9,842
Business & Management	1,133	2,603	899	11	4,646
Computer Science	0	305	150	8	463
Communications	7	907	111	2	1,027
Education	0	29	1,078	92	1,199
Engineering	425	4,467	645	153	2,690
Health Sciences	1,860	773	417	341	3,391
Home Economics	155	300	56	1	512
Law	120	0	0	159	279
Mathematics	0	254	62	31	347
Natural Resources	7	1,094	87	15	1,203
Public Administration	622	403	193	7	1,225
Science	0	1,455	251	220	1,916
Technology Trades	689	97	0	0	786
<b>TOTAL</b>	<b>7,990</b>	<b>16,212</b>	<b>4,912</b>	<b>1,216</b>	<b>30,330</b>

Source: Colorado Commission on Higher Education, FY 1997 Degrees Granted, February 1998.

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## QUALITY OF LIFE

Excellent quality of life is critical to the attraction, motivation, and retention of skilled and talented workers, which are essential to the success of a growing business.

Colorado's high quality of life is a major attraction to businesses, individuals, and tourists. The combination of spectacular scenery and recreational opportunities, delightful climate, and excellent arts and cultural facilities, as well as world-class health care and public school systems, make Colorado an easy choice. In addition, moderate cost of living levels, low crime rate, and a reasonable and equitable state and local tax structures add to Colorado's overall attractiveness.

Concern for the environment is a widely held value among those residing in Colorado, with individuals and corporate citizens doing their part to protect the quality of the state's environment. Colorado is a national leader in recycling. Air and water quality in Colorado is excellent. Domestic water quality in the state's municipal systems is of the highest standards.

Colorado is a regional center for culture and the arts, with broad support from public and private sources. Colorado is a national leader in funding for the arts, much of the support coming from the private and non-profit sectors. A small sales tax set-aside for culture and the arts was recently renewed by Colorado voters to assure continued opportunities and enhancement of these valuable contributions to community life in Colorado.

Also, the state has vast national forests and parks in addition to a plethora of urban and regional parks in the metro areas, world-class ski areas, golfing, fishing, boating, biking, major league sports facilities, and countless other recreational opportunities.

Colorado's cities and towns appear frequently in national rankings of the best places to live and work as well as being one of the most attractive venues in the nation for business development. One notable accolade appeared in the November 1996 issue of *Fortune Magazine*, when it listed our state's capitol, Denver, second on its annual list of the "15 Best Cities to Live and Work in the United States." The November 1997 *Fortune's* annual rating of best cities for business resulted in another second place ranking for Denver in terms of growth, attracting new business, and significantly increasing quality of life for residents.

**COLORADO'S COST OF LIVING**

ACCRA, a national non-profit research organization for community and economic development, produces a quarterly index which measures relative price levels for consumer goods and services **in participating cities**. Cost data from these cities are used to derive a relative ranking so that an easy comparison of cost of living in different metropolitan areas can be made. The average value for each category is assigned a value of 100.0. A value of greater than 100.00 indicates a cost of living higher than the average, with a value lower than 100.0 indicating a lower than average cost. The table below contains relative cost of living information for those Colorado cities which participated in the ACCRA Cost of Living Index in the third quarter of 1998.

**Colorado Cities' Composite Index Values**

*Third Quarter, 1998 (334 cities participating nationwide)*

Area	C.O.L. Index
Boulder	119.3
Colorado Springs	100.9
Denver	108.1
Ft. Collins	104.8
Loveland	98.0
Grand Junction	101.9
Greeley	106.7
Pueblo	90.3
Gunnison	108.4

The Composite Index is made up of six component indexes weighted as follows: Grocery Items (16%); Housing (28%); Utilities (8%); Transportation (10%); Health Care (5%); and Miscellaneous Goods and Services (33%).

Source: ACCRA Cost of Living Index, Third Quarter, 1998.

**Metropolitan Cost of Living Index Comparisons**

While Denver is slightly higher than the national average in terms of its cost of living, a comparison with some of the largest cities in the survey shows that Denver and other cities in Colorado enjoy a competitive cost of living. Denver is significantly lower than many of the largest cities in that nation, and generally comparable to major cities in the western United States. The composite index for some larger participating cities is as follows:

**Metro-area Composite Index Values**

*Third Quarter, 1998*

Area	C.O.L. Index
New York City	231.3
Boston	131.9
San Diego	127.2
Philadelphia	121.2
Sacramento	117.8
Detroit	114.0
Portland	111.7
<b>DENVER</b>	<b>108.1</b>
Salt Lake City	107.9
Albuquerque	102.4
Phoenix	102.3
Atlanta	102.2
Dallas	98.6
Columbus	98.0

Source: ACCRA Cost of Living Index, Third Quarter, 1998.

### METROPOLITAN AREA RENT, HOME PRICE, AND UTILITY COST COMPARISON

Comparisons of housing costs for some of the larger western U.S. cities, as well as some of Colorado's largest cities, participating in ACCRA are presented below:

City	Average Monthly Rent (1)	Average Home Price (2)	Average Residential Utility Cost (3)
Albuquerque	\$741.00	\$140,750	\$94.46
Atlanta	717.00	141,488	92.51
Billings	450.00	148,500	79.10
Boise	701.00	153,564	69.04
<b>DENVER</b>	<b>765.00</b>	<b>171,281</b>	<b>81.64</b>
Boulder	905.00	221,650	81.64
Colorado Springs	716.00	155,374	68.74
Grand Junction	635.00	140,112	81.82
Gunnison	606.00	173,584	95.00
Greeley	697.00	173,333	84.37
Pueblo	459.00	105,925	76.16
Fort Collins	744.00	158,785	74.02
Loveland	566.00	138,596	75.44
Las Vegas	727.00	142,050	89.45
Phoenix	673.00	132,318	107.74
Portland	683.00	178,300	81.39
San Diego	900.00	240,818	107.06
<b>U.S. AVERAGE</b>	<b>586.00</b>	<b>138,988</b>	<b>100.80</b>

- (1) Based on an unfurnished, two bedroom, one bathroom apartment (approximately 950 square feet).
- (2) Based on a newly-constructed, three bedroom, two bathroom, single family detached house (approximately 1,800 square feet).
- (3) Monthly utility cost is for a newly-constructed, three bedroom, two bathroom, single family detached house (approximately 1,800 square feet).

