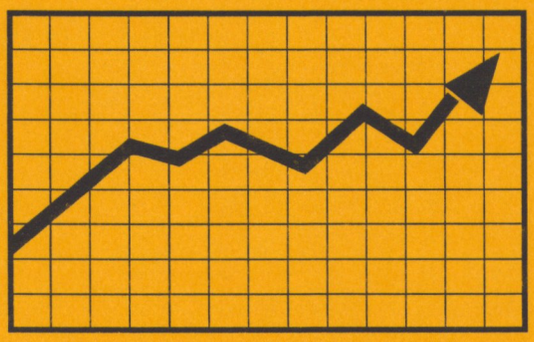
ECONOMIC DEVELOPMENT
DATA BOOK



2004 Edition

COLORADO

Office of Economic Development
and International Trade

COLORADO ECONOMIC DEVELOPMENT DATA BOOK

SEPTEMBER 2004

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

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ECONOMIC BASE

Colorado has a diverse economic base. The state is not dependent on any single sector, but has a strong core of businesses in a variety of high-tech and traditional sectors. Colorado's strength in mature high tech industries such as telecommunications, software development, and high tech manufacturing has resulted in the highest concentration among all 50 states of high tech workers. Emerging industries such as biotech, photonics, homeland defense, nanotech and renewable energy are gaining momentum.

For the eleventh consecutive year, Colorado received among the highest grades in the nation in the Corporation for Enterprise Development's "2003 Report Card for the States." Colorado appeared on the "Honor Roll" for superior performance, business vitality, and development capacity. Eight Fortune 500 companies are headquartered in Colorado. The state's outstanding business climate base has attracted a number of expanding and relocating companies.

Colorado is a major transportation center. Denver International Airport (DIA) is the fifth busiest in the US and among the busiest in the world. DIA is on pace to set a new passenger traffic record in 2004. British Airways offers daily non-stop service to London, while Lufthansa has daily non-stop service to Frankfurt. Mexicana Airlines began non-stop service to Mexico City in 2002. 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 totaled $6.1 billion in 2003. This was almost an 11% increase from 2002. The outlook for Colorado's manufactured goods in overseas markets remains bright as the state produces high tech goods that are in demand worldwide. Exports for the first half of 2004 increased by over 15%, or $429 million over 2003 mid-year. This trend should continue as the recovery gains steam.

Among the state's largest industry sectors are Information, Professional & Technical Services. Included within these categories are telecommunications, Internet services, software development, temporary employment agencies, and advertising, among others. Professional services such as health services, legal and engineering, are also major components of this sector.

Agriculture and mining, the traditional economic strongholds in Colorado, represent a decreasing share of the state's total output. However, with farm and ranch market receipts of over $5 billion, and mining/natural resource production of more than $6 billion, these sectors continue to play a very important role in the state's economy. Technological advances have increased productivity in these sectors so that while employment has decreased, output continues to grow.

Tourism is a major component of Colorado's economic base. It encompasses a cross section of economic sectors, though not reported as a separate economic sector. Accommodations & Food Services, along with Recreation Services, provide a good indication of tourism activity. Visitors are drawn to Colorado year round, for the world-class skiing in the winter months, and for the myriad of recreational activities and breathtaking scenery in the summer months. Colorado's tourism industry generates over $7 billion per year from domestic visitors, and an estimated $900 million from international tourists.

Recent relocation and expansion announcements:

- **Owens-Illinois Inc.** broke ground in June 2004 on a $119 million glass container manufacturing plant near Windsor, Colorado. The plant is expected to be operational by 2005 and will employ 150 workers. Its output of a billion bottles per year will supply nearby Anheuser-Busch brewery in Fort Collins. The site won out over a dozen competitors.

- **In-Situ, Inc.** announced relocation of its corporate headquarters to Fort Collins, Colorado, from Laramie, Wyoming, in April 2004. The company is a world-leading designer and manufacturer of technically advanced water testing and monitoring instruments. Its new 30,000 square foot headquarters will employ 60 people initially, but is projected to grow to 150 in the next five years.

- **California State Automobile Association,** an insurance, automobile and travel club, announced that it would move 500 claims center jobs to Colorado Springs in 2004 and 2005. This follows a major expansion by Progressive Insurance in 2003 that added 600 workers. Colorado Springs is becoming the Hartford of the West.

- **DoubleClick,** an online advertising firm, recently consolidated data centers in New York and Toronto to a Thornton, Colorado location. The expansion resulted in a total of 600 high tech jobs and its investment is a great step in rebuilding the state's technology sector.

- **Adam Aircraft**, based in Centennial, Colorado, is expanding its manufacturing operations to Pueblo, Colorado at a site near Pueblo Memorial Airport. It will manufacture turboprop and twinjet aircraft and employ 448 workers within three years.

- **Stanley Aviation,** an aircraft parts manufacturer in Aurora, Colorado, is expanding its facility by 65,000 square feet, adding 175 new employees to its Colorado operations.

- **Lockheed Martin**, one of Colorado's leading aerospace companies, will add 300 jobs to its Jefferson County (Metro Denver) facility to work on a six-year $879 million contract with the U.S. Army to develop its Aerial Common Sensor (ACS) next-generation manned airborne surveillance and reconnaissance project.

