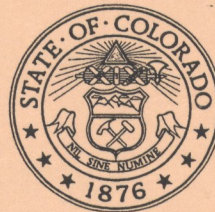


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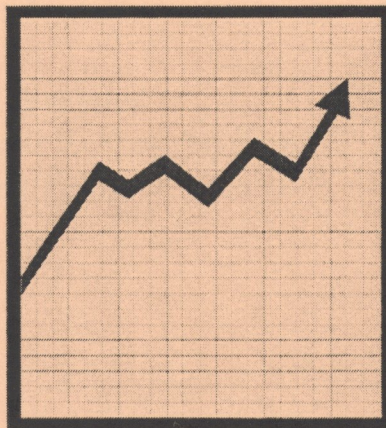
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COLORADO

ECONOMIC DEVELOPMENT

DATA BOOK



Colorado Office of Economic Development and International Trade

August 2000

COLORADO ECONOMIC DEVELOPMENT DATA BOOK

August 2000

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

Bill Owens, Governor
Bob Lee, Director of Economic Development & International Trade

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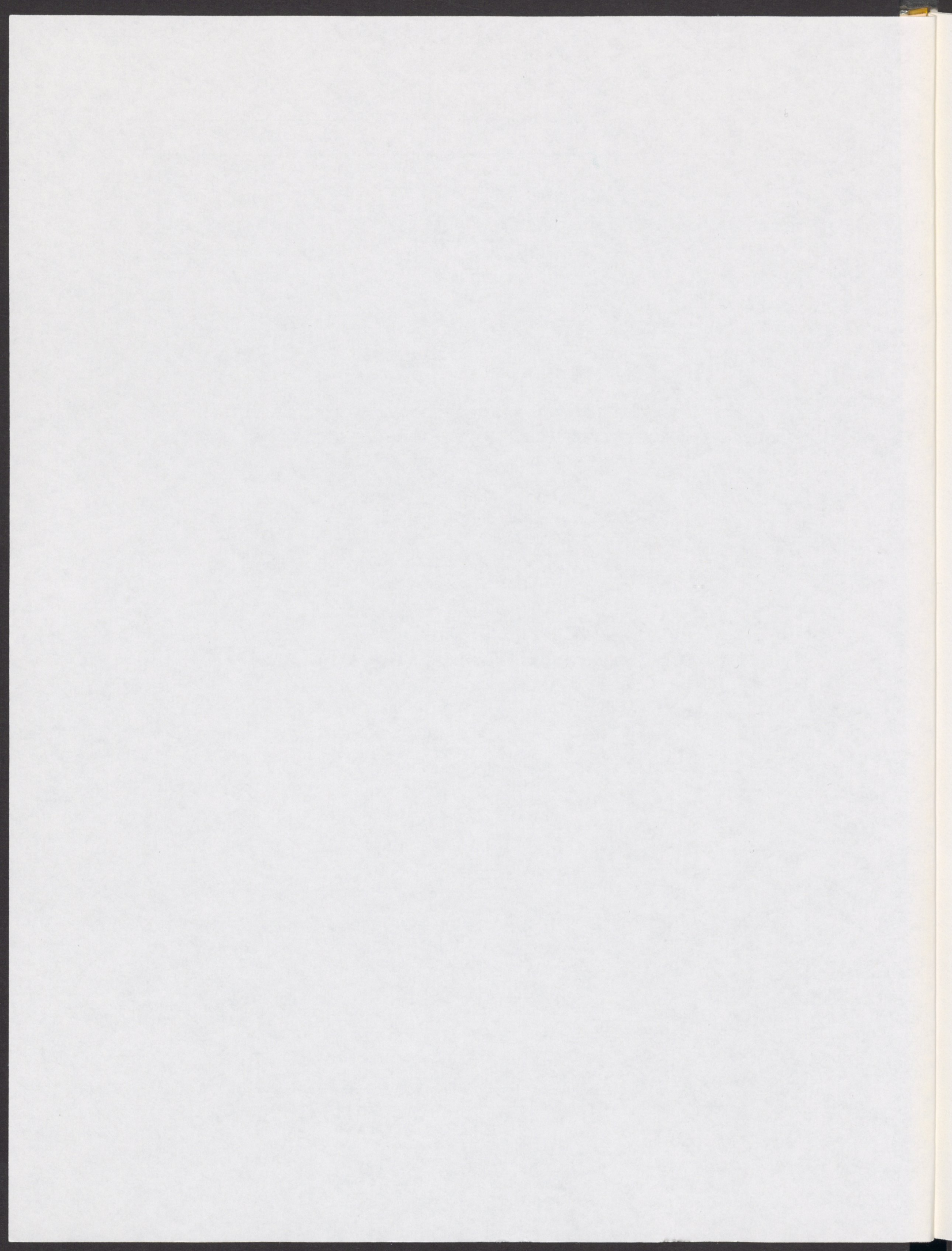


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ECONOMIC BASE

Colorado's key economic strength is its diversity. The state is not dependent on any single sector, but has a strong base of businesses in a variety of high-tech growth industries. It has become a hub for telecommunications and transportation. Colorado is home to Qwest Communications International (which recently merged with US WEST), and Level 3 Communications. AT&T and MCI Worldcom also have major facilities in the state.

Colorado is also a major transportation center. Denver International Airport (DIA) is among the busiest in the world. British Airways offers daily non-stop service to London and additional international non-stops are being aggressively pursued. 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 diverse manufacturing base, especially in high-tech durable goods. Electrical and non-electrical machinery and instruments are the largest employers, primarily in computers, peripherals and other high tech equipment. Exports of manufactured products rose by 12% in 1999 to a record level of \$6.0 billion. The export of Colorado's manufactured goods has enjoyed phenomenal growth over the course of the past decade. The future for Colorado's manufactured goods in overseas markets remains extremely bright.

The state's largest employment base is in the multi-faceted "services" sector. Business services is the fastest growing sub-sector, along with professional services, including legal, engineering, and architecture. Colorado is also a regional medical center, serving neighboring states as well as its own population.

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 8th in the nation for total tourism spending.

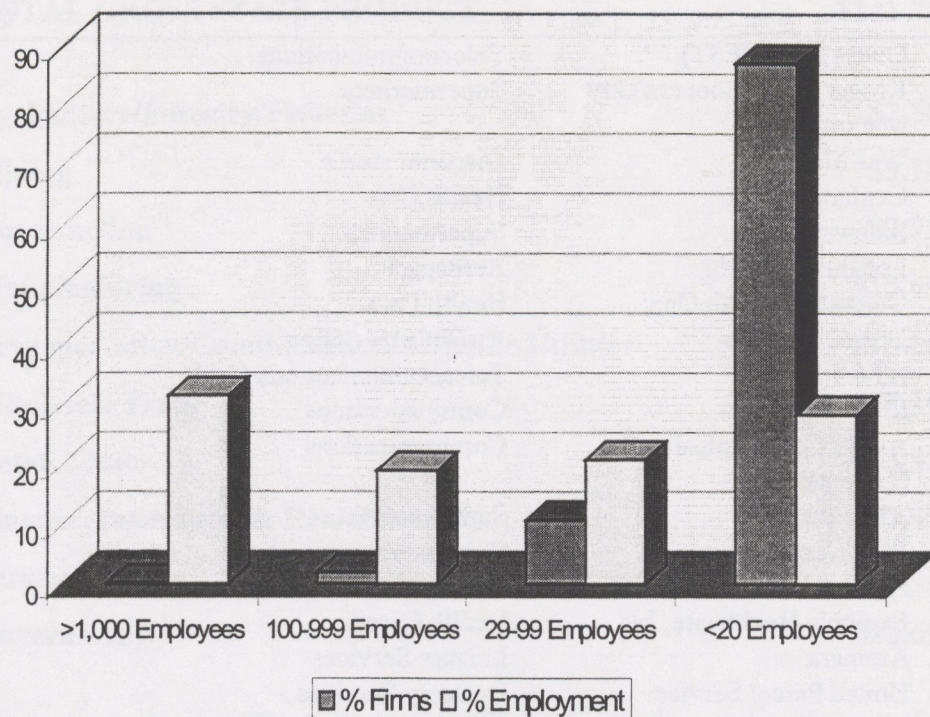
For the sixth consecutive year, Colorado received among the highest grades in the nation in the Corporation for Enterprise Development's "1999 Report Card for the States." Colorado's scores in such criteria as Performance, Business Vitality, and Development

Capacity were outstanding, receiving A's in all three. Colorado's superior business climate and diversified economic base have attracted a number of expanding, or relocating companies, most notably:

- **Level 3 Communications, Inc.**, a telecommunications and information services company, moved its headquarters to Colorado in 1998. In 2000, it announced an expansion of 250 acres that will accommodate up to 10,000 workers and 3 million square feet of space. Level 3 is located in Broomfield (metro Denver).
- **Intel Corporation**, the world's largest chip maker, also a leading manufacturer of computer, networking and communication products, has selected Colorado Springs for its expansion and will open a flash memory chip manufacturing plant. This expansion will add significant manufacturing capacity and the projected employment is 2,000 workers.
- **McData Corporation**, a fast-growing computer networking manufacturer, plans to build a \$75 million corporate headquarters in Westminster (metro Denver). The McData Corporation headquarters will more than double its highly paid workforce from 360 to 860 within the next five years.
- **TPA Incorporated** and **EDSS**, two health care administration companies, have recently moved to Pueblo, Colorado. They each plan to employ 400 – 500 workers in Pueblo over the next two to four years.
- **Celestica Corporation**, the third largest electronics manufacturing services company in the world, designs electronic memory systems and loads components on printed circuit boards. In less than three years, Celestica Colorado has grown from 380 to 1,200 employees, and its current expansion will add another 500 jobs.

The above announcements notwithstanding, Colorado is dominated by small business. Over 87% of all business establishments have fewer than 20 employees. Together, they employ about 28% of the state's workforce. Only 212 firms have employment greater than 1,000, but they employ over 32% of the state's workers, as shown in the following graph:

Employment by Firm Size, 1999



Source: Colorado Department of Labor & Employment, Labor Market Information, 2nd Quarter 1999 Employment and Wage Data; Private Industry Size Class data.

INC magazine's 1999 "State of Small Business" report ranked Colorado third in the nation for start-up companies. At the metropolitan level, Boulder ranked 6th nationally, Denver 8th, Fort Collins 10th, and Colorado Springs 11th. Entrepreneurial activity continues to be a foundation for Colorado's economic vitality.