Source: ACCRA Cost of Living Index, Third Quarter, 1998.

**CRIME RATE COMPARISON**

**Violent Crime Rate-1997  
(Violent Crimes per 100,000 population)**

The violent crime rate in the U.S. decreased 4.4% from 1994 to 1995, and fell by another 4.0% from 1996 to 1997. This shows the lowest National Crime Rate since 1987, according to the Federal Bureau of Investigation. Over thirty of the fifty states experienced a decrease. Colorado's decrease in violent crimes from 1996 to 1997 was 10.2%, **nearly four times the national average.**

State	Rate
Florida	1,023.6
California	798.3
Nevada	798.7
New Mexico	853.3
<b>U.S. AVERAGE</b>	<b>611.0</b>
Texas	602.5
Arizona	623.7
Georgia	606.6
Oregon	444.4
Washington	440.7
<b>COLORADO</b>	<b>363.2</b>
Kansas	409.2
Nebraska	438.4
Minnesota	337.8
Utah	334.0

\*Colorado ranks 34<sup>th</sup> nationally in violent crimes per 100,000 population, and is **well below** the national average.

Source: U.S. Department of Justice, Federal Bureau of Investigation, Uniform Crime Reports, 1997.

## AIR AND WATER QUALITY IN COLORADO

Air quality in Colorado varies greatly from region to region. Population, geography, and meteorology all contribute to an area's air quality conditions. Due in part to frequent temperature inversions, historically, air quality along Colorado's Front Range has been poor during certain times of the year. The major air pollution source is carbon monoxide. Particulates trapped in low-lying areas produce a "brown cloud" during the colder months, when temperature inversions are common. A State Implementation Plan was recently forwarded to the EPA. The State of Colorado Air Quality Control Commission is proud to report that, as a direct result of the plan, Colorado's air quality met all federal health safety standards since 1995. Before 1995, this feat had not been accomplished since the late 1970's.

The State of Colorado, along with numerous public and private groups, has launched aggressive campaigns to improve air quality through a broad range of measures. For example:

- Since 1988, the State of Colorado Air Quality Control Commission has mandated that oxygenated fuels be used during the high pollution season (November through March) in Front Range communities from Colorado Springs to Ft. Collins. Oxygenated fuels have added ether or ethanol to burn more efficiently.
- Since 1988, several communities in Colorado, including the City and County of Denver and several suburban communities, have enacted woodburning controls. Everyday, during the winter months, local news channels report that air quality is either red or blue. Red air quality signifies that woodburning restrictions are in effect, and blue signifies that woodburning is permitted.
- The Better Air Campaign promotes **voluntary** community involvement in air quality improvement. The campaign encourages citizens to avoid driving on high pollution days and to plan not to use their cars one day a week during the winter months.
- The most recent legislation to come into effect involving Colorado's air quality concerns emissions testing for automobiles. Beginning in January of 1995, all vehicles aged 1982 and newer are required to undergo a complete semi-annual inspection at one of 15 centralized facilities located across the State of Colorado. The criteria for passing the test are now significantly more stringent. Also, the emission control program is now tied to vehicle registration, so those vehicles not in compliance with the established standards cannot be registered.

These measures have significantly improved air quality in the region. Community efforts to improve air quality are widespread and aggressive. For example, the Regional Transportation District has added methanol-powered vehicles to its fleet. Several other buses are now being fitted with new, lower-polluting diesel engines. A program to

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reduce diesel fuel emissions is currently under study by the State. Private groups sponsor ridesharing services to reduce driving. On Colorado's Western slope, a proactive community-based program in Grand Junction, organized by the Colorado Air Pollution Control Division and Mesa County Health Department, is designed to "head air pollution problems off at the pass."

### **Water Quality**

The water quality of Colorado's water resources is generally high, and the state has undertaken aggressive efforts to ensure it remains so.

Over 98 percent of Colorado's drinking water fully complies with all federal and state standards. Federal clean water standards mandate increasingly more stringent treatment of local water supplies. In order to assure the highest levels of compliance, the Colorado Department of Health works closely with local water providers. The task is made more difficult in that Federal funds for construction of new water treatment facilities are no longer available.

Colorado continuously monitors its many mountain streams and lakes to ensure that are clean and safe for wildlife as well as for fishermen and other users.

Colorado's ground water quality is generally high, though there are several isolated aquifers with problems. This is a difficult area to control, but Colorado recently set regulations for ground water, and the Department of Health is developing a comprehensive plan to ensure high-quality ground water for domestic and agricultural use.

- **Professional Sports:** Colorado offers a variety of professional sporting activities. Denver is one of only 10 cities in the nation with major league teams in the four major sports (football, baseball, basketball, and hockey). It is home to the two-time NFL's World Champion DENVER BRONCOS! The voters in the Metropolitan area approved a new tax incentive that will help build the Denver Broncos' new stadium. The NBA's Nuggets call Denver home, and the construction of the Pepsi Center is underway and will house the Nuggets and the NHL Colorado Avalanche. Major League baseball expanded to Colorado with the formation of the Colorado Rockies in the Spring of 1993. The Rockies recorded record-breaking attendance records in its first two seasons and continues to be near the top of the league for average game attendance. In April of 1995, the Rockies' new stadium, Coors Field, was opened in downtown Denver. The NHL's Colorado Avalanche relocated to Colorado from Quebec, Canada, for its 95-96 campaign and proceeded to win the Stanley Cup in its inaugural season. Major League Soccer came to Colorado in the form of the Colorado Rapids in the Fall of 1995. Finally, the Colorado Sky Sox, the AAA franchise for the Colorado Rockies, calls Colorado Springs its home.