The above announcements notwithstanding, Colorado is dominated by small business. They are truly the backbone of the Colorado economy. New company formation in Colorado ranks near the top of the nation, and these companies are responsible for a substantial share of new job creation as well.

Entrepreneurial activity continues to be a foundation for Colorado's economic vitality. Colorado ranks 2nd in business starts per capita, as well as in percent of high tech firms. Colorado also ranks 5th in INC 500 companies per 10,000 businesses.

Colorado is home to over 37,000 minority-owned businesses with annual sales and receipts exceeding $6 Billion. Approximately 29,000 of these are sole proprietors, and the remaining 8,000 are firms employing almost 54,000 Colorado workers. Approximately one-third of the minority-owned businesses are also woman-owned.

Women-owned businesses in Colorado numbered almost 139,000 according to a 2002 estimate. Of these, 109,500 were sole proprietors, and 29,018 were firms employing 174,000 workers. Their annual sales and receipts were $22.2 Billion.

Colorado's Largest Private Sector Employers - 2003

Rank	Company	Type of Business	Colorado Employees
1	Wal-Mart	Discount Stores	20,100
2	Kroger (King Soopers/City Market)	Supermarkets	15,928
3	Qwest Communications Int'l.	Telecommunications	14,400
4	Centura Health	Health Care	12,377
5	Safeway, Inc.	Supermarkets	12,000
6	Vail Resorts	Resorts	11,072
7	Columbia/HealthOne	Healthcare	9,285
8	Lockheed Martin	Aerospace and defense	8,900
9	Target Stores	Discount Retailer	7,513
10	UAL Corp (United Airlines)	Air Transportation	7,700
11	IBM Corporation	Computers	6,200
12	Wells Fargo	Banking, Financial Services	6,000
13	Hewlett Packard Company	Computers	6,000
14	Exempla Healthcare	Hospital	5,420
15	Home Depot	Home Improvement Retailer	5,100
16	Albertsons	Supermarkets	5,000
17	United Parcel Service	Delivery Services	4,787
18	WorldCom	Communications	4,600
19	EchoStar Communications	Satellite Television	4,500
20	Agilent Technologies	Diversified Technology	3,900
21	Kaiser Permanente	Health Care Provider	4,141
22	Staffing Solutions	Employment Contractors	3,960
23	Xcel Energy	Utility	3,712
24	Adolph Coors Co.	Brewer	3,400
25	Sun Microsystems	Computers	3,300
26	Ball Corporation	Containers, Aerospace	3,100
27	Frontier Airlines	Air Transportation	3,100
28	May Department Stores (Foleys)	Department Stores	3,000
29	Resource Management Systems	Employment Leasing	3,000
30	Great West Life & Annuity	Insurance	3,000

Source: Denver Post, Top 100 Colorado Private Sector Employers and Denver Business Journal 2004 Book of Lists Top Private Sector Employers.

COLORADO GROSS STATE PRODUCT (GSP)

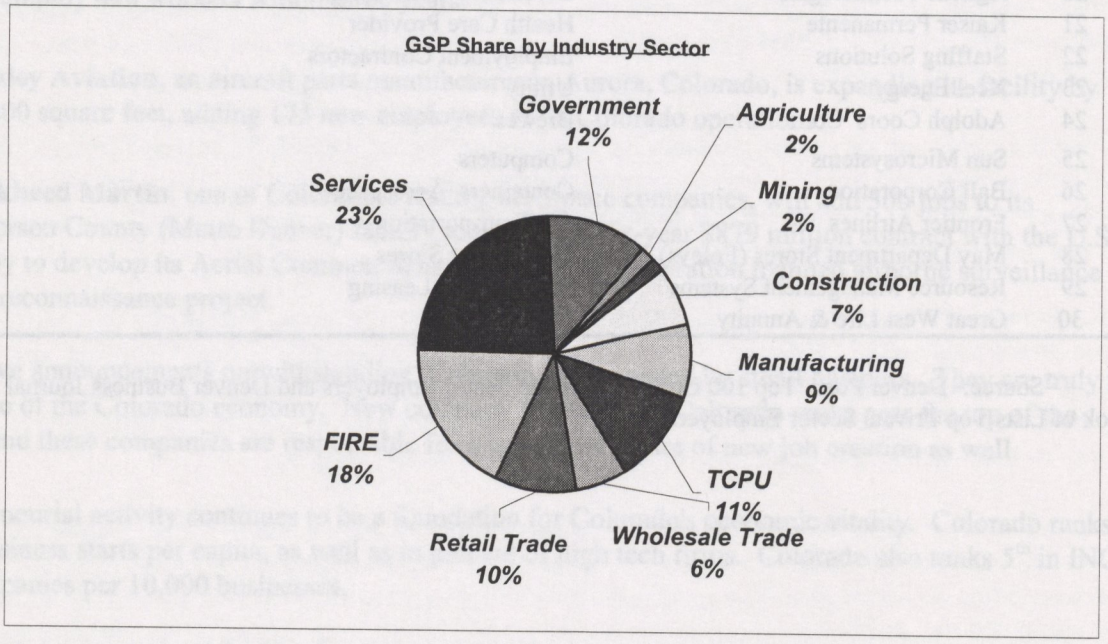
Colorado's 2004 GSP - $185 billion (Federal Reserve Bank of San Francisco estimate)