Colorado's Top Private Sector Employers

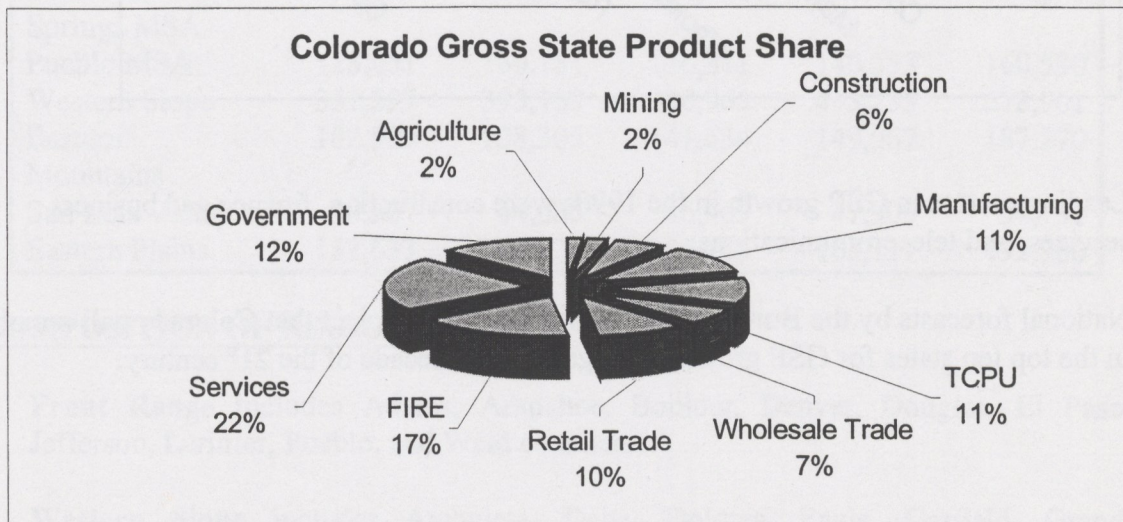
Rank	Company	Type of Business	Colorado Employees
1	Qwest (US WEST)	Telecommunications	21,000
2	Kroger (King Soopers/City Market)	Supermarkets	19,100
3	Wal-Mart	Discount stores	15,500
4	Centura Health	Health Care	12,000
5	Safeway, Inc.	Supermarkets	10,000
6	Lockheed Martin	Aerospace	9,750
7	Columbia/Health One	Health Care	9,000
8	United Airlines	Air Transportation	8,500
9	AT&T	Telecommunications/Cable	8,500
10	MCI/Worldcom	Communications	7,000
11	Avaya Communication (Lucent)	Communications	6,800
12	Albertsons	Supermarkets	6,550
13	IBM Corporation	Computers	6,500
14	Agilent Technologies	Communications Components	5,700
15	Exempla Healthcare, Inc.	Health Care	5,360
16	Aramark	Leisure Services	5,100
17	United Parcel Service	Delivery Services	5,070
18	Kmart Corporation	Discount stores	5,000
19	SCI Systems, Inc.	Electronic components	4,700
20	ConAgra, Inc.	Meat Products	4,675
21	Hewlett Packard Company	Computers	4,550
22	Staffing Solutions	Employment contractors	4,500
23	Sears Roebuck & Company	Retail stores	4,000
24	Wells Fargo	Banking, Financial Services	4,000
25	New Century Energies	Utility	3,950
26	Adolph Coors Company	Beverage Manufacturer	3,500
27	Target Corporation	Retailer	3,350
28	EDS/Neodata	Computing services	3,250
29	Echostar Communications	Satellite TV	3,225
30	Great West Life Annuity	Insurance	3,150

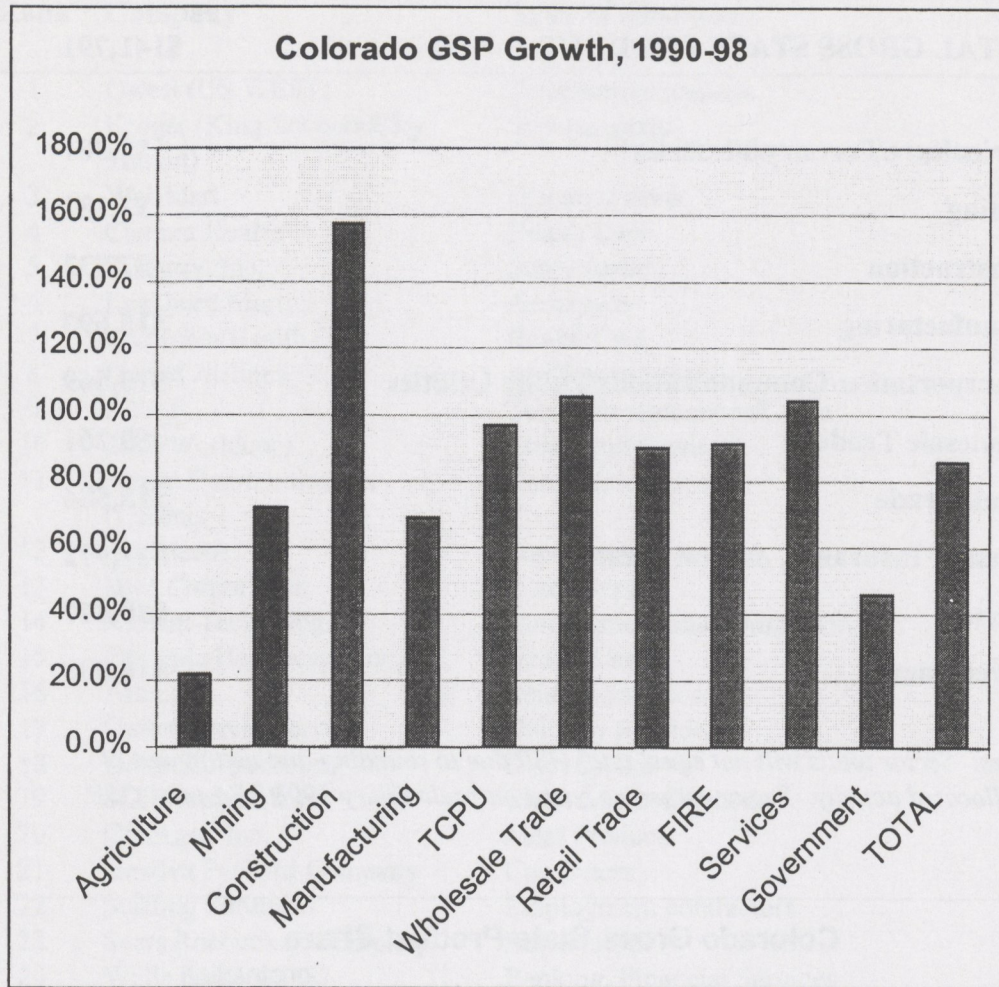
Sources: Denver Business Journal, *Book of Lists*, December, 1999
 Colorado Springs Journal, *Book of Lists*, 2000
 Boulder County Business Report, *Book of Lists*, 2000
 Northern Colorado Business Report, *Book of Lists*, January 2000
 Denver Post Top Employers, August 2000

COLORADO GROSS STATE PRODUCT (GSP), 1998
(Millions of Dollars)

TOTAL GROSS STATE PRODUCT	\$141,791
Agriculture/Forestry/Fisheries	\$2,301
Mining	\$3,181
Construction	\$7,732
Manufacturing	\$15,697
Transportation/Communications/Public Utilities	\$15,669
Wholesale Trade	\$9,261
Retail Trade	\$13,584
Finance, Insurance, & Real Estate	\$23,972
Services	\$30,477
Government	\$16,605

Notes: Sector totals will not equal total GSP due to rounding and netting out of unallocated activity. Sector estimates based on preliminary 1998 BEA total GSP.





Leading sectors in GSP growth in the 1990s were construction, finance and business services, and telecommunications.

National forecasts by the Bureau of Economic Analysis project that Colorado will remain in the top ten states for GSP growth through the first decade of the 21st century.

POPULATION AND DEMOGRAPHICS

Colorado's population has grown faster than the national average since the 1940's. During the 1990s, Colorado has grown at an average of almost 2.5% annually, over twice the national average. Colorado's population was estimated at 4,056,000 as of July 1999. The official Census 2000 count won't be available until December 31, 2000.

Population projections for Colorado indicate a growth rate higher than the national average through 2010, although at a slower rate than during the 1990's. Growth rates are largely driven by net in-migration, population moving in minus population moving out of state.

The following table shows the population census counts, estimates, and projections for Colorado, major Metropolitan Statistical Areas, and regions, from 1990 to 2010. These figures are provided by Colorado Department of Local Affairs, State Demographer's Office.

COLORADO POPULATION (1990-2010)

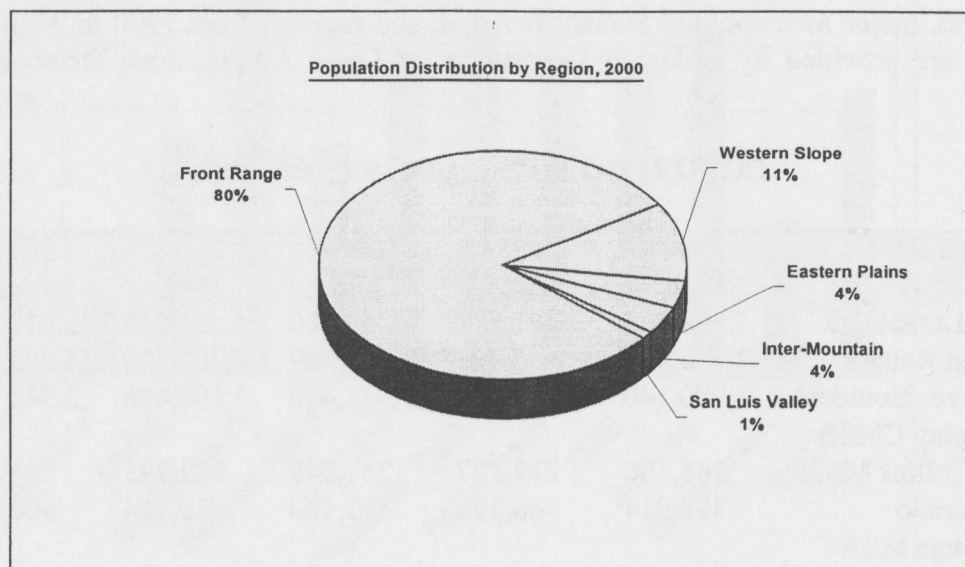
<i>REGION</i>	<i>1990 Census</i>	<i>1995. Est.</i>	<i>1998 Est.</i>	<i>2000 Proj.</i>	<i>2010 Proj.</i>
COLORADO	3,294,473	3,771,527	4,054,340	4,217,046	5,017,814
Front Range	2,686,341	3,056,492	3,281,509	3,402,220	4,003,992
Denver/Boulder/ Greeley CMSA	1,980,140	2,243,012	2,421,470	2,508,608	2,948,109
Ft. Collins MSA	186,136	217,127	231,548	242,795	294,858
Colorado Springs MSA	397,014	466,172	492,180	510,464	600,495
Pueblo MSA	123,051	130,181	136,311	140,353	160,530
Western Slope	332,297	395,159	428,965	453,233	578,901
Eastern Mountains	102,995	128,305	141,634	149,967	187,270
San Luis Valley	40,207	44,035	46,469	47,909	54,751
Eastern Plains	132,633	147,536	155,763	163,717	192,900

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, Sedgewick, Washington, and Yuma counties.