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- Since 1988, the State of Colorado Air Quality Control Commission has mandated that Colorado continuously monitor air quality in many urban areas and that the Commission report on air quality to the public. In March, the Commission issued a report on air quality. The report states that oxygenated fuels have added ether or ethanol to burn more efficiently. Colorado's ground water quality is generally high, though there are several localized spots with problems. This is a difficult area to control, but Colorado is working to improve the quality of its water. The Department of Health is developing a comprehensive plan to improve the quality of the state's water supply. The plan includes:
  - either red or blue. Red air quality signifies that woodburning restrictions are in effect, and blue signifies that woodburning is permitted.
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## RECREATION & TOURISM

Colorado has long been recognized as one of the premier destinations in North America for recreation. With its over 11,000 miles of national, state, and local trails, 40 state parks, two national parks (Rocky Mountain and Mesa Verde), and year-round breathtaking views of the majestic Rocky Mountains, Colorado has a multitude of recreational activities to from which to choose.

Colorado's semi-arid climate, coupled with the splendor of the mountains and wide-open plains, provides an extraordinary diversity of recreational activities. A *sampling* of the variety of activities available in Colorado includes the following:

- **National Parks and Monuments:** Twelve national forests, five national monuments, and two national parks provide a wonderful and diverse array of attractions. Rocky Mountain National Park has 65 mountain peaks over 10,000 feet high, while Mesa Verde National Park contains some 350 cliff dwellings dating back to the twelfth century. The Great Sand Dunes National Monument is over ten miles long, with the highest dunes in all of America. Dinosaur National Monument, 60 miles west of Craig, is one of America's richest sites for fossils.
- **State Parks:** Colorado's 40 state parks and outdoor recreation areas provide opportunities for boating, hiking, and nature interpretive activities such as wildlife and bird watching, camping, swimming, picnicking, and fishing to name just a few. Facilities are located throughout the state, and range from metropolitan areas to remote wilderness, attracting almost 12 million visitors per year.
- **Professional Sports:** Colorado offers a variety of professional sporting activities. Denver is one of only 10 cities in the nation with major league teams in the four major sports (football, baseball, basketball, and hockey). It is home to the two time NFL's World Champion DENVER BRONCOS! The voters in the Metropolitan area approved a new tax incentive that will help build the Denver Broncos a new stadium. The NBA's Nuggets call Denver home, and the construction of the Pepsi Center is underway and will house the Nuggets and the NHL Colorado Avalanche. Major League baseball expanded to Colorado with the formation of the Colorado Rockies in the Spring of 1993. The Rockies recorded record-breaking attendance records in its first two seasons and continues to be near the top of the league for average game attendance. In April of 1995, the Rockies' new stadium, Coors Field, was opened in downtown Denver. The NHL's Colorado Avalanche relocated to Colorado from Quebec, Canada, for its 95-96 campaign and proceeded to win the Stanley Cup in its inaugural season. Major League Soccer came to Colorado in the form of the Colorado Rapids in the Fall of 1995. Finally, the Colorado Sky Sox, the AAA franchise for the Colorado Rockies, calls Colorado Springs its home.

- **Golf:** Colorado has over 160 public and private golf courses. The number of new courses being designed or under construction last year places Colorado in the top three nationwide in terms of growth.
- **Water Sports:** Those who initially believe Colorado to lack a variety of water sports are often surprised to find that it offers a wide selection of water-related activities from which to choose. Colorado is home to premiere whitewater rafting and kayaking on the upper Colorado, Green, and Arkansas rivers. Several lakes and reservoirs offer excellent venues for waterskiing and jetskiing.
- **Hunting and Fishing:** Hunting and Fishing contribute over \$1 billion to the state's economy every year. Big game hunting is one of Colorado's traditional attractions. Colorado is considered the best state in the nation for elk hunting and boasts one of the highest non-resident big game success ratios in America. Colorado has long been a destination for fly fisherman from across the nation. The Rocky Mountains many high-altitude, briskly-flowing, and cold-water streams teem with several species of fish, including the illustrious rainbow trout. The Rockies contain numerous high-altitude lakes, several of which offer the much sought-after seclusion that many outdoorsmen/women desire.
- **Hiking:** Whether you spend the day walking leisurely through Chautauqua Park at the base of the famous Flatirons in Boulder, or ascending Pikes Peak above Colorado Springs, Colorado's world class hiking and magnificent scenery is sure to take your breath away.
- **Wildlife and Nature Viewing:** Colorado has always been touted as one of top best locales in the U.S. for viewing wildlife. The state's varying terrain and wide array of ecosystems provide a tremendous variety of wildlife. From bear to Mountain Lion to the majestic Rocky Mountain Bighorn Sheep, visitors and residents alike enjoy Colorado's most beautiful natural resource...mother nature. Wildlife and the state's natural beauty have long been major sources of attraction. Even Francis Scott Key, the composer of our national anthem, was moved by the beauty of Colorado's Rocky Mountains when he scripted the famous line "...for purple mountain majesties."
- **Rock and Ice Climbing:** Rock and Ice Climbing are two sports that have become increasingly popular in America over recent years, and perhaps even more so in Colorado. In the warmer months, Colorado's mountains provide some of the best rock climbing to be found in the nation, with Eldorado Canyon near Boulder being ranked as on of the top ten rock climbing venues in the entire world. When winter sets in, several of the state's numerous waterfalls freeze over for some spectacular ice climbing.