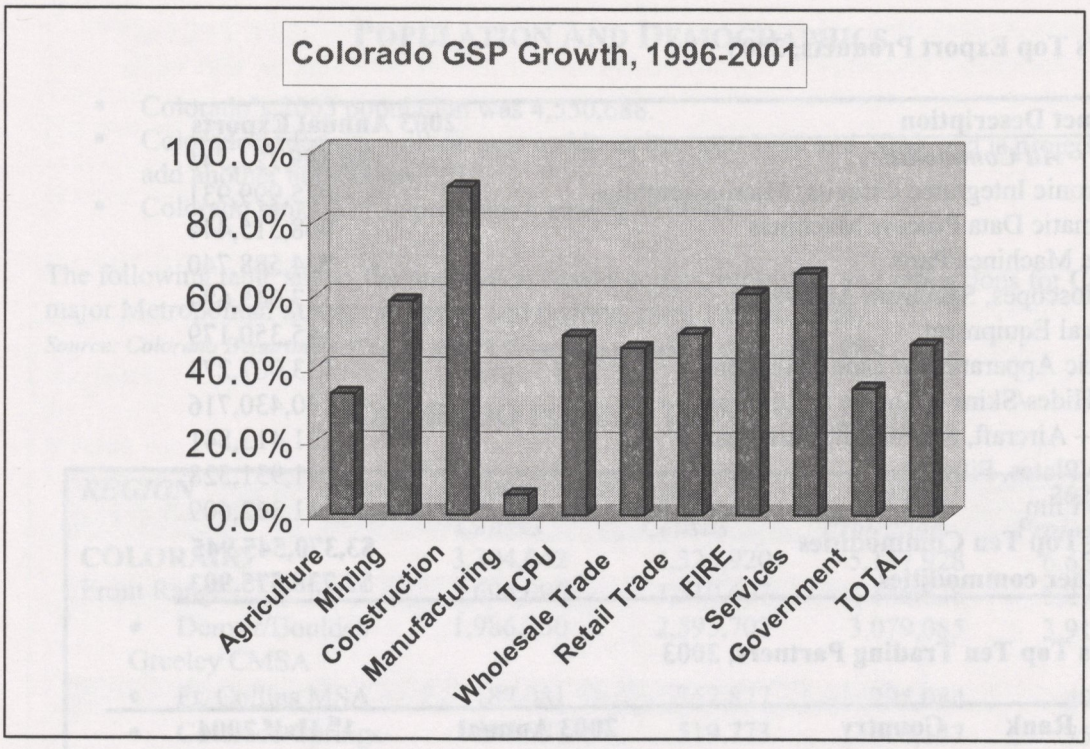
Bureau of Economic Analysis will release new GSP estimates in mid-December 2004.

TOTAL GROSS STATE PRODUCT, 2001 (Millions of $)	$173,772
Agriculture/Forestry/Fisheries	**$2,738**
Mining	**$3,068**
Construction	**$11,827**
Manufacturing	**$14,991**
Transportation, Comm. & Utilities	**$19,317**
Wholesale Trade	**$10,714**
Retail Trade	**$16,909**
Finance, Insurance, & Real Estate	**$31,816**
Services	**$41,860**
Government	**$20,532**

Notes: Sector totals will not equal total GSP due to rounding and netting out of unallocated activity. Sector estimates based on preliminary 2001 BEA total GSP.

Source: Bureau of Economic Analysis, May 22, 2003





International Trade

The State of Colorado, along with the rest of the nation, has benefited from greater international demand and stronger foreign currencies, which make American products more competitive. In 2003, Colorado exports reached $6.1 billion, an increase of 11% over 2002. Colorado export sales are increasing at an even stronger pace in 2004. For the first half of the year, Colorado exports increased 15% or $429 Million over 2003 levels.

Top export sectors are dominated by high-tech products, including semiconductors, computers and peripherals, analytical and measuring instruments, office machine components, and telecommunications equipment. High tech exports make up over 55% of total Colorado exports. Colorado's top trading partners are Canada, China (including Hong Kong), Mexico, Malaysia, Korea, Japan, Germany, Taiwan, the United Kingdom and France.