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



**COLORADO POPULATION GROWTH
ATTRIBUTABLE TO NET IN-MIGRATION**

Year	Total Increase	Net In-Migration*	Percent Share
1995	91,387	59,700	65%
2000	85,200	51,600	61%
2005	79,000	52,000	66%

Net in-migration is the net of population moving into the state minus population moving out.

Source: Colorado State Demography Office and State Office of Planning and Budgeting

Colorado is projected to increase by over 800,000 people between 2000 and 2010. In-migration to Colorado typically accounts for over 60% of total population growth. The remaining share of added population is attributed to natural increase: births minus deaths. Net in-migration is difficult to predict, as it fluctuates widely with both the regional and national economies, as well as other factors, such as retirees moving in, people moving for quality of life or other intangibles.

BASIC DEMOGRAPHICS

	COLORADO	U.S.
Variable	Age (1998)	
Median Age	35.5	35.2
Percent of Population Under Age 18	22.2%	25.8%
Percent of Population Over Age 65	10.1%	12.7%
Race/Ethnicity (U.S. Census, 1998)		
Percent White	92.3%	82.5%
Percent Black	4.3%	12.7%
Percent Native American	.9%	.9%
Percent Asian	2.4%	3.9%
Percent Hispanic (of any race)	14.5%	11.2
Labor Force (Population Age 16 and Over 1998)		
Percent in Labor Force	74.2	66.8
Males in Labor Force	80.4	74.4
Females in Labor Force	68.1	59.8
Educational Attainment (Population Age 25 and Over 1998 est.)		
Percent College Grads (or higher)	34.0% (Ranks 1 st in the nation)	24.4%
Percent High School Grads (or higher)	89.6% (Ranks 4 th in the nation)	82.8%
Income (1998)		
Median Household Income	\$44,349 (Ranks 6 th in the nation)	\$37,779
Per Capita Income, 1999	\$31,678 (Ranks 6 th in the nation)	\$28,518

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 a major hub for business and industry in the growing Rocky Mountain region. This can be attributed to its exceptional quality of life, and its ideal location. The state's employment base is stronger than the national average in construction, transportation, communications, utilities, finance, and services, notably telecommunications, software development and other business services.

Colorado ranked near the top of the nation for long-term (10-year) job growth according to the Corporation for Enterprise Development's 1999 "Report Card for the States."

Colorado has a highly educated, technically savvy workforce, contributing to its strong position in the advanced technology and service industries of the future. Colorado has a strong base of growing firms 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.

EMPLOYMENT BASE

The following table is a breakdown of Colorado's 1999 average annual employment by major industry sector and sub-sector.

SECTOR/SUB-SECTOR	NUMBER	PERCENT
MINING	13,007	0.6%
Coal Mining	2,149	0.1%
Oil & Gas Extraction	6,937	0.3%
Metal Mining & Other	3,921	0.2%
CONTRACT CONSTRUCTION	146,810	6.9%
General Building Contractors	29,859	1.4%
Heavy Construction Contractors	17,576	0.8%
Special Trade Contractors	99,375	4.7%
MANUFACTURING	204,120	9.7%
Durable Goods	129,341	6.1%
Non-Durable Goods	74,779	3.6%
TRANSPORTATION/COMMUNICATIONS/ UTILITIES	136,322	6.5%
Transportation	63,285	3.0%
Communications	57,797	2.7%
Utilities & Other	15,240	0.7%
WHOLESALE TRADE	105,954	5.0%
Durable Goods	65,839	3.1%
Non-Durable Goods	40,115	1.9%

RETAIL TRADE	401,201	19.0%
Eating & Drinking Establishments	157,524	7.5%
General Merchandise	43,015	2.0%
Food Stores	51,429	2.4%
Other Retail	149,232	7.1%
FINANCE, INSURANCE, & REAL ESTATE	136,333	6.5%
Banking	28,988	1.4%
Insurance	39,777	1.9%
Real Estate	32,437	1.5%
Other	35,131	1.7%
SERVICES	618,572	29.4%
Hotels & Lodging	41,298	1.9%
Business Services	190,580	9.1%
Health Services & Hospitals	129,445	6.1%
Other Services	257,249	12.2%
GOVERNMENT	311,499	14.8%
Federal	54,078	2.6%
State*	63,440	3.0%
Local	193,981	9.2%
TOTAL WAGE & SALARY EMPLOYMENT	2,105,286	100%**

*Includes public education.

**Sub-sectors may not total 100% due to rounding.

County level employment and wage data can be found at:
<http://lmi.cdle.state.co.us/es202/99annual/index.htm>

Source: Colorado Department of Labor and Employment, August 2000.

AVERAGE ANNUAL EMPLOYMENT BY SECTOR 1989-1999

The following table shows the change in employment by sector over the last decade. From 1989 to 1999, wage & salary employment has increased by 46.5%. Certain sectors, such as services and construction, have exhibited enormous growth, while the mining industry has seen large-scale downsizing.

**COLORADO WAGE & SALARY
EMPLOYMENT, 1989 - 1999**

Sector	1989	1999	Ten-Year Change	Percent Change
Agriculture	16,676	31,367	14,691	88.1%
Mining	19,630	13,007	-6,623	-33.7%
Construction	60,138	146,810	86,672	144.1%
Manufacturing	192,580	204,120	11,540	6%
TCPU*	87,985	136,322	48,337	55%
Wholesale Trade	81,704	105,954	24,250	29.7%
Retail Trade	283,175	401,201	118,026	41.7%
FIRE**	95,410	136,333	40,923	42.9%
Services	364,170	618,572	254,402	70%
Government	261,254	311,499	50,245	19.2%
TOTAL	1,436,727	2,105,286	668,559	46.5%

*TCPU - Transportation, Communications, and Public Utilities.

**FIRE - Finance, Insurance, and Real Estate.

Source: Colorado Department of Labor and Employment, August 2000.

- Net new job creation in Colorado has averaged over 74,000 for the past five years (1994-1999).
- Colorado ranked sixth nationwide in job growth from 1998-99.
- Colorado ranked fourth in the nation for long term (ten year) job growth during the 1990s.
- Colorado is projected to remain in the top ten states for job growth during this new decade.

WAGE RATES

Colorado's 1999 annual average wage rate for all industry sectors was \$34,189. The highest paying industry sector is Mining at \$67,454; the lowest is Retail at \$18,141. As would be expected, highest wage levels are in the metropolitan areas where high-tech jobs are concentrated, and the lowest wages are in rural areas.

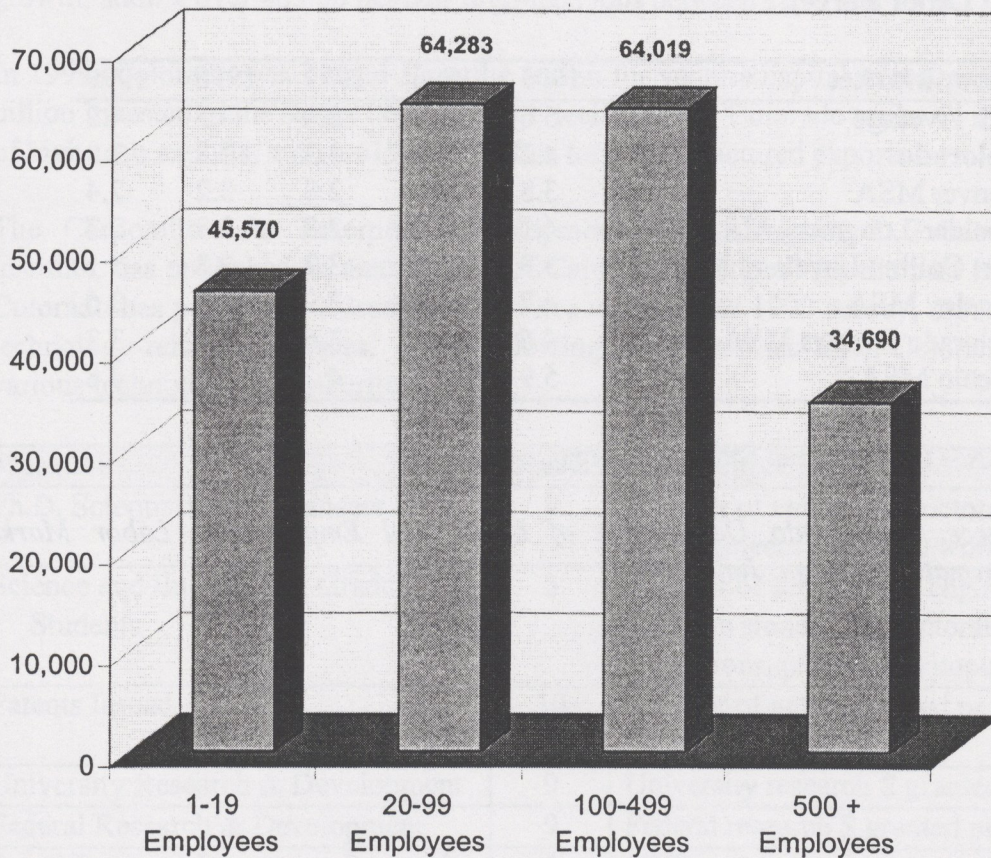
At the county level, the highest average wage level is found in Arapahoe County (metro Denver), at \$42,899, and the lowest in Hinsdale County in southwest Colorado, at \$16,151.