- **Mountain Biking:** Mountain biking has established itself as one of Colorado's favorite sports over the course of the past five years. The number of places to mountain bike across Colorado has increased dramatically, but the state's main hot spots have remained nearly the same. Vail, Winter Park, Telluride, Steamboat Springs, and several locations on the western slope offer some of the nation's most challenging riding, as well as rides that are suitable for those who prefer a more modest pace as well as for the sports many newcomers.
- **Rodeo:** Colorado's western heritage and the fact that the state is in the heart of America's cattle country makes rodeo a leading spectator sport. In 1998, an attendance record of 606,628 spectators was set at the 92nd National Western Stock Show and Rodeo in Denver. In addition to the National Western Stock Show and Rodeo, Greeley boasts the world's largest 4<sup>th</sup> of July Rodeo, beginning in late June and lasting through the first week of July.
- **Colorado State Fair:** The Colorado State Fair and Exposition in Pueblo has been a Colorado tradition for over 120 years. Attendance in recent years has surpassed the 1,000,000 mark, making it the 6<sup>th</sup> largest state fair in the entire nation. This seventeen-day event runs from late August through Labor Day weekend and offers top name entertainment, a carnival, several rodeos, and an enormous array of exhibits.
- **Dude Ranches:** Colorado offers 40 dude ranches located throughout the state. Each has a unique style of activities, including horseback riding, fishing, hiking, mountain climbing, tubing on nearby streams, and golfing. Dude ranches offer visitors the opportunity to experience what life was like for the earliest pioneers in Colorado for a couple of hours, and then return to the enjoyment of being pampered with exquisite meals and top-notch entertainment.
- **Museums and Zoos:** Colorado's towns and cities provide over 110 museums and zoos. Many museums have an "Old West" theme featuring pioneer life, mining, railroad, military, and Native American history. The most popular museum in the state is the Denver Museum of Natural History. Both Denver and Colorado Springs have nationally recognized zoos.
- **Denver Attractions:** Recreational opportunities abound within Colorado's capital city. In addition to its nationally recognized museums and zoos, two amusement parks, Lakeside and Elitch Gardens, provide family entertainment. Elitch Gardens has been a Denver tradition for over 100 years. It recently relocated to a location on the South Platte River, near downtown, on a 60-acre setting with the Rocky Mountains as a backdrop to the west and the Denver skyline to the east. The famous, "entirely wooden" roller coaster, the "Twister" was completely reconstructed, and rises high into the thin Colorado air as passengers driving on Interstate 25 watch those brave enough to board the ride as they pass by. Red Rocks Amphitheater is nothing short of spectacular. It is world-renowned for both its aesthetic beauty and its

acoustic quality. The U.S. Mint in Denver is a major supplier of coinage and provides interesting insight into the U.S. Treasury. Denver also boasts a magnificent park system, which invites jogging, and cycling along the established greenways and bike paths.

- **Fine Arts:** Denver has long been one of the west's best cities for those who long for a taste of the fine arts. The Denver Center for the Performing Arts, or the "Plex," as it is more commonly referred to as, is home to seven theatres. Several Broadway productions travel to Denver on national tours. In recent years, "Les Miserables," "The Phantom of the Opera," "Miss Saigon," and "Cats" have all made their way to the Mile High City. Boettcher Concert Hall is home to the Colorado Symphony, led by maestra Marin Alsop. The Colorado Symphony orchestra performs several times per month during its peak season, lasting from September through May, and then offers several smaller scale performances during the summer, many of which occur outdoors. In addition to the performing arts, several art galleries and public displays can be found not only within the city limits of Denver, but across the state.
- **Shopping:** Denver's Cherry Creek Mall, along with the recently completed Park Meadows Mall, combined with over ten other malls in the Denver-metro area offer some world-class shopping venues. Additionally, factory outlet stores, which offer name brand merchandise at 10-50% discounts, have enjoyed enormous success in Silverthorne, Loveland, and Castle Rock.

## WILDLIFE

Wildlife is a valuable natural resource in Colorado. As mentioned, hunting and fishing contribute over \$1 billion to the state's economy every year. Fishing is a major source of recreation to residents and non-residents alike. There are over 11,000 miles of unposted trout streams and 2,300 trout lakes in Colorado, and over two million warm-water fish are caught annually. Hunting and fishing form only a part of the wildlife picture; one-half million acres of state wildlife areas also provide unique opportunities for wildlife study and observation.

## **Recreational Use of Resources**

Such diverse natural resources allow Coloradans to take advantage of a variety of recreational opportunities. Mountains draw people to hike and climb, ski, hunt, and sight-see. Plains and deserts attract hunters, the 4-wheeler, snowmobilers, and the bird watcher. Rivers beckon to fisherman, rafters, and kayakers. Everywhere you go, there are bicyclists, joggers, and walkers on trails and roads, pic-nickers all around with balloonists and hang-gliders overhead. Recreation and tourism bring in over \$7 billion per year to the state's economy, making tourism one of the state's largest industries, employing over 115,000 people. Colorado's natural base for outdoor recreation is a magnet for in-state, national, and international visitors. According to year-end 1995 data,

the state saw a 9% growth in overseas visitors whose first intended destination was Colorado. The number grew from 159,015 in 1994 to 173,581 in 1995.