Colorado's Top Export Products, 2003

Product Description	2003 Annual Exports
Total – All Commodities	***$6,109,121,348***
Electronic Integrated Circuits, Microassemblies	1,025,999,931
Automatic Data Process Machines	908,515,444
Office Machines/Parts	524,588,740
Oscilloscopes, Spectrum Analyzers	157,045,684
Medical Equipment	145,350,179
Electric Apparatus for Line Telephony	133,907,273
Raw Hides/Skins – Bovine and Equine	130,430,716
Parts – Aircraft, Spacecraft, Balloons	121,413,841
Photo Plates, Film, etc.	111,931,528
Photo Film	111,362,609
Total-Top Ten Commodities	**$3,370,545,945**
All other commodities	**$2,738,575,903**

Colorado's Top Ten Trading Partners, 2003

Rank	Country	2003 Annual Exports	1st Half 2004 Exports
1	Canada	$1,431,713,785	$742,725,467
2	Mexico	570,428,010	302,404,828
3	China (Mainland & Taiwan)	450,282,416	337,499,001
4	Japan	443,147,026	159,129,486
5	Korea, Republic of	424,559,649	166,613,749
6	Malaysia	302,040,610	181,692,384
7	Germany	282,016,042	144,223,228
8	France	267,135,245	121,244,835
9	Netherlands	245,595,146	116,201,922
10	United Kingdom	237,311,062	128,945,949
Total, all countries		***6,109,121,348***	***3,238,756,802***

Sources: *Data from the Census Bureau, Foreign Trade Division Prepared by WISER.*

Northern Ireland opened a trade and technology center in Denver in November 2003. This is one of only two in the US; the other is in Boston. Canada also opened a consul office in Denver in September 2003 to promote business relations.

POPULATION AND DEMOGRAPHICS

- Colorado's 2003 population was 4,550,688.
- Colorado added one million new residents between 1990 and 2000, and is projected to add another 800,000 by 2010.
- Colorado ranks 22nd in population among all states.

The following table shows the population census counts, estimates, and projections for Colorado, major Metropolitan Statistical Areas, and regions, from 1990 to 2025.
Source: Colorado Department of Local Affairs, State Demographer's Office, July 2004

COLORADO POPULATION (1990-2025)

REGION	*1990 Census*	*2000 Census*	*2010 Projection*	*2025 Projection*
COLORADO	3,304,042	4,324,920	5,137,928	6,652,082
Front Range	2,694,096	3,510,607	4,146,838	5,278,958
• Denver/Boulder/ Greeley CMSA	1,986,250	2,595,707	3,079,085	3,912,542
• Ft. Collins MSA	187,081	252,877	295,084	404,241
• Colorado Springs MSA	397,887	519,773	606,147	750,806
• Pueblo MSA	122,878	142,250	166,522	211,369
Western Slope	333,782	461,950	581,655	811,989
Central Mountains	103,123	146,730	180,718	274,885
San Luis Valley	40,244	46,444	51,488	60,315
Eastern Plains	132,797	159,189	177,229	225,935

For more detailed population information, please see State Demography website – www.dola.state.co.us/demog/index.htm

Composition Of Regions

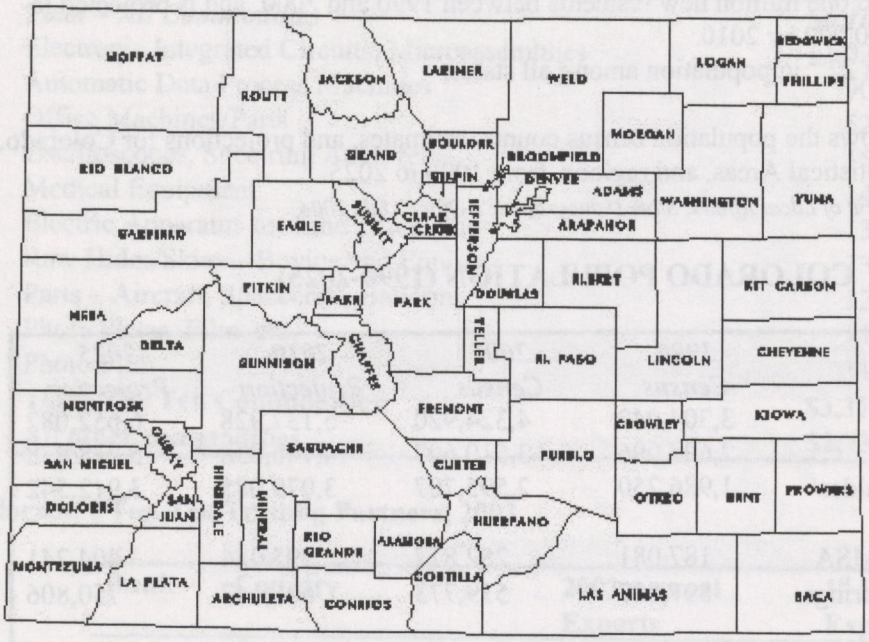
- **Front Range** includes Adams, Arapahoe, Boulder, Broomfield (became a county in 2001) Denver, Douglas, El Paso, Jefferson, Larimer, Pueblo, and Weld counties.

- **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.