COLORADO EMPLOYMENT GROWTH BY SIZE OF FIRM

Size of Firm 1995-98 Growth

1-19 Employees	45,570
20-99 Employees	64,283
100-499 Employees	64,019
500 + Employees	34,690
TOTAL	208,562

1995-1998 Job Growth by Firm Size



Over 60% of the new jobs created in Colorado between 1995 and 1998 were in small to medium sized firms with employment between 20 and 499.

Source: Colorado Office of Economic Development, Research Division, created from data from Colorado Department of Labor Employment.

COLORADO'S UNEMPLOYMENT RATE

Colorado's unemployment rate has consistently been lower than the national average since 1991. The 1999 unemployment rate was 2.9%, down from 3.8% in 1998, and 1.3% below the national average of 4.2%.

The following table indicates the unemployment rate averages of representative labor markets throughout the state since 1995. 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	1995	1996	1997	1998	1999
U.S. Average	5.6	5.4	5.0	4.5	4.2
Colorado	4.2	4.2	3.3	3.8	2.9
Denver MSA	3.8	3.8	2.8	3.2	2.4
Boulder-Longmont MSA	4.1	3.8	2.8	3.3	2.7
Fort Collins-Loveland MSA	3.9	3.8	3.2	3.8	3.1
Greeley MSA	4.7	4.6	3.9	4.5	3.6
Colorado Springs MSA	4.6	4.6	3.6	4.5	3.3
Pueblo MSA	5.9	5.9	4.7	7.6	4.8

MSA – Metropolitan Statistical Area

Source: Colorado Department of Labor and Employment, Labor Market Information Section, June 2000.

A LEADER IN TECHNOLOGY

Colorado has emerged as one of the premier locations in the U.S. for operating a high-tech business. Several thousand businesses classified as "high-tech" call Colorado home. They are concentrated along the Front Range Corridor, but are located in all areas of the state. Colorado is especially strong in telecommunications, software design and development, and high-tech manufacturing. Colorado's status as a high-tech stronghold is well documented in a number of objective rankings by various organizations.

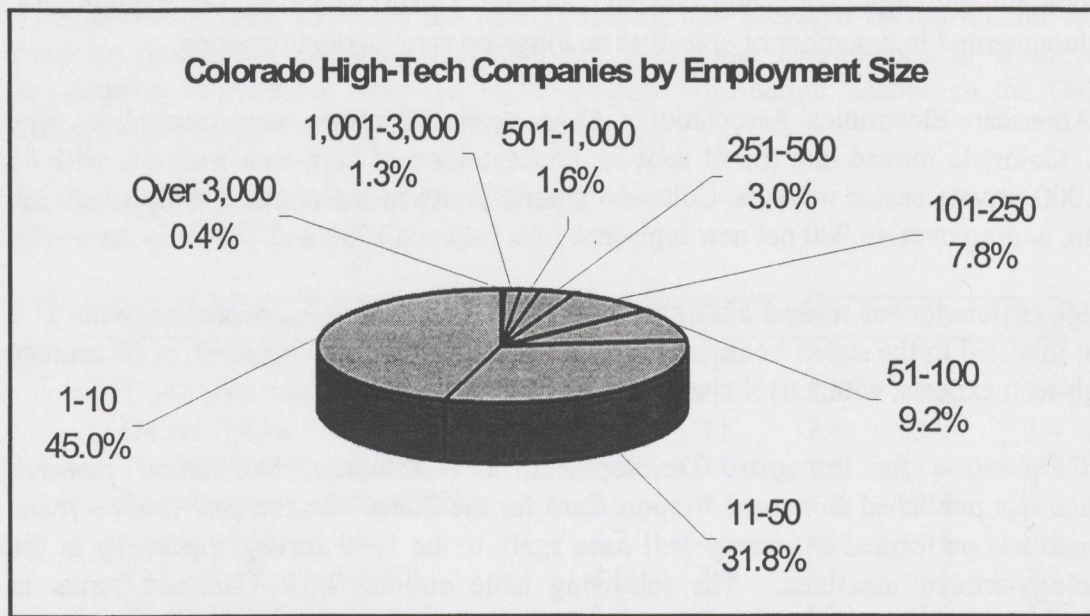
The American Electronics Association's *Cyberstates 4.0* report was released in May 2000. Colorado moved into the #1 spot for concentration of high-tech workers, with 84 per 1,000 private sector workers. Colorado ranked fourth in the nation for high-tech job growth, adding over 48,000 net new high-tech jobs between 1993 and 1998.

In 1999, Colorado was ranked 5th in the nation for venture capital investment, with \$1.3 billion invested in the state's booming high-tech sectors. Colorado ranks 4th in percentage of high-tech exports, with a 61% share of its total manufactured exports.

The Corporation for Enterprise Development, a Washington, D.C.-based research institute, has published an annual "Report Card for the States" for the past twelve years. Colorado has performed extremely well once again in the 1999 survey, *especially* in the technology-related measures. The following table outlines how Colorado ranks in various technology-related criteria:

Measure	Rank	Comments
Ph.D. Scientists and Engineers	7	Number of employed doctoral scientists and engineers per 1,000 workers
Science and Engineering Graduate Students	3	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	9	University research \$ granted per capita
Federal Research & Development	9	Federal research \$ granted per capita
Small Business Innovation Research (SBIR) Grants	4	SBIR grants (\$) awarded per worker
University Spin-outs	6	Number of university spin-outs per \$10 million of university R&D spending

Most of Colorado's high-tech firms are relatively small in size. Almost half of them have ten or fewer employees, and three-fourths of them employ fewer than 50. 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 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., 2000.

Colorado's technology industries are very diverse. From aerospace engineering to bio-technical innovation, the state's high-tech companies produce high-quality products, as well as ideas that will improve future industrial processes and products.

**Colorado High-Tech Companies
by Product Classification**

Product Type	Number of Companies
Aerospace/Aircraft & Equipment	39
Analytical, Navigational, Medical & Testing Instruments	212
Chemicals	38
Communications Equipment/Services	118
Computer Systems Design & Integration	425
Computer Manufacturing, including Peripherals	118
Electronic Production & Distribution Equipment	49
Electrical (Telecom) Contractors	23
Engineering, Surveying & Mapping	78
Environmental Remediation & Consulting	102
Industrial Equipment	134
Internet Service Providers	55
Lasers/Optics/Photonics	48
Material Handling Equipment	33
Medical Equipment/Devices	65
Pharmaceuticals	48
Plastics/Advanced Materials	68
Power Devices/Systems	22
Precision Metals & Machinery	78
Research, Development, & Testing	188
Semiconductors/Components	191
Software Publishing & Related Services	285
TOTAL	2,417

Note: The above breakdown is based only on Colorado listings in the 2000 Rocky Mountain High Technology Directory. This is a self-selecting publication and not all Colorado companies choose to be included.

INFORMATION TECHNOLOGY

The explosion of Colorado's information technology sector has helped transform the state's economic base, and has been a major driver of its economic growth over the past decade. Telecommunications, computer manufacturing, software development and internet-related companies have created an industry cluster in Colorado that continues to grow. Colorado's ranking in major IT industry sectors:

- Seventh in computers and office equipment manufacturing.
- Eighth in software services.
- Eleventh in semiconductor manufacturing.

Estimated Number of Jobs, and Percent of Total

IT Sector *	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%
TOTAL	134,000	100%

* Based on North American Industry Classification System (NAICS)

Source: Colorado Department of Labor & Employment

It is estimated that the number of jobs provided by this expanding industry is likely to exhibit higher than average job growth rates well into this century. From 1992 to 1998, IT jobs grew from 79,500 to 134,000, an increase of 69%. Also, the number of IT firms grew correspondingly during this period. A large number of individuals left corporate employers and ventured out to create their own IT-related start-up firms. This phenomenon is indicative of the Colorado's booming entrepreneurial activity. Colorado ranks second in the country for new company formation

BIOTECHNOLOGY

The biotechnology industry encompasses a broad spectrum of applications from diagnosis and treatment of human diseases to the development of technologies that will

increase the productivity of agriculture. Colorado's university and private-sector research facilities, as well as an educated and highly skilled labor force, provide an environment conducive to continued growth in biotechnology.

A great deal of biotechnology development in Colorado occurs at its 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. A number of science departments in Colorado's research universities rank in the nation's top tier for their disciplines. The presence of major federal research laboratories further contributes to collaboration that results in industry advancement.

Federal Laboratories in Colorado	
Bureau of Reclamation Research Laboratory	Denver
Climate Monitoring & Diagnostics Laboratory	Boulder
Department of Energy-Grand Junction Projects Office	Grand Junction
Environmental Technology Laboratory	Boulder
Forecast Systems Laboratory	Boulder
Institute for Telecommunication Sciences	Boulder
National Center for Atmospheric Research	Boulder
National Geomagnetic Information Center	Denver
National Institute of Standards & Technology	Boulder
National Renewable Energy Laboratory	Golden
National Seed Storage Laboratory	Ft. Collins
National Wildlife Research Center	Ft. Collins
Natural Hazards Research & Applications Information Center	Boulder
Rocky Mountain Research Station	Ft. Collins
Space Environment Laboratory	Boulder
Transportation Test Center	Pueblo

Due to Colorado's superior environment for technological advancement, and highly desirable quality of life, most of the state's students graduating with technical degrees remain in Colorado to pursue their careers.

When assessing Colorado's position as a leading high-tech state, the summary of economic impacts of high-tech reported in **Cyberstates 4.0** tells a compelling story:

- 145,655 high-tech workers (10th in the nation).
- 48,000 new jobs added between 1993 and 1998 (4th among all states).
- Highest concentration of high-tech workers in the country with 84 of every 1,000 private sector workers classified as high-tech.

- High-tech average wage of \$60,418 (8th in the country), and 88% higher than average private sector wage.
- High-tech payroll of \$8.8 billion.
- More than 5,000 high-tech establishments.
- High-tech exports of \$3.6 billion in 1999.
- Fourth highest concentration of high-tech exports, 61% of all exports are high-tech.
- Venture capital investments of \$1.3 billion in 1999 (5th ranked in U.S.).
- Research & Development expenditures of \$3.2 billion in 1997.

The list of companies that have recognized the potential in Colorado for economic development of their high-tech operations is impressive. 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.