Among varied recreational opportunities, Colorado offers:

- 11,000 miles of national, state, and local trails
- More than 30 winter resorts, featuring excellent snow conditions, varied terrain, and breath-taking scenery
- Some of the best whitewater rafting in the U.S. on the Arkansas, Green, Colorado, as well as several other rivers
- 500 square-miles of water surface on rivers and lakes suitable for recreational use

Colorado's state	(970) 244-2033
highways. The convergence	(970) 244-2033
east-west interstate, makes	(970) 244-2033
has over 3,000 miles of	(970) 244-2033
The state's transportation	(970) 244-2033
developing	(970) 244-2033
<b>AIR SERVICE</b>	(970) 244-2033
Ninety airlines offer regular	(970) 244-2033
Airport. In addition to	(970) 244-2033
charters leave from its	(970) 244-2033
International Airport. Federal	(970) 244-2033
Parcel Service, and the U.S.	(970) 244-2033
flights. Almost 35 million	(970) 244-2033
1997	(970) 244-2033
As the first completely new	(970) 244-2033
Denver International Airport	(970) 244-2033
important air traffic hubs in	(970) 244-2033
national air transportation	(970) 244-2033
Delays have decreased	(970) 244-2033
1991	(970) 244-2033
Winter Park	(970) 244-2033
Wolf Creek	(970) 244-2033

**SKIING**

Colorado boasts more than 35 winter recreation areas, offering such activities as snowshoeing, snowmobiling, snowcat tours, sleigh rides, ice skating, cross-country skiing, and, of course, the largest recreational attraction in our wonderful state...downhill skiing! Vail will host the 1999 World Cup Downhill races in February, drawing more than ten thousand spectators to watch the five hundred athletes compete. This is the premier event in the downhill racing circuit. It was last held in Vail in 1989. Colorado is the venue for some of the best alpine skiing in the entire world, with 26 resorts from which to choose. Whether you're the type that likes to "crash the bumps" and push your personal threshold for fear, or the type that enjoys a relaxing family-oriented resort, or someone who falls somewhere in between, one of Colorado's 26 ski resorts is sure to be well suited to accommodate you. Nearly all of Colorado's resorts offer **all** types of terrain, dividing their mountain into areas well suited for all tastes and abilities.

Here is a complete list of all of Colorado's ski resorts, with their main reservations/information telephone numbers:

<u>Ski Area/Resort</u>	<u>Reservations/Information</u>
Arapahoe Basin	(888) 272-7246
Aspen Highlands	(970) 920-0788
Aspen Mountain	(970) 925-1220
Beaver Creek	(970) 949-5750
Berthoud Pass	(800) 754-2378
Breckenridge	(800) 789-7669
Buttermilk	(970) 923-1227
Copper Mountain	(970) 968-2882 Ext. 6648
Crested Butte	(800) 647-3119
Cuchara Valley	(719) 742-3163
Eldora	(888) 235-3672
Howelsen	(800) 525-2628
Keystone	(800) 222-0188
Loveland	(800) 736-3754
Monarch	(888) 996-7669
Powderhorn	(970) 268-5700
Purgatory	(800) 525-0892
Silver Creek	(970) 887-3384
Ski Cooper	(719) 486-3684
Snowmass	(303) 925-1220
Steamboat	(970) 879-6111
Sunlight	(800) 445-7931
Telluride	(970) 728-6900
Vail	(303) 476-5601
Winter Park/Mary Jane	(303) 892-0961
Wolf Creek	(970) 264-5639

## TRANSPORTATION SYSTEM

To support its operations, a firm needs to be part of a transportation system that can move people and materials both locally and throughout the world. Colorado's transportation network can meet these needs with ease. Moreover, current expansions and improvements in the transportation system, combined with planned projects, assure forward-looking business leaders ample capacity and modern design throughout the state.

Colorado is a regional, national, and international transportation hub. Denver International Airport opened on February 28, 1995 and has strengthened Denver's position as one of the major air traffic hubs in the nation. As of March 1998, DIA is the nation's 6<sup>th</sup> busiest airport.

A number of other Colorado cities and towns have regularly scheduled commercial air service.

Colorado's state highway system has over 9,000 miles, of which 954 miles are interstate highways. The convergence of I-25, a major north-south interstate, and I-70, a major east-west interstate, makes Colorado's front range a transportation hub. Colorado also has over 3,000 miles of Class 1 railroad tracks, as well as intermodal train/truck facilities.

The state's transportation infrastructure is modern, convenient, and continually developing to respond to the ever-increasing demand.

### AIR SERVICE

Nineteen airlines offer regularly scheduled passenger service to Denver International Airport. In addition to DIA's regular scheduled flights, several international and domestic charters leave from its gates daily. Beginning September 1, 1998, British Airways implemented non-stop service between London's Gatwick Airport and Denver International Airport. Federal Express, Airborne Express, Burlington Express, the United Parcel Service, and the U.S. Postal service are responsible for the bulk of DIA's cargo flights. Almost 35 million passengers passed through Denver International Airport in 1997, an 8.3% increase over 1996.

As the first "completely new" airport to be constructed in the U.S. in over two decades, Denver International Airport has solidified Denver's position as one of the most important air traffic hubs in the nation, and has improved the efficiency of the entire national air transportation network, with a landing capacity of 99 aircraft per hour. Delays have decreased dramatically since DIA's opening, ranking second in the nation in 1997 for on-time performance.

With 94 gates (plus an additional 57 commuter positions) and five 12,000 foot runways, it is the only facility in the world designed to accommodate three streams of aircraft simultaneously during all types of weather. DIA also features three concourses, and an underground "people mover" subway system. DIA was designed to serve the region well into the 21<sup>st</sup> century, with capacity to expand to 200 gates, capable of serving 110 million passengers per year.

DIA has over 320,000 square-feet of air cargo space on 22 acres. An additional 72 acres have been planned for private commercial development of related support industries. All of the major cargo companies have a presence at DIA, and there is a full complement of support services such as freight forwarders, shipping, container and warehousing services, and ground transportation.