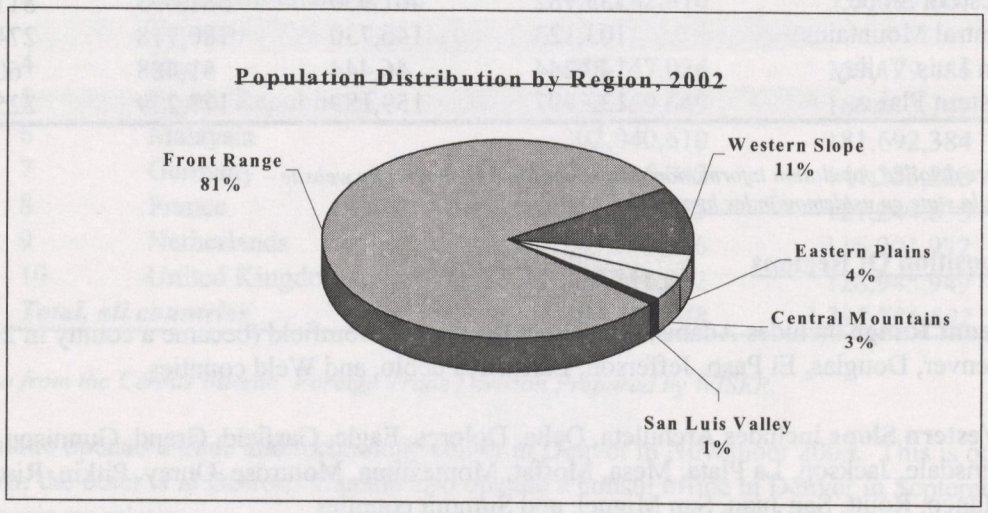
- **Central Mountains** includes Chaffee, Clear Creek, Custer, Fremont, Gilpin, Huerfano, Lake, Las Animas, Park, and Teller counties.

- **San Luis Valley** includes Alamosa, Conejos, Costilla, Mineral, Rio Grande, and Saguache counties.

- **Eastern Plains** includes Baca, Bent, Cheyenne, Crowley, Elbert, Kiowa, Kit Carson, Lincoln, Logan, Morgan, Otero, Phillips, Prowers, Sedgwick, Washington, and Yuma counties.



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



COLORADO POPULATION GROWTH ATTRIBUTABLE TO NET IN-MIGRATION

Years	Total Increase	Natural Increase	Net In-Migration	Percent Share
2000-2010	915,000	386,000	529,000	58%
2010-2025	1,332,000	578,000	754,000	57%

Source: Colorado State Demography Office

Colorado's population is projected to increase by almost 2.3 million people between 2000 and 2025. In-migration to Colorado typically accounts for nearly 3/5ths 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

Variable	COLORADO	U.S.
Age		
Median Age (2002)	34.7 yrs.	35.9 yrs.
Percent of Population Under Age 18	25.5%	25.3%
Percent of Population Over Age 65	9.6%	12.3%
Race/Ethnicity (U.S. Census, 2002 Estimate)		
Percent White (non-Hispanic)	74.1%	68.9%
Percent Black	4.1%	12.7%
Percent American Indian	1.1%	1%
Percent Asian	2.5%	4%
Percent Hispanic (of any race)	18.2%	13.4%
Labor Force (Population Age 16 and Over 2000)		
Percent in Labor Force	72.7%	67.1%
Males in Labor Force	80.8%	74.7%
Females in Labor Force	65.5%	60.0%
Educational Attainment (Population Age 25 and Over 2002)		
Percent College Grads (or higher)	35.7% (Ranks 2nd in the nation)	27%
Percent High School Grads (or higher)	86.8% (Ranks 13th in the nation)	82.1%
Income		
Median Household Income, 2002	$49,617 (Ranks 11th in the nation)	$43,052
Per Capita Income, 2003	$34,283 (Ranks 8th in the nation)	$31,632

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.

Further Information can be found at the Colorado Economic and Demographic Information System: *http://www.dola.state.co.us/is/cedishom.htm*

EMPLOYMENT & TRAINING

Colorado is a major hub for business and industry in the growing Rocky Mountain region. The state's employment base is diversified across a broad range of industry sectors.

Colorado ranked fourth in the nation for long-term (10-year) job growth according to the Corporation for Enterprise Development's 2003 "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.

While the recent economic downturn took its toll on job creation in Colorado, it is encouraging to look at a number of statistics that highlight the state's long-term outlook for continued economic vitality in the coming years:

- Job growth peaked in 2000, when 81,000 net new jobs were added. By 2001, net new job creation fell to 12,800, and in 2002 and 2003 Colorado suffered a net decrease in jobs for the first time since the 1980s.
- Colorado ranked 5th in the nation for long-term (ten year) job growth from 1992-2002.
- Colorado has the highest concentration of high-tech workers, with 98 out of every 1,000 private sector workers in a high-tech job.

Wage Rates

Colorado's 2003 annual average wage rate for all industry sectors was $38,948. Colorado ranked 11th in the US for average wages in 2002 (latest data available).

Wage rates by occupation and by Labor Market Area, including entry level wage rates, mean and median wage rates, can be found on the Labor Market Information website:
www.coworkforce.com/LMI/wages/wages.htm

Colorado's Unemployment Rate

Colorado's unemployment rate has consistently been lower than the national average since the early 1990s. Then in 2003 Colorado's unemployment rate was 6%, up from 5.7% in 2002, and equal to the national average.