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, 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

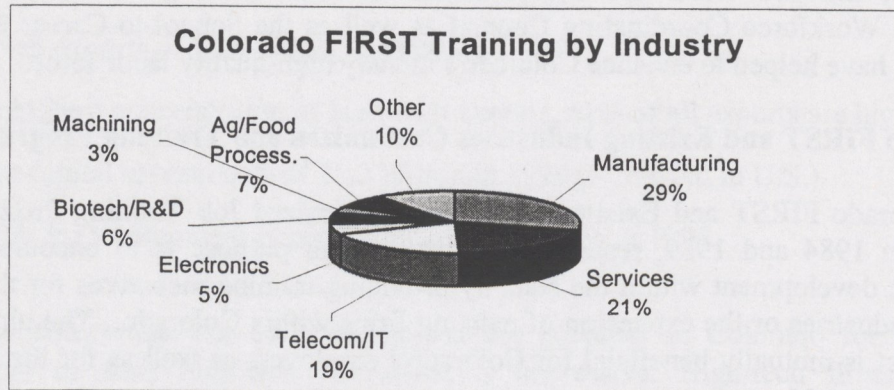
The Colorado FIRST and Existing Industries Customized Job Training Programs were created in 1984 and 1989, respectively. Their main purpose is to encourage quality economic development within the state by providing training incentives for the location of new industries or the expansion of existing firms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

Colorado FIRST and Existing Industries programs are administered jointly between the Colorado Office of Economic Development & International Trade and the Colorado Community College and Occupational Education System (CCCOES). These two agencies work together to ensure that a trained local workforce is available to match new or expanding companies' specific skill needs.

Training grants are competitive, and eligibility alone does not guarantee funding. These funds are subject to annual state appropriations. Funding preference is for:

- 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 that pay well above minimum wage and provide a health plan for their employees, to generate an adequate return on the tax dollars invested.
- Training projects located in economically lagging regions of the state, that demonstrate a strong company commitment and teach technical, transferable skills.

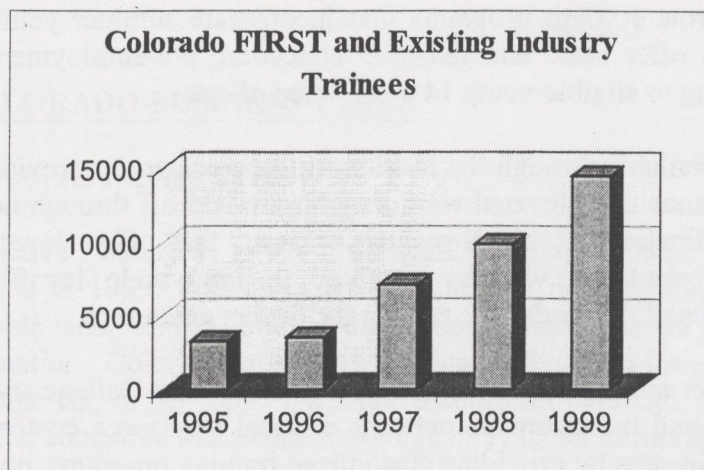
Recent Colorado FIRST recipients run the gamut of economic sectors, from telecommunications to manufacturing to service industries. A number of industry cluster grants provide training in new technologies and skills that benefit several companies with similar training needs. This approach maximizes the benefit from training dollars expended.



Source: Colorado Office of Economic Development & International Trade, 2000.

Funding for the Colorado FIRST and Existing Industries Job Training Programs is dependent upon annual appropriations from the Colorado legislature. In recent years, it has been in the \$3 - \$4 million range.

- During Fiscal Year 1999, 114 companies received training grants to train (or retrain) 14,509 Colorado workers.
- Since the inception of the program (1984 for FIRST, and 1989 for Existing Industries), over 72,500 trainees have upgraded their job skills, benefiting both the individual and the company by making them more competitive.
- 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.



Source: Colorado Office of Economic Development & International Trade, 2000.

Colorado Workforce Centers

Colorado Workforce Centers are the primary entities for coordinating workforce development, economic development, and educational resources. They are one-stop career centers based on the U.S. Department of Labor's principles of universality, customer choice, service integration and performance outcomes.

Currently there are fifteen Workforce Centers located throughout the state to provide a broad spectrum of employment services to Colorado workers and employers.

For more information on Colorado Workforce Centers, visit their website at:
<http://employsvcs.cdle.state.co.us/WFCs.html>

Workforce Investment Act

The Colorado Department of Labor and Employment (CDLE) administers the Colorado allocation of Federal Workforce Investment Act (WIA) funds for job placement and training of youth, adults, and the state's dislocated workers.

The majority of the nearly \$22 million in WIA funds available for Colorado's 2000-01 program year is forwarded directly to the state's nine Workforce Regions, which operate local workforce centers. Each region is responsible for locally planned and directed programs that are coordinated with a variety of partner employment and training agencies. A regional Workforce Investment Board oversees program development in each area.

directed to the regions for year-round youth programs that incorporate summer youth activities. These youth programs offer basic and remedial education, pre-employment skills, work experience and training to eligible youth 14 to 21 years of age.

Funds totaling \$6.6 million are available through the local workforce centers to provide reemployment and training assistance to dislocated workers who are laid off through no fault of their own. CDLE coordinates a Rapid Response program that offers layoff assistance workshops at the worksite to workers involved in large-scale layoffs. Participants can access the services of the workforce centers for further assistance.

The Colorado Department of Labor and Employment, Colorado Community College and Occupational Education System, and the statewide network of local workforce centers can assist new and expanding businesses by providing customized training programs, on-the-job training, federal tax credits, and employee recruitment services to assure that employers have access to a trained and qualified workforce.

School-to-Career in Colorado

The Colorado School-to-Career program, funded by a five-year federal grant, brings students, businesses, communities, schools and families together to form partnerships. These partnerships combine participating students' academic interests with different career options and offer job shadowing, internships, or paid work experience.

The need for this program is great. Employers want skilled people. Fewer and fewer unskilled jobs survive in the new economy, only about 15% of all jobs.

- **Business Investment:** Over 23,000 businesses work with educators to provide hands-on experience for students. These include everything from small, locally owned businesses to large national corporations, as well as public and non-profit employers.
- **Participation:** More than 80% of the state's school districts participate in Colorado's School-to-Career. Colorado has 91 partnerships, involving more than 620,000 students.

For more information on the Colorado School-to-Career program, visit their web site at: www.state.co.us/edu_dir/stc/index.html

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 January 1, 2000, Colorado's corporate income tax rate is a flat 4.63%, down from 4.75% in 1999. It is assessed on 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 38th nationally, the ninth lowest of all states which have a corporate income tax, in per capita corporate income tax revenue. Its collections in 1998 totaled \$68 per capita, compared to a national average of \$115 for corporate income tax revenue.

Per Capita State Corporate Net Income Tax Revenue, 1998

State	Per Capita	National Rank
Alaska	\$448	1
New York	\$172	6
California	\$171	7
Connecticut	\$163	8
Illinois	\$163	8
Minnesota	\$159	10
Kansas	\$116	18
<i>U.S. Average</i>	<i>\$115</i>	<i>N/A</i>
Arizona	\$113	19
New Mexico	\$104	21
Idaho	\$96	25
Utah	\$91	26
Nebraska	\$86	28
Oregon	\$85	30
Colorado	\$68	38

Source: Morgan Quitno Corporation, State Rankings-2000.

COLORADO'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 that 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 and 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.

There are a number of corporate income tax credits. New, effective January 1, 2001, is a 15% credit up to \$10,000 in any tax year, for contributions to Colorado Institute for Telecommunications Education. This credit is contingent upon the existence of a state budget surplus.

Unitary Taxation

Colorado has a liberal "water's edge" system of unitary taxation rather than a "worldwide" one. 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 part 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 and the gross receipts in Colorado versus nationally. The Tax Compact adds the payroll in Colorado versus nationwide as an additional factor.

A Colorado unitary return can include domestic corporations that meet certain objective criteria to measure an affiliated group or corporation. These include overlapping directorships and corporate officers, use of patents, logos, copyrights, etc., and relationships concerning long-term debt, sales, and administrative services among the group.

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 Colorado tax return.

Sales and Use Taxes

The State of Colorado collects a 2.9% sales or use tax on goods purchased by a business that are not intended for resale. Local municipalities may collect up to an additional 4.1% sales tax. Services are not taxed, only sales of non-food items.

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. Component parts, fuels and electricity, ink and newsprint, and packaging materials are also exempt from state sales and use tax. Pollution control equipment may be eligible for a refund of state sales tax, contingent upon a state budget surplus.

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 1.04% 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 a surcharge. After twelve months, the employer is eligible for a calculated rate.

For calendar years 2001 and 2002, there will be a temporary credit on state income taxes, 20% for most employers, against unemployment taxes paid, contingent upon a minimum balance in the State Unemployment Insurance Fund. Colorado has cut unemployment taxes for the past three years and has one of the lowest effective rates 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 over 200 private insurance companies and the State Compensation Insurance Fund, d.b.a. Pinnacol Assurance, an independent political subdivision of the state which operates as a workers compensation insurance company. The fund is a permanent, self-sustaining, nonprofit service organization operated for the benefit of its policyholders and their employees. Self-insurance is an option, available by special permit specifying strict financial and loss control standards, for companies employing 300 or more Colorado employees.

Major worker's compensation reforms have resulted in effective cost containment. 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 included. Within the United States, Colorado ranks in the middle for overall workers' compensation costs.

For more information on workers' compensation, please see Department of Labor & Employment, Workers' Compensation website at <http://workerscomp.cdle.state.co.us/>

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 1999 was 74.927 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. 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. This is a graduated tax that ranges from 2% for income under \$25,000 to 5% for income of \$300,000 and over. Very small operations are exempt. A credit is allowed against severance tax equal to 87.5% of all ad valorem taxes paid or assessed during the tax year.