**DENVER INTERNATIONAL AIRPORT  
OPERATIONS AND TRAFFIC DATA, 1996-1998**

Operations and Traffic	1998	1997	1996	Net % Change (1996-1998)
<b>AIRCRAFT OPERATIONS</b>				
Air carrier	341,074	341,879	322,023	5.9%
Air Taxi	111,467	128,271	107,816	3.3%
Military	1,055	770	791	33.4%
General Aviation	19,736	22,394	22,489	(12.2%)
<b>TOTAL</b>	<b>473,332</b>	<b>493,314</b>	<b>453,119</b>	<b>4.5%</b>
<b>PASSENGERS</b>				
Internationals	500,209	393,291	331,837	50.7%
Majors	31,443,704	29,344,313	28,072,723	12.0%
Nationals	3,836,911	3,750,152	2,507,294	53.0%
Regionals	804,060	1,288,557	1,292,575	(37.8%)
Supplementals	246,516	192,708	91,745	168%
<b>TOTAL</b>	<b>36,831,400</b>	<b>34,969,021</b>	<b>32,296,174</b>	<b>14.0%</b>
<b>CARGO OPERATIONS</b>				
Air Mail (pounds)	339,466,822	315,279,192	283,565,364	19.7%
Freight & Express (pounds)	646,787,220	648,785,540	576,162,820	12.3%

**Definitions:**

An *aircraft operation* is either a landing or takeoff or contact with the control tower (as reported by the FAA).

*Passengers* include revenue and nonrevenue passengers as reported by the individual airlines.

*Internationals* include carriers such as Air Canada, AV Atlantic, Continental, Delta, Martinair, Mexicana, and United.

*Majors* include America West, American, Continental, Delta, Northwest, TWA, United, and U.S. Airways.

*Nationals, Regionals, and Supplementals* include Frontier, United Express, Vanguard, Mesa, Carnival, Casino, Viscount, and various other charter and air tour operators.

Source: Denver International Airport Monthly Operations and Traffic Report, December 1998.

City	Operations	Passengers
New Orleans, LA	3	3
Atlanta, GA	22	22
St. Louis, MO	10	10
San Diego, CA	2	2
Seattle/Tacoma, WA	14	14
Minneapolis/St. Paul, MN	1	1
Albuquerque, NM	20	20
Colorado Springs	12	12

Note: ... service to ski resorts in December of 1996.

Source: Colorado Springs Airport, January 28, 1999, [www.colorado-springs.com/airport/airport.htm](http://www.colorado-springs.com/airport/airport.htm)

**Flights to Major Metropolitan Areas within the United States Originating and Terminating Daily at Denver International Airport**

DIA provides daily air service to over 100 major U.S. metropolitan areas. The following tables list the number of non-stop flights to several major U.S. cities, as well as cities within the State of Colorado.

<i>City, State</i>	<i>Flights To</i>	<i>Flights From</i>
Albuquerque, NM	10	10
Atlanta, GA	11	11
Baltimore, MD	6	6
Boston, MA	8	8
Chicago, IL	29	29
Cleveland, OH	4	4
Dallas/Ft. Worth, TX	23	24
Houston, TX	15	13
Kansas City, MO	14	15
Las Vegas, NV	13	13
Los Angeles	23	23
Miami, FL	4	4
Minneapolis, MN	15	16
New Orleans, LA	3	3
New York, NY	22	20
Oklahoma City, OK	5	5
Philadelphia, PA	7	7
Phoenix, AZ	22	22
Portland, OR	8	6
St. Louis, MO	10	10
Salt Lake City, UT	18	17
San Diego, CA	9	11
San Francisco, CA	18	19
Seattle/Tacoma, WA	14	12
Washington, D.C.	9	9

<i>Colorado Cities</i>	<i>Flights To</i>	<i>Flights From</i>
Alamosa**	4	4
Aspen (s)	20	19
Colorado Springs	15	15
Cortez	4	3

continuation of table...

Colorado Cities	Flights To	Flights From
Durango	8	8
Grand Junction	10	10
Gunnison	5	5
Montrose	7	8
Pueblo	7	7
Steamboat Springs (s)	9	9
Telluride (s)	6	8
Vail (s)	6	6

\*Some flights are weekdays only.

\*\*One-stop.

(s) Fewer flights during non-ski season.

Source: DIA Flight Guide, December/January, 1999.

**Non-stop Flights from Colorado Springs Airport:** The Colorado Springs Airport has non-stop service to over 30 cities nationwide. The following table lists some of the more prominent destinations, as well as the number of non-stop flights departing Colorado Springs daily.

City, State	Non-stop Flights
Albuquerque, NM	2
Atlanta, GA	3
Chicago (O'Hare), IL	3
Cincinnati, OH	2
Dallas/Ft. Worth, TX	4
Denver, CO	10
Houston, TX	1
Las Vegas, NV	2
Los Angeles	1
Minneapolis/St. Paul, MN	1
Phoenix, AZ	2
Reno, NV	2
Salt Lake City, UT	1
St. Louis, MO	2

Note: Four non-stop flights to Eagle County began providing service to ski resorts in December of 1996.

Source: Colorado Springs Airport, January 28, 1999, [www.colorado-springs.com/airport/airport.htm](http://www.colorado-springs.com/airport/airport.htm)

Commercial air service is available throughout Colorado; airports are listed below. There are also many good-quality general aviation facilities located throughout the state.