The following table indicates the annual average unemployment rates of representative labor markets throughout the state since 1999. 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	1999	2000	2001	2002	2003
U.S. Average	4.2	4.0	4.8	5.8	6.0
Colorado	**2.9**	**2.7**	**3.7**	**5.7**	**6.0**

Source: Colorado Department of Labor and Employment, Labor Market Information Section, 2004.

Job vacancy surveys by Labor Market Area are available on the Labor Market Information website: **www.coworkforce.com/LMI/WRA/vacsurv.asp**

Employment Base

The following table is a breakdown of Colorado's 2003 average annual employment by major industry sector and sub-sector, based on North American Industry Classification (NAICS) codes:

2003 Colorado Wage and Salary Employment
(Annual Average)

NAICS Code	Sector Sub-Sector	Number	Percent
11	Agriculture, Forestry & Fishing	14,092	0.7%
	Crop Production	6,520	
	Animal Production	5,285	
	Other	2,287	
21	Mining	13,109	0.6%
	Mining, Except Oil & Gas	4,930	
	Oil & Gas Extraction	4,124	
	Mining Support Activities	4,055	
22	Utilities	7,871	0.4%
23	Construction	149,923	7.1%
	Building Construction	28,821	
	Heavy & Civil Engineering Construction	19,431	
	Special Trade Contractors	101,671	
31-33	Manufacturing	156,048	7.4%
	Durable Goods	104,572	
	Non-Durable Goods	51,476	
42	Wholesale Trade	92,352	4.4%
	Durable Goods	53,358	
	Non-Durable Goods & E-markets	39,004	
44-45	Retail Trade	239,820	11.3%
	Motor Vehicle Parts & Dealers	32,681	
	General Merchandise	44,339	

	Food Stores	42,214	
	Other Retail	120,849	
48-49	Transportation & Warehousing	60,611	2.9%
	Air Transportation	13,946	
	Truck Transportation	16,513	
	Other Transportation & Warehousing	30,152	
51	Information	84,857	4%
	Publishing, except Internet	30,139	
	Telecommunications	34,720	
	Other (Broadcasting, Motion Pictures, Internet service providers, etc.)	19,998	
52-53	Finance, Insurance & Real Estate	149,467	7.1%
	Banking/Financial Services	67,378	
	Insurance	36,287	
	Real Estate	45,802	
54-81	Services	808,570	38.2%
	Accommodation & Food Services	205,036	
	Professional & Technical Services	139,336	
	Health Care & Social Assistance	188,101	
	Administrative & Waste Services	127,619	
	Arts, Entertainment & Recreation	39,978	
	Other Services	108,500	
92	Government	341,050	16.1%
	Federal	53,484	
	State*	67,034	
	Local*	220,533	
	Total Wage & Salary Employment	2,117,770	100%

*Includes public education.

County level employment and wage data can be found at:
www.coworkforce.com/lmi/es202/index.htm

Source: Colorado Department of Labor and Employment, 2004

Colorado FIRST and Existing Industries Customized Job Training Programs

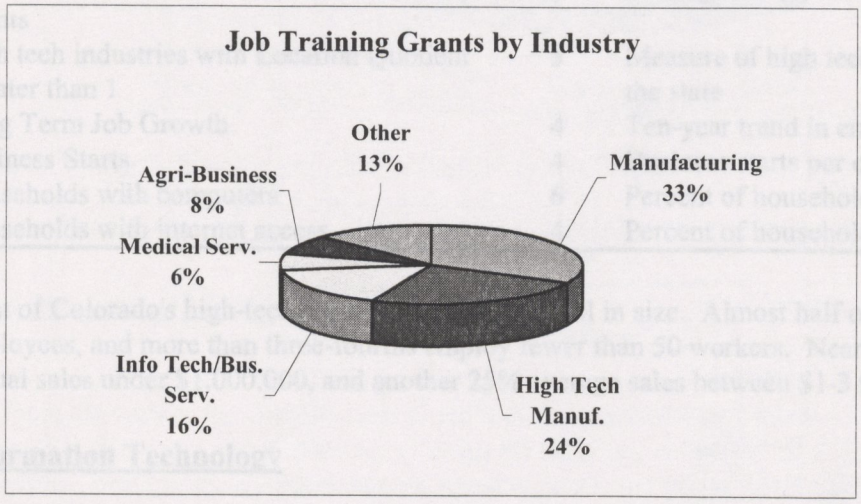
The Colorado FIRST and Existing Industries Customized Job Training Programs were created in 1984 and 1989, respectively. Their main purpose is to encourage quality economic development within the state by providing training incentives for the location of new industries or the expansion of existing firms 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 Community Colleges of Colorado.

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.
- Projects that will train workers with skills that are transferable.
- 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.
- Micro-grant program specifically for small companies needing to train 10 or fewer workers.



Funding for the Colorado FIRST and Existing Industries Job Training Programs is dependent upon annual appropriations from the Colorado legislature.

- During fiscal year 2003, 51 companies received training grants to train (or retrain) 4,540 Colorado workers.

- Since the inception of the programs, over 100,000 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.
- The Company chooses the trainees, and controls the training content and delivery.