TAX CREDITS 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:

- A \$500 tax credit for each new full-time employee
- A \$200 tax credit during the first two years of operations for each full-time employee covered by health insurance
- An additional \$500 tax credit for each employee hired for agricultural processing or manufacturing
- A 3% investment tax credit for equipment purchased and used within the zone
- A 3% tax credit for expenditures on research and development
- A 25% tax credit of qualified expenditures up to \$50,000 to rehabilitate buildings which are at least 20 years old and have been vacant for two or more years
- A 25% tax credit up to \$100,000 for private contributions to local zone administrators for enterprise zone development projects
- A 10% tax credit for qualified job training within the enterprise zone

Major Sales Tax Exemptions:

- Manufacturing equipment or machine tools over \$500 purchased in one calendar year
- Component parts
- Fuels and Electricity
- Packaging Materials
- Aircraft parts used in general maintenance
- Interstate long distance telephone charges
- Ink and Newsprint
- Farm Equipment and Machinery

COLORADO PERSONAL TAXES

Income

Individual income taxes in Colorado are a flat rate of 4.63 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 2.9 percent sales tax on all non-food retail sales. Cities, counties, and special districts are permitted to add up to 4.0 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 9.74 percent of market value (it fluctuates from year to year due to a statutory formula that specifies 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 1999, the average total mill levy for the state was 74.927. This figure includes counties, municipalities, school districts, and other special districts. Mill levies for cities and counties in Colorado can be found in the Colorado Economic and Demographic Information System (CEDIS), which is maintained by the Department of Local Affairs on their website:

www.dlg.oem2.state.co.us/is/cedishom.htm

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 – COLORADO AND 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 recognized public interest research groups have adopted the concept of "effective

rate," typically measured by sales or income tax paid per \$1,000 of personal income. The following tables compare Colorado with its neighboring states for state revenues and combined state and local taxes combined.

**State Government Tax Revenue as a Percent of Personal Income
Colorado and Neighboring States (1998)**

State	Rank	Tax
Arizona	32	5.4%
California	18	7.5%
Colorado	47	5.2%
Idaho	11	7.9%
Kansas	24	7.1%
Nebraska	32	6.4%
New Mexico	1	10.3%
Oklahoma	18	7.5%
Oregon	38	6.1%
Utah	12	7.8%
Washington	22	7.4%
Wyoming	15	7.7%
<i>U.S. Average</i>	<i>N/A</i>	<i>6.7%</i>

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

State	Individual Income	Rank	Property	Rank	Sales	Rank
Arizona	17.29	38	\$36.04	21	\$39.93	8
California	27.3	14	\$29.96	32	\$30.63	17
Colorado	25.33	21	\$31.64	27	\$29.08	21
Idaho	29.78	10	\$29.63	33	\$27.23	25
Kansas	24.58	25	\$35.46	22	\$30.17	18
Nebraska	23.9	26	\$44.90	10	\$27.24	24
New Mexico	20.95	33	\$15.43	49	\$51.69	2
Oklahoma	24.83	23	\$16.65	46	\$33.22	15
Oregon	41.6	1	\$34.37	24	\$0.00	N/A
Utah	32.02	3	\$28.34	35	\$39.84	9
Washington	0	N/A	\$36.19	19	\$56.07	1
Wyoming	0	N/A	\$43.84	12	\$37.28	11

PUBLIC FINANCE PROGRAMS

This section describes major federal and state business financial assistance programs available in Colorado. The information provided covers eligible applicants and uses, terms of assistance, and the general application process. All of these programs require varying degrees of documentation demonstrating the applicants' ability 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 PROGRAMS

Program Funding Source

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 (HUD) for community development and economic development efforts in the state. The Department of Local Affairs receives two-thirds of this allocation for community development projects such as housing and public facilities. The Colorado Office of Economic Development and International Trade (OED&IT) receives approximately one-third of the allocation for economic development projects.

Program Overview

The state's CDBG programs do not cover any of the metropolitan or "entitlement" cities or counties in Colorado. Those communities receive their own allocation of CDBG funds directly from HUD. The primary objective of the CDBG program is to create or retain jobs in rural areas, with at least 51% of the jobs being filled by low and moderate income persons. In some cases, through a revolving loan fund, a microenterprise business (one with five or fewer employees) may be assisted if the owners qualify as low and moderate income. In this instance, the creation or retention of additional jobs may not be required.

The Office of Economic Development and International Trade generally utilizes its allocation to fund the following two programs: regional revolving loan funds and infrastructure assistance.

Regional Revolving Loan Funds

The state has provided funding to sixteen RLF locations which have service areas covering the majority of the rural areas of the state. The sixteen 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. Each RLF program is locally driven, with its own loan review committee and board of directors. The RLF determines the type of businesses that it will target for this funding, based on a variety of economic considerations. Final state approval is needed.

Eligible use of loan proceeds includes the purchase of machinery/equipment, real estate acquisition and working capital. In some cases, real estate construction or rehabilitation may be considered. The interest rate may vary. The RLF program generally provides long term, fixed rate financing. Loan amounts generally range between \$15,000 and \$250,000. All loan requests should be directed to the appropriate regional revolving loan fund. For further information, contact the state's CDBG staff (see below).

Infrastructure Assistance

For public infrastructure assistance, an eligible city/county must submit an application in conjunction with information from the business(es) needing assistance. Matching funds will be required. Assistance may be provided for construction and/or improvement of: water, wastewater facilities/lines; pretreatment facilities; sewer/sewage treatment facilities/lines; roadways; utility lines and related engineering costs. This list may not be all inclusive. Applications for funding generally range between \$100,000 and \$500,000.

All applications are submitted directly to state CDBG staff. All funding decisions are made by the Governor's Financial Review Committee. For further information, contact the state's CDBG staff at:

Office of Economic Development &
International Trade
Alice Kotrlik or Ken Gabriel
1625 Broadway, Suite 1700
Denver, Colorado 80202
(303) 892-3840
(303) 892-3848 fax
1-800-659-2656 TDD

ECONOMIC DEVELOPMENT COMMISSION

The Economic Development Commission (EDC) receives an annual appropriation for economic development projects and marketing programs. The EDC provides interest-free or low interest rate loans, interest rate write-downs or performance based grants 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 community. The exact match required is determined on a case by case basis.

Below is a listing of the criteria staff may consider prior to making a recommendation to the Commission:

- comprehensive business plan and description of operations
- length of time in business
- legal structure (C corp., S corp., Partnership, etc.)
- last three fiscal years and current interim financial statements (including 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 principal 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 & International Trade
(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 financing.

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

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?

Note: 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:

Jennie Rodgers
Colorado Department of Local Affairs
1313 Sherman Street, #518
Denver, Colorado 80203
(303) 866-2033

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 (or the life of) for equipment and up to 25 years on real estate. The maximum dollar amount is \$750,000. The interest rate will vary depending upon the lender, the market, and the term of the loan. The first contact for an SBA-guaranteed loan is a participating financial institution. The lender will contact the SBA for the guarantee. There are 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 on SBA loan programs contact:

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

COLORADO HOUSING AND FINANCE AUTHORITY LOANS

The Colorado Housing and Finance Authority (CHFA) offers a variety of business financing programs, primarily for small to medium sized firms. Since the mid 1980's, CHFA has financed more than 1,104 businesses statewide. Many of CHFA's financing programs work in conjunction with and enhance federal loan programs such as the Small Business Administration 7(a) and 504 and Farm Service Agency guaranteed loans. CHFA also offers direct loans for specific geographic areas of the state featuring low-down payments and reduced interest rates. Non-profit enterprises that are acquiring real estate and businesses that recycle can qualify for preferred loan terms under CHFA's financing programs.

Additionally, CHFA offers financing to Colorado manufacturing companies through its tax exempt and taxable bond programs. Generally these projects have a loan size exceeding \$1.5 million and are primarily for the acquisition of real estate. Call or visit CHFA's web site for specific program information and loan rates.

Commercial Division - Colorado Housing and Finance Authority
1981 Blake Street
Denver, CO 80202-1272
(800) 877-2432 or (303) 297-7329
TDD (303) 297-7305

www.colohfa.org

EDUCATION

Colorado's population is knowledge-intensive and extremely well educated. U.S. Census Bureau estimates for 1998 (latest year available) rank Colorado first in the nation in percent of population with a college degree, and fourth in the nation in percent of population with a high school diploma. Colorado students score significantly higher than national averages on college entrance tests.

Colorado universities offer a broad range of business, management, engineering, and technical degrees. Most graduates remain in Colorado to pursue their careers. This source of human capital is augmented with 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. All colleges and universities in Colorado conduct joint research and training programs with corporations, particularly in technical and scientific areas.

COLORADO K-12 EDUCATION

Colorado has 176 school districts with total statewide enrollment of over 700,000. Their composition reflects the demographics of the state. That is, large districts are concentrated in metropolitan areas while some rural areas have very small enrollments. The largest 20 school districts enroll 75% of all students, while the remaining 156 districts comprise the remaining 25% of state school enrollment.

Landmark legislation passed in the 2000 session requires all public school students in Colorado to participate in the state assessment system, CSAP. Based on results, every school in Colorado will be issued a Report Card, and improvements, year-to-year progress and innovative programs will be rewarded. These reforms are designed to provide Colorado's children the highest quality public education possible.

State of Colorado K-12 Education Revenues by Source

SOURCE	PERCENT OF TOTAL
Local Property Tax	37.8%
Other Local	14.8%
County	0.0%
State Equalization	39.2%
Other State	3.4%
Federal	4.8%
TOTAL	100.0%

Source: Colorado Department of Education

COLORADO STUDENT TEST SCORES

SAT: Approximately 31% of Colorado's high school seniors took this test in 1999.

ACT: Approximately 65% of Colorado's high school seniors took this test in 1999.

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, 1999

Test	COLORADO Average	U.S. Average
ACT	21.5	21.0
SAT	1076	1016

Source: Morgan-Quitno Corporation, State Rankings 2000.

"EDUCATION QUOTIENTS" OF COLORADO SCHOOL DISTRICTS

Expansion Management magazine compiles an "education quotient" for school districts across the United States. They examine over 700 school districts nationwide to 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. The following districts earned the "blue ribbon" rating, described as "Great Academics/Low Spending."