**ALAMOSA**

San Luis Valley Regional Airport  
425 Fourth Street  
Alamosa, CO 81101

**ASPEN**

Aspen-Pitken County Airport  
0233 Airport Road-Suite A  
Aspen, CO 81611

**COLORADO SPRINGS**

Colorado Springs Municipal Airport  
5750 E. Fountain Blvd.  
Colorado Springs, CO 80916

**CORTEZ**

Cortez-Montezuma County Airport  
210 E. Main Street  
Cortez, CO 81321

**DURANGO**

Durango-La Plata County Airport  
1300 County Road 309  
Durango, CO 81301

**EAGLE**

Eagle County Regional Airport  
P.O. Box 850  
Eagle, CO 81631

**FT. COLLINS-LOVELAND**

Ft. Collins-Loveland Airport  
4824 E. 57<sup>th</sup> Street  
Loveland, CO 80538

**GRAND JUNCTION**

Walker Field  
2828 Walker Field Road  
Grand Junction, CO 81501

**GUNNISON**

Gunnison County Airport  
711 Rio Grande  
Gunnison, CO 81230

**HAYDEN**

Yampa Valley Regional Airport  
Hayden, CO 81639

**JEFFCO**

Jefferson County Airport  
11755 Airport Way  
Broomfield, CO 80021

**LAMAR**

Lamar Municipal Airport  
Lamar, CO 81052

**MONTROSE**

Montrose County Airport  
Montrose, CO 81401

**PUEBLO**

Pueblo Municipal Airport  
31211 Bryan Circle  
Pueblo, CO 81001

**STEAMBOAT SPRINGS**

Steamboat Springs Municipal Airport  
P.O. Box 775088  
Steamboat Springs, CO 81477

**TELLURIDE**

Telluride Regional Airport  
P.O. Box 1807  
Telluride, CO 81435

**THE COLORADO HIGHWAY SYSTEM**

The Colorado Department of Transportation maintains the 9,100+ mile state highway system. These highways contain 22,522 lane miles. The state has 953 miles of Interstate Highways. Each year, the department measures the condition of this system according to stringent internal standards. This information is fed into the Maintenance Management System, which keeps an inventory of maintainable roadway, roadside and structure components of the highway system by location. Managers at the Department of Highways use the system to analyze, evaluate, and improve the maintenance program, including snow and ice removal, traffic services, landscaping, and rest-area maintenance.

**State Funding for Highway Construction and Improvement**

In the 98-99 budget year, the Colorado Department of Highways has estimated that it will budget approximately \$780.3 million on highway construction and maintenance. The table below outlines more specifically, where the money will be appropriated.

Procedure	Amount	Percent of Total
Maintenance and Operations	\$177.4 million	22.7%
Construction	\$482.7 million	61.9%
Other*	\$120.2 million	15.4%

\*Other includes (Surface Treatment, Safety, etc.)

The State of Colorado Highway User's Tax Fund is estimated at \$660.6 million, of which \$366.8 million will go directly to the Colorado Department of Transportation. HUTF funds are also distributed to cities and counties, the bridge fund, and related programs. Federal receipts this fiscal year are estimated to total \$192.5 million, with those funds included in the construction budget.

The table on the following page presents total highway expenditures, as well as per capita expenditures, for Colorado and selected states. These expenditures reflect state and intergovernmental revenues, as well as funds passed through to local governments for highways.

The Governor and the Legislature have made a commitment to maintaining and improving the highway system in the state. Colorado recognizes the importance of highway infrastructure to the economic vitality of the state.

**TOTAL STATE EXPENDITURES FOR  
HIGHWAYS IN SELECTED STATES, 1995**

State	Highway Expenditures*	Per Capita Expenditures**
Arizona	\$1,143,426	258.23
<b>Colorado</b>	<b>795,945</b>	<b>208.20</b>
Idaho	346,443	291.37
Kansas	995,807	387.17
Montana	340,020	386.83
Nebraska	573,918	347.41
New Mexico	651,328	380.23
Oklahoma	831,958	252.03
South Dakota	264,607	361.48
Texas	3,562,728	186.26
Utah	356,766	178.38
Wyoming	270,265	561.88

\*Figures are in thousands of dollars and have been rounded.

\*\*Based on U.S. Census Bureau population estimates for 1995.

Source: U.S. Census Bureau, State Government Finances Data, 1996

DURANGO

The State of Colorado Highway User's Tax Fund is estimated to be \$200 million of which \$266.8 million will go directly to the Colorado Department of Transportation. TDUIT funds are also distributed to other state and federal agencies, the bridge fund, and related programs. Federal receipts for this fiscal year are estimated to total \$192.5 million, with those funds included in the construction budget.

EAGLE

Eagle County Regional Airport

The table on the following page presents total highway expenditures, as well as per capita expenditures, for Colorado and selected states. These expenditures reflect state and intergovernmental revenues, as well as funds passed through to local governments for highways.

FT. COLLINS-LOVELAND

The Governor and the Legislature have made a commitment to maintaining and improving the highway system in the state. Colorado recognizes the importance of highway infrastructure to the economic vitality of the state.

LOVELAND

GRAND JUNCTION

Walker Field  
2828 Walker Field Road  
Grand Junction, CO 81501

### AVAILABILITY OF MASS TRANSIT

Mass transit is provided in all of Colorado's metropolitan areas and in some rural areas of the state as well. The Colorado Department of Transportation estimates that over 1,500 buses are in operation throughout the state.

The Regional Transportation District (RTD) is the largest provider of mass transit. It serves 41 cities and towns in six counties, and has a service area of approximately 2,406 square-miles in the Denver-metro area. There are now nearly 200 separate routes regularly served by RTD. In addition to the service provided by RTD, Colorado Springs, Ft. Collins, Grand Junction, Pueblo, and Greeley all have mass transit services that receive federal funding.