Colorado Workforce Centers

The above-described programs are customized industrial training programs. The Colorado Department of Labor and Employment, through its Colorado Workforce Centers, offers a variety of programs and services for individual jobseekers in Colorado. For more information on Colorado Workforce Centers, visit their website at: www.coworkforce.com/Emp/

TECHNOLOGY SECTORS

Colorado is an undeniable leader in technology. A host of objective rankings bear this out:

- Milken Institute's "State Technology & Science Index", March 2004, ranked Colorado third among all states in technology and science assets.
- National Policy Research Council's "America's Best Cities & States: The Annual Gold Guide to Leading Rankings," June 2003, ranked Colorado #2 overall among the 50 states in a diverse set of academic, research, association and trade group rankings. Denver ranked #1 among 50 major cities.
- Progressive Policy Institute (PPI) "State New Economy Index", June 2002, ranked Colorado #4 in state performance in the new economy.
- Corporation for Enterprise Development's, "Development Report Card for the States, 2003", Colorado made the "Honor Roll" for the 11th consecutive year. In nine of those years, Colorado received straight A's in the main index categories of Performance, Business Vitality and Development Capacity.

Rankings in Selected Measures

Measure	*Rank*	*Comments*
Concentration of Technology Jobs	1	Percent of total jobs in high tech industries
National Science Foundation Funding	1	As a percent of Gross State Product
Population with College Degree	2	Percent of adult population
New Companies	2	Number of new companies per 1,000 workers
Venture Capital Investment	4	Venture capital investment, share of GSP
Small Business Innovation Research (SBIR) Grants	3	SBIR grants ($) awarded per worker
High tech industries with Location Quotient Greater than 1	3	Measure of high tech industry clusters within the state
Long Term Job Growth	4	Ten-year trend in employment growth
Business Starts	4	Business starts per capita
Households with computers	6	Percent of households with computers
Households with internet access	4	Percent of households with internet access

Most of Colorado's high-tech firms are relatively small in size. Almost half of them have ten or fewer employees, and more than three-fourths employ fewer than 50 workers. Nearly half of these firms have annual sales under $1,000,000, and another 25% average sales between $1-3 million.

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.

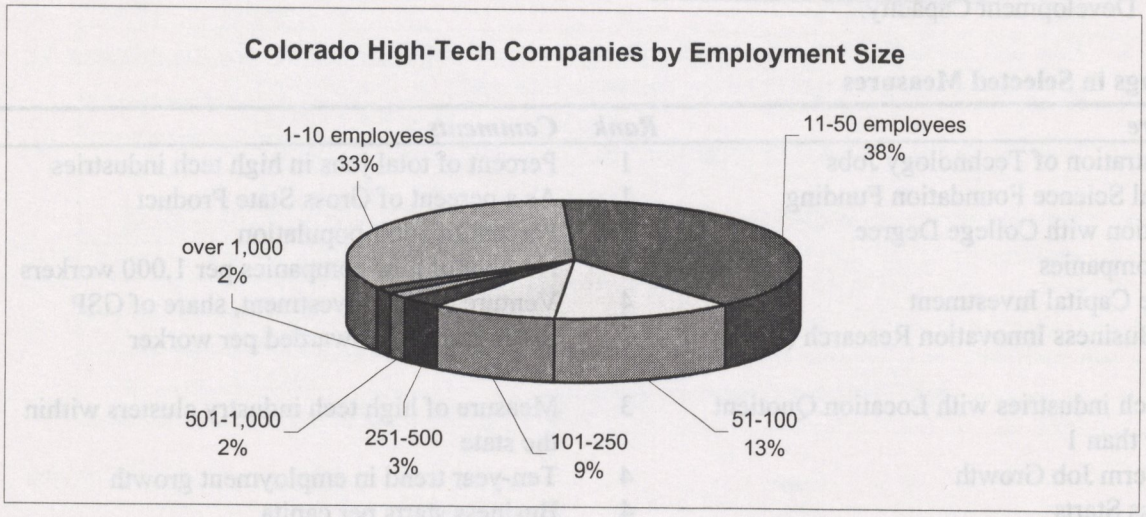
- Colorado ranks second in share of computer and information science experts.
- Colorado also ranks second in recent degrees awarded in Science and Engineering.
- Two of the world's ten fastest supercomputers are in Colorado – at NOAA and NCAR.
- The IT sector is estimated to contribute $9 billion to the Colorado economy.

Average Number of Jobs in Selected Sectors in 2003

*IT and Related Sectors **	*Annual Average Employment*
334-Computer & Elec. Products Manufacturing	35,932
511-Publishing Industries (except Internet)	30,139
514-Motion Picture & Sound Recording	4,270
515-Broadcasting (except Internet)	6,781
517-Telecommunications	34,720
518-ISPs, Search Portals & Data Processing	7,861
5415 – Computer Systems Design	33,023
5142 – Data Processing Services	6,234

* Based on North American Industry Classification (NAICS) data

Source: Colorado Department of Labor & Employment, 2004



Colorado High-Tech Companies by Annual Sales Volume

Annual Sales	*Percent of Total*
Under $1 Million or N/A	38%
$1-3 Million	31%
$3-10 Million	13%
$10-30 Million	4%
$30-300 Million	3%
$300 Million-$1 Billion	4%
Over $1 Billion	7%