District	Education Quotient
Adams-Arapahoe – Metro Denver	116
Boulder Valley	115
Cherry Creek- Metro Denver	134
Cheyenne Mountain – Colorado Springs	113
Englewood – Metro Denver	131
Ft. Collins (Poudre) – Larimer County	127
Littleton – Metro Denver	119
Thompson – Larimer County	129

Source: *Expansion Management, 1997 – 1999 Atlas & Guide*

COLORADO EDUCATIONAL ATTAINMENT

The following table compares Colorado with its neighboring states in terms of educational attainment of the population:

State	Percent College Grads	U.S. Rank	Percent H.S. Grads	U.S. Rank
COLORADO	34	1	89.6	4
Arizona	21.9	31	81.9	34
Kansas	28.5	8	89.2	7
Nebraska	20.9	35	87.7	11
New Mexico	23.1	24	79.6	41
Oklahoma	20.5	39	84.6	23
Utah	27.6	12	89.3	6
Wyoming	19.8	43	90	3
<i>U.S. Average</i>	<i>24.4</i>	<i>N/A</i>	<i>82.8</i>	<i>N/A</i>

Source: U.S. Census Bureau 1998 estimates,, reported in Morgan Quitno Corp. *State Rankings 2000*

COLORADO HIGHER EDUCATION ENROLLMENTS (FALL 1999)

Four-Year Colleges and Universities:

Institution	Location	Enrollment
Adams State College	Alamosa	2,272
Colorado School of Mines	Golden	3,273
Colorado State University	Ft. Collins	22,782
Fort Lewis College	Durango	4,357
Mesa State College	Grand Junction	4,885
Metropolitan State College	Denver	17,389
University of Colorado – Boulder	Boulder	26,318
University of Colorado – Colorado Springs	Colorado Springs	6,615
University of Colorado - Denver	Denver	10,686
University of Colorado Health Sciences Center	Denver	2,224
University of Northern Colorado	Greeley	11,058
University of Southern Colorado	Pueblo	4,157
Western State College	Gunnison	2,431
Colorado College	Colorado Springs	1,964

Two-year Colleges:

Institution	Location	Enrollment
Aims Community College	Greeley	5,480
Arapahoe Community College	Littleton	7,364
Colorado Mountain College	Glenwood Springs	9,456
Colorado Northwestern College	Rangely	1,271
Community College of Aurora	Aurora	4,146
Community College of Denver	Denver	5,729
Front Range Community College	Westminster	12,170
Lamar Community College	Lamar	1,051
Morgan Community College	Ft. Morgan	1,417
Northeastern Junior College	Sterling	2,861
Otero Junior College	La Junta	1,084
Pikes Peak Community College	Colorado Springs	7,404
Pueblo Community College	Pueblo	4,045
Red Rocks Community College	Lakewood	6,380
Trinidad State Junior College	Trinidad	1,286

- Headcount enrollment totaled 189,591 at Colorado public post-secondary institutions for Fall 1999.
- Private colleges and universities in Colorado had enrollments totaling over 23,000 in 1999. These include the University of Denver, Regis University, Colorado Christian University, The Colorado College, and many smaller institutions.
- Finally, vocational schools and proprietary institutions provide another post-secondary education option for Coloradans. Vocational schools have average enrollments of 8,000 per year, while the proprietary institutions offer instruction in a wide variety of subject areas, and provide instruction to an estimated 15,000 students.

Source: http://www.state.co.us/cche_dir/2attend.html (Table).

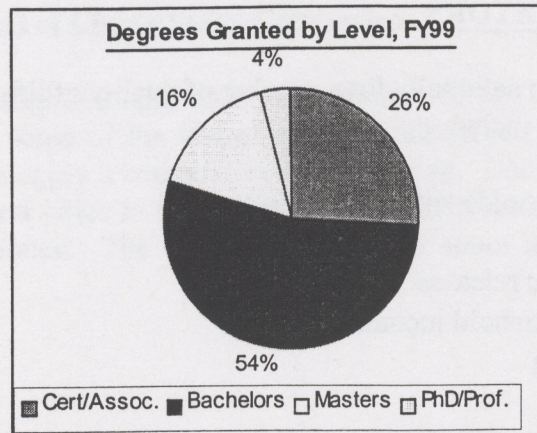
COLORADO HIGHER EDUCATION - DEGREES CONFERRED

Colorado students received 31,239 degrees awarded by 28 public higher education institutions in Fiscal Year 1999. The following table summarizes the degrees granted by major subject area of study.

Over 5,000 Colorado students received degrees in Business and Management, and over 2,800 received Engineering or Computer Science degrees in 1999.

Major	Degrees Conferred
Agricultural Science/Agribusiness	610
Architecture/Design	309
Arts/Humanities	6,104
Business & Management	5,109
Computer Science	457
Communications	1,084
Education	1,329
Engineering	2,386
Health Sciences	3,507
Home Economics	646
Law & Public Affairs	532
Mathematics	349
Natural Resources/Parks & Recreation	1,216
Social Sciences	4,234
Life Sciences/Physical Sciences	1,947
Technology & Vocational Trades	1,420
TOTAL	31,239

Source: Summarized from Colorado Commission on Higher Education, FY 1999 Degrees Granted, April 2000.



QUALITY OF LIFE & COST OF LIVING

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

Colorado's high quality of life is attractive to businesses, individuals, and tourists alike. The combination of spectacular scenery and recreational opportunities, moderate climate, and excellent arts and cultural facilities, as well as world-class health care and public school systems, make Colorado an easy choice. Reasonable cost of living levels, low crime rates, and almost unlimited choices of neighborhoods and communities to suit every lifestyle, add to Colorado's overall attractiveness.

Concern for the environment is a widely held value among Colorado's individual and corporate citizens. The state is a leader in recycling and renewable energy.

Colorado has abundant arts and cultural resources, with broad public and private sector support. 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.

Red Rocks Amphitheater, a world-renowned venue for concerts near Denver, was named one of the top 50 examples of American architecture. Music and performing arts festivals are plentiful, with something for everyone – including pop, rock, classical, jazz, bluegrass and country western, along with ballet, opera, Broadway and excellent regional theater.

Colorado's cities and towns appear frequently in national rankings of the best places to live and work as well as being among the most attractive venues in the nation for business development.

QUALITY OF LIFE INDICATORS

Colorado ranks in the Top Ten nationally for a number of quality of life indicators. A sampling of 1998-99 rankings includes:

- 2nd in number of households with computers
- 3rd most livable state
- 4th lowest level of toxic releases
- 6th highest median household income
- 8th in tourism spending
- 9th lowest poverty rate
- 10th in air quality

COST OF LIVING

ACCRA, a national nonprofit 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 first quarter of 2000.

Colorado Cities' Composite Index Values

First Quarter, 2000 (317 cities participating nationwide)

Area	C.O.L. Index
Colorado Springs	102.2
Denver	107.9
Fort Collins-Loveland	103.1
Glenwood Springs	116.2
Grand Junction	100.9
Gunnison	105.6
Pueblo	90.4

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 such as clothing, entertainment and personal services (33%).

Source: ACCRA Cost of Living Index, First Quarter, 2000.

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 the nation, and generally comparable to major cities in the western United States. The composite index for some larger participating cities is as follows:

ACCRA Cost of Living Composite Index Values

Major Metro Areas
First Quarter, 2000

Area	C.O.L. Index
Atlanta	102.3
Boston	136.3
Chicago	116.5
Cleveland	108.1
Dallas	99.1
Denver	107.9
Las Vegas	106.9
Minneapolis	107.6
New York City	240.1
Philadelphia	121.1
Phoenix	104.3
Portland	107.0
Sacramento	110.0
Salt Lake City	102.5
San Diego	125.1

Smaller Cities
First Quarter, 2000

Area	C.O.L. Index
Albuquerque	99.3
Austin	93.3
Boise	100.3
Colorado Springs	102.2
Corvallis	112.8
Fort Collins	103.1
Laramie	103.3
Lincoln	97.1
Missoula	101.1
Pueblo	90.4
Reno	112.0

Source: ACCRA Cost of Living Index, First Quarter, 2000

Metropolitan Area Rent, Home Price, And Utility Cost Comparison

City	Average Monthly Rent (1)	Average Home Price (2)	Average Residential Utility Cost (3)
Albuquerque	\$679	\$186,400	\$97.50
Atlanta	714	193,636	98.07
Billings	500	200,000	84.04
Boise	723	205,742	70.72
Denver	796	232,888	83.26
Colorado Springs	803	221,685	70.94
Grand Junction	610	203,285	82.16
Gunnison	617	226,887	84.54
Pueblo	462	148,150	80.09
Fort Collins	790	207,286	74.68
Loveland	595	231,978	75.02
Las Vegas	743	200,400	90.42
Minneapolis	722	202,880	100.24
Phoenix	667	207,570	103.35
Portland	747	208,940	77.20
San Diego	957	289,331	133.76
Spokane	637	210,740	61.58
U.S. Average	613	189,671	99.44

Source: ACCRA Cost of Living Index, First Quarter, 2000

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

CRIME RATE COMPARISON

Violent Crime Rate-1998 (per 100,000 population)

Colorado ranks 31st nationally in violent crimes per 100,000 population, and is well below the national average. The violent crime rate in the U.S. decreased 4.0% from 1996 to 1997, and fell by another 7.3% from 1997 to 1998. This is the lowest national crime rate since 1987, according to the Federal Bureau of Investigation.

State	Rank	Rate
New Mexico	1	961.4
Florida	2	938.7
California	9	703.7
Nevada	11	643.6
Arizona	16	577.9
Georgia	17	572.7
U.S. Average		566.4
Texas	18	564.6
Nebraska	23	451.4
Washington	26	428.5
Oregon	28	419.8
Kansas	30	397.0
Colorado	31	377.9
Utah	35	314.2

Source: U.S. Department of Justice, Federal Bureau of Investigation, Uniform Crime Reports, 1998, Released in October 1999.

RECREATION & TOURISM

Colorado tourism expenditures totaled over \$7.2 billion in 1999, making it one of the state's largest industries. Colorado ranks eighth in the nation for tourism spending.

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, three national parks (Rocky Mountain, Mesa Verde, and the recently designated Black Canyon of the Gunnison), Colorado has a multitude of recreational activities 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, four national monuments, and three 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, a World Heritage site, 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 numerous outdoor recreation areas provide opportunities for boating, hiking, and nature interpretive activities such as wildlife and bird watching, camping, swimming, picnicking, and fishing, and other outdoor recreation. Facilities are located throughout the state, and range from metropolitan areas to remote wilderness, attracting almost 12 million visitors per year. Colorado ranks first in the nation for state park and recreation areas.
- **Professional Sports:** Colorado offers a variety of professional sports activities. Denver is one of only ten 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 Denver Metropolitan area approved a stadium tax to help build the Denver Broncos a new stadium. The NBA's Nuggets call Denver home. The recently completed Pepsi Center is home to the Nuggets and the NHL Colorado Avalanche. The Avalanche moved to Colorado from Quebec, and won the Stanley Cup in their first season here. Major League baseball expanded to Colorado with the formation of the Colorado Rockies in 1993. In 1995, the Rockies' new stadium, Coors Field, was opened in downtown Denver. The Colorado Rapids Soccer club came in the Fall of 1995. Finally, the Colorado Sky Sox, the AAA franchise for the Colorado Rockies, call Colorado Springs home.