Over the years, RTD has completed several projects to address Metro-Denver's long-range needs for mass transit. Here is a list of some of the more prominent projects undertaken by RTD in recent years:

- The completion of a two-lane Downtown Expressway that runs through the most heavily traveled artery of Denver's transportation system, I-25. The lanes are reserved for "High Occupancy Vehicles" (HOV), and run from Highway 36 to 16<sup>th</sup> Street in downtown Denver. The flow of traffic is reversible, running from north to south in the morning hours for those commuting into downtown, and reversing to run south to north in the afternoon for the commute home.
- The completion of the first phase of the Metro Area Connection (MAC), which is a 5.3-mile light-rail train that runs from I-25 and Broadway into downtown Denver. Ground was broken in January of 1997 to extend this service to the southwest suburbs. The "LightRail" will then be accessible to individuals living as far south as Mineral Avenue, just north of Highlands Ranch.
- In recent legislation, residents of southeast Denver have been promised the extension of LightRail's service from Parker Road to Smith Road, a distance of 9.7 miles
- Express bus service (the SkyRide) is now available to Denver International Airport. The implementation of this service has proven to be an enormous convenience to airport goers and has drastically reduced the number of vehicles on traffic-plagued Pena Boulevard, the main thoroughfare leading to DIA. RTD is now researching the feasibility of operating an "airport train" from downtown Denver's Union Station to provide yet another alternative form of transportation to the metro area's #1 traffic destination.

RTD is currently researching the feasibility of extending the current Downtown Expressway as far north as 120<sup>th</sup> Avenue. Also proposed, has been the construction of an HOV lane along Highway 36 extending all the way into Boulder. The development of an HOV lane along I-70 in the west direction has also been proposed. In an election occurring in November of 1997,

voters rejected a proposal to extend LightRail service that would connect the cities of Boulder and Denver. Although this legislation was defeated, it is believed that traffic along Highway 36 between the cities will eventually increase to the point that the construction of a light rail connecting the cities will become a necessity. Finally, the largest proposal for developing Colorado's mass transit has been for the development of a "ski train" that would extend into the mountains, running along Highway 6 and meeting up with I-70 just before Idaho Springs, and then extend on as far as Vail. This would be an attempt to reduce the ever-increasing winter ski traffic along I-70, but is still in a very infant stage of development.

#### **AVAILABILITY OF RAIL AND MOTOR CARRIER SHIPPING IN THE STATE**

Colorado has an extensive rail system serving the entire state. The three Class-One rail lines are:

- Santa Fe Railway
- Burlington Northern Railroad
- Union Pacific/Southern Pacific Railroad (merged 1996)

Over 3,000 miles of Class-One tracks are maintained throughout the state. Intermodal train/truck transfer facilities are located in the Denver metro area to efficiently move goods to their ultimate destinations without reloading from one form of transportation to another.

Burlington Northern recently opened a "team track" facility in Commerce City (Denver metro). The four-acre site is fully graded to accommodate heavy loads. It provides shippers or receivers a place to load or unload cars without having to invest in their own private industrial siding.

The Transportation Test Center near Pueblo is a world-class intermodal research and testing facility. Located on 52 square-miles of land, the center includes 48 miles of test tracks, laboratories, and excellent support services.

Colorado is well served by many motor carriers. Most of the nation's major carriers have facilities in the state. They provide service to all major metropolitan areas located throughout the state. Colorado's central location and interstate highway system have made the Front Range a growing distribution point for many wholesalers and retailers.

## NATURAL RESOURCES

One of Colorado's greatest assets is its natural resources. Mountains, rivers, forests, wildlife, and spectacular geography provide a beautiful backdrop for residents. Colorado has:

- 54 mountains over 14,000 feet in elevation
- More than 1,000 peaks two miles high
- Total land area of 103,730 square miles

### CLIMATE

Colorado's climate is one of its best features. With nearly 300 days of sunshine (more accurately, 70% of possible sunshine), and low humidity, averaging 33%, the state's moderate climate contributes to quality of life and to its productivity. Precipitation averages 16.5 inches and ranges from a low of as little as eight inches in some arid lower elevations, to over 23 inches in the mountains. Depending upon moisture, that can translate to over 300 inches of snow!

### LAND

The land is a major natural resource. Over one-third of Colorado is publicly owned and managed by federal, state, and local agencies. These lands include 14.4 million acres of national forest land, of which 2.6 million acres are magnificent wilderness areas. State parks total 160,000; and another several hundred thousand acres are in local parks and open space.

### AGRICULTURE

Colorado's crop and grazing lands are major natural resources that support the state's agricultural industry. Colorado has 34 million acres of agricultural land, 51% of that state's total land base of 66.3 million acres. Of this, almost 11 million acres is in cropland, and 3.2 million acres are irrigated. Colorado ranks 17<sup>th</sup> nationally in cash receipts from agriculture. There are approximately 25,500 farms and ranches in that state, averaging 1,286 acres each. Major agricultural outputs include: cattle, wheat, hay, corn, and fruit and vegetable crops.

## WATER

Water is another major resource. While located in the semi-arid West, the mountains of Colorado form the headwaters for four major American rivers: the Colorado, the Rio Grande, the Arkansas, and the Platte. Under Colorado law, the people own the water. An intricate system of water rights has developed since the 1880's to ensure that the consumptive, agricultural, and industrial needs of the public are met, while at the same time recognizing that the lakes, rivers, and streams are an important resource in their own right and must be protected for the enjoyment of all. In addition to serving the state's needs, Colorado's rivers provide over ten million acre-feet of water to other western states every year.

## MINERALS

Colorado is a state rich in mineral resources. Its major mineral resources are coal, gold, oil, gas, and carbon dioxide (CO<sub>2</sub>). Figures for fiscal year 1996 (the latest yearly period for which data are generally available) show that Colorado produced:

- 27.4 million tons of coal\*
- 25,625,017 barrels of oil
- 309,368,163 mcf of gas
- 326,929,619 mcf of CO<sub>2</sub>
- \$375 million in minerals, which includes: gold, silver, zinc, molybdenum, gypsum, sand and gravel, and crushed stone\*\*

\*figure is for 1997

\*\*preliminary estimate for 1997

Source: Colorado Department of Natural Resources, Division of Minerals and Geology, March 1998. Colorado Oil & Gas Conservation Commission, March 1998. U.S. Department of the Interior, U.S. Geological Survey, March 1998.

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