- **Skiing and Winter Recreation:** 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 Colorado - downhill skiing and snowboarding. With 26 ski resorts to choose from, all types of terrain are offered to suit all tastes and abilities, from "crash the bumps" thrills to easier, gentle runs for the family. Vail hosted the 1999 World Cup Downhill races, drawing more than ten thousand spectators to watch the five hundred athletes compete. This is the premier event in the downhill racing circuit. With over 11 million skier days, Colorado leads the nation and accounts for 20% of all skier visits nationwide.
- **Golf:** Colorado has over 200 public and private golf courses. The number of new courses being planned or under construction places Colorado in the top three nationwide in terms of growth.
- **Water Sports:** Colorado is home to premier whitewater rafting and kayaking on the upper Colorado, Green, and Arkansas rivers. Many 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 rates in America. Colorado has long been a destination for fly fishing enthusiasts from across the nation. There are over 11,000 miles of trout streams in Colorado. Over two million warm-water fish are caught annually. High-altitude, cold-water streams teem with several species of fish, including the illustrious rainbow trout.
- **Hiking:** Whether you spend weeks hiking the 500-mile Colorado Trail linking Denver and Durango, or take a leisurely stroll through Chautauqua Park at the base of the famous Flatirons in Boulder, Colorado's world class hiking and magnificent scenery is sure to please. With over 11,000 miles of trails, opportunities are plentiful.
- **Wildlife and Nature Viewing:** Colorado is one of top 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 Rocky Mountain bighorn sheep, visitors and residents alike enjoy observing these majestic creatures.
- **Rock and Ice Climbing:** Rock and ice climbing are becoming increasingly popular. 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 one of the top ten rock climbing venues in the entire world. When winter sets in, several of the state's numerous waterfalls freeze, allowing for some spectacular ice climbing.

- **Mountain Biking:** Mountain biking has become one of Colorado's favorite sports over past few years. The number of places to mountain bike across Colorado has increased dramatically. Vail, Winter Park, Telluride, Steamboat Springs, and several locations on the western slope offer some of the nation's most challenging trails. *Bicycling* magazine has named several Colorado towns among its Top Bike Towns.
- **Rodeo:** Colorado's western heritage and its location in the heart of America's cattle country makes rodeo a leading spectator sport. An attendance record of 630,000 spectators was set at the 2000 National Western Stock Show and Rodeo in Denver. Greeley boasts the world's largest 4th 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 one million mark, making it the 6th 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 during the days of cattle drives. But they also offer exquisite meals and top-notch entertainment for their pampered guests.
- **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.
- **Performing Arts:** Colorado offers an abundance of top notch performances in theater, and concerts featuring all types of music, dance, and film festivals. The Denver Center for the Performing Arts is home to seven theaters. Several Broadway productions travel to Denver on national tours. In recent years, "Les Miserables," "The Phantom of the Opera," "Rent," 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. Red Rocks Amphitheater is a world-famous venue for outdoor concerts in a spectacular natural setting. Music festivals in Vail, Telluride, Aspen, Breckenridge, and throughout the state offer something for everyone.
- **Fine Arts:** Impressive displays of fine arts can be found in every corner of Colorado. The Denver Art Museum has excellent collections, and offers special exhibits of art treasures that draw thousands of visitors each year. Colorado Springs Fine Arts Center, Sangre de Christo Fine Arts Center in Pueblo, and arts festivals and galleries

in many communities statewide add to the selection and diversity of the arts. Cherry Creek Arts Festival in Denver has become a summer tradition.

- **Shopping:** Unique shopping districts can be found in resort towns and small communities throughout the state. Many have revitalized downtowns with one-of-a-kind shops, interesting architecture and pedestrian amenities. Denver's Cherry Creek Mall, Park Meadows Mall, Downtown Denver's Pavilions, and the newly opened Flatirons Crossing, offer world-class shopping. Factory outlet stores have enjoyed enormous success in Silverthorne, Loveland, and Castle Rock.

TRANSPORTATION SYSTEM

To support its operations, a firm needs access to 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 (DIA), opened in 1995 and has strengthened Denver's position as one of the major air traffic hubs in the nation. DIA is the nation's 6th 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 and I-76, major east-west interstates, 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

Twenty 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. In 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. Over 38 million passengers passed through Denver International Airport in 1999, a 3.3% increase over 1998.

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.

With 94 gates 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 21st 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. Beginning in Summer 2000, an additional 72 acres will be developed in Worldport, a private mixed-use business park with 500,000 square feet of cargo space. 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, 1997-1999**

Operations and Traffic	1997	1998	1999	Net % Change (1997-1999)
AIRCRAFT OPERATIONS				
Air carrier	341,879	341,074	362,824	6.1%
Air Taxi	128,271	111,467	119,799	-7.1%
Military	770	1,055	982	27.5%
General Aviation	22,394	19,736	16,848	-32.9
TOTAL	493,314	473,332	500,451	1.4%
PASSENGERS				
Internationals	393,291	500,209	711,755	80.9%
Majors	29,344,313	31,443,704	31,180,600	6.3%
Nationals	3,750,152	3,836,911	5,106,602	36.2%
Regionals	1,288,557	804,060	670,968	-92.0%
Supplementals	192,708	246,516	364,092	88.9%
TOTAL	34,969,021	36,831,400	38,034,017	8.8%
CARGO OPERATIONS				
Air Mail (pounds)	315,279,192	339,466,822	355,866,928	12.9%
Freight & Express (pounds)	648,785,540	646,787,220	675,323,027	4.4%

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, Air BC, British Airways, Continental, Delta, Mexicana, and United.
- *Majors* include America West, American, American TransAir, Continental, Delta, Northwest, TWA, United, and U.S. Airways.
- *Nationals, Regionals, and Supplementals* include Frontier, United Express, Vanguard, Mesa, Big Sky, and various other charter and air tour operators.

Source: Denver International Airport Monthly Operations and Traffic Report, December 1999.

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

DIA has almost 1,400 flights per day, and provides service to over 100 major U.S. metropolitan areas. The following tables list the number of non-stop flights to major U.S. cities, as well as cities within Colorado.

City, State	Flights To	Flights From
Albuquerque, NM	3	4
Atlanta, GA	14	14
Baltimore, MD	7	7
Boston, MA	7	7
Chicago, IL	28	26
Cleveland, OH	4	4
Dallas/Ft. Worth, TX	27	28
Houston, TX	14	14
Kansas City, MO	15	16
Las Vegas, NV	17	18
Los Angeles	19	16
Miami, FL	4	4
Minneapolis, MN	16	17
New Orleans, LA	4	4
New York, NY	20	19
Oklahoma City, OK	9	10
Philadelphia, PA	7	7
Phoenix, AZ	20	20
Portland, OR	10	8
St. Louis, MO	10	10
Salt Lake City, UT	17	16
San Diego, CA	10	9
San Francisco, CA	16	16
Seattle/Tacoma, WA	12	11
Washington, D.C.	10	8

Colorado Cities	Flights To	Flights From
Alamosa*	2	2
Aspen **	20	20
Colorado Springs	13	13
Cortez	6	6

continuation of table...

Colorado Cities	Flights To	Flights From
Durango	11	10
Grand Junction	11	10
Gunnison	6	6
Montrose	7	7
Pueblo	6	6
Steamboat Springs **	10	11
Telluride **	4	4
Vail **	8	8

Note: Some flights are weekdays only.

*One-stop.

** Fewer flights during non-ski season.

Source: DIA Flight Guide, December/January, 1999/00.

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	2
Birmingham, AL	1
Chicago (O'Hare), IL	2
Cincinnati, OH	1
Dallas/Ft. Worth, TX	5
Denver, CO	9
Houston, TX	1
Los Angeles	1
Minneapolis/St. Paul, MN	1
Phoenix, AZ	2
San Diego, CA	1
Salt Lake City, UT	1
St. Louis, MO	2

Note: Four non-stop flights to Eagle County Airport begin providing service to ski resorts in December.

Source: Colorado Springs Airport, July 20, 2000, <http://www.flycos.com>.

THE COLORADO HIGHWAY SYSTEM

The Colorado Department of Transportation maintains the 9,100+ miles 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 1999 fiscal year, the Colorado Department of Highways spent approximately \$1.038 billion on highway construction and maintenance. The table below outlines the expenditure categories more specifically.

Category	Amount	Percent of Total
Maintenance and Operations	\$189.7 million	18.3%
Construction	\$734.7 million	70.7%
Other*	\$113.7 million	11.0%

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

The State of Colorado Highway User's Tax Fund is estimated at \$678.0 million, of which \$374.8 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 \$317.4 million, with those funds included in the construction budget.

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.

Colorado voters, by a wide margin, approved bonding authority for the state borrow as much as \$1.7 billion for up to 24 transportation projects. The Top Five projects, based on cost, are:

- The I-70 West Corridor (I-70, DIA to Eagle County Airport) is undergoing a \$1.1 billion improvement to relieve congestion.

- The Southeast Corridor (I-25 in south metro Denver) is undergoing a \$593.6 million dollar project to relieve congestion by adding new lanes. A new light rail line is also under construction to provide an alternative mode of transportation in this area.
- I-25 through Colorado Springs is undergoing a \$342.3 million reconstruction, safety improvement and widening.
- North I-25 Corridor (Denver to Fort Collins) is undergoing \$302.7 million effort to improve congestion.
- Denver to Colorado Springs (I-25) is undergoing a \$153 million improvement to relieve congestion.

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 (Boulder Turnpike) to 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 a 5.3 mile light-rail train line that runs through central Denver. In July of 2000 an 8.3 mile extension to Littleton was completed.
- Express bus service (the SkyRide) is available to Denver International Airport. The implementation of this service has proven to be an enormous convenience to airport goers and has reduced the number of vehicles on 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.

AVAILABILITY OF RAIL AND MOTOR CARRIER SHIPPING IN THE STATE

Colorado has an extensive rail system serving the entire state. The Class-One rail lines are operated by Burlington Northern/Santa Fe Railroad and Union Pacific/Southern Pacific Railroad.

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.

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