Source: Colorado High-Technology Directory, Leading Edge Communications, Inc., 2003

Colorado High-Tech Companies by Product Classification

Product Type	*Number of Companies*
Aerospace/Aircraft & Equipment	53
Analytical & Testing Equipment	118
Biotechnology/Pharmaceuticals	43
Chemicals	73
Communications Equipment/Services	137
Components	158
Computer Systems (Hardware)	50
Computer Peripherals/Accessories	51
Electronics Production Equipment	20
Environmental/Energy	85
Industrial Equipment	137
Lasers/Optics/Photonics	47
Material Handling Equipment	29
Medical Equipment/Devices	100
Microelectronics	137
Military Equipment/Services	15
Monitoring/Controlling Equipment	63
Non-Industrial Electrical Products	25
Plastics/Advanced Materials	64
Power Devices/Systems	37
Research, Development & Testing	189
Robotics/Factory Automation	22
Software Development	207
Software-Related Services	447

Note: Companies may be included in more than one category. ***This is a self-selecting publication and not all Colorado companies choose to be included.***

Source: 2003 Colorado High Technology Directory, Leading Edge Communications, Inc.

Biotechnology & Life Sciences

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 biotechnology, and is home to Nobel Prize winners Thomas Cech for Chemistry, and Carl Wieman and Eric Cornell for Physics. 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.

Accelerating Colorado's biotechnology position is the $2 billion redevelopment of the former Fitzsimons Army Medical Center into one square mile dedicated to life science research, education and patient care. It is the first of its kind west of the Mississippi. The new 217-acre campus of the University of Colorado Health Sciences Center and the 160-acre Colorado Bioscience Park Aurora anchor the project. The most recent addition is a $216 Million, 650,000 square foot biomedical research facility completed in Fall 2004.

The 160-acre bioscience park has been master planned for up to 4 million square feet and a work force of 4,000. The park can accommodate research-oriented biomedical, biotechnology and pharmaceutical operations in multi-tenant buildings as well as in single-tenant build-to-suit buildings. It is currently home to 18 biotech companies. The park's affiliation with the University of Colorado allows tenant companies easy access to the resources of the largest academic medical center in the Rocky Mountain Region. For more information, visit their website at http://www.colobio.com/bio.html

Ernest & Young released a 2002 report of Top Biotech States. Colorado placed 12th in the nation on this rewarding list. In the wake of a major downturn in other high tech industries, Biotechnology proved a resilient sector of the Colorado economy. These firms have adopted the current trend toward high investment in research and development, and are successfully attracting venture capital.

- Since 2001, 14 Colorado biotech companies have attracted $314 million in venture capital funding.
- Boulder-based Pharmion, a drug development company specializing in oncology and hematology, raised $84 million in an IPO in 2003. The company continues to have success with FDA approval of its drugs, some of which are already approved and in use in other countries.
- Westminster-based Myogen, a company developing therapies for chronic heart disease, went public in 2004, raising $60 million.

Space Industry

Colorado has a strong aerospace, satellite and space industry. Colorado is home to the third largest space economy, behind California and Florida. There are more than 100 companies in the space business in Colorado. The industry is provides and estimated 115,000 - 130,000 direct and industry support jobs and between $4 and $5 billion a year in revenues. Industry leaders include Ball Aerospace, Lockheed Martin, Boeing, Raytheon, Northrupp-Grumman, Inc., Space Imaging, and Echostar. These companies are engaged in satellite manufacturing, launch and ground equipment, and space communications. It is anticipated that this industry will be an economic generator as commercialization of space becomes more widespread in the future. By the year 2010 it is estimated that revenues will increase to $7 billion and employment to 232,000.

Northern Command Project:
Further growth in the space industry is likely through the building of a new command post in Colorado Springs. The location of Northern Command at Peterson Air Force Base could create up to 1,000 new jobs. In addition, the new command post would give Colorado added recognition in its role in homeland defense.

Summary of High-Tech Economic Impact

Although high-tech sectors, especially telecom, have been hurt by the 2001-01 national recession, Colorado remains a strong center for high-tech labor and employment. When assessing Colorado's position as a leading high-tech state, the summary of economic impacts of high-tech reported in **Cyberstates 2003** tells a compelling story:

- Concentration of high-tech workers, with 98 of every 1,000 private sector workers classified as high-tech, Colorado ranks #1 in the country.
- 177,680 high-tech workers (12th in the nation).
- High-tech average wage of $69,277 (9th in the country), or 81% higher than the average private sector wage in 2002.
- High-tech payroll of $14.2 billion in 2001 (10th in the nation).
- More than 10,597 high-tech establishments (10th nationwide)
- High-tech exports represent 57% of Colorado total exports of over $6 billion

Colorado's prominent role as a high tech leader is greatly enhanced by the presence of a number of key federal laboratories.

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

TAXES

Colorado Business Taxes

Colorado provides a competitive business tax structure that rewards investment and innovation. With very low taxes at the state level, and a wide range of local tax structures, Colorado offers almost unlimited choices to meet the needs of all types of businesses. Under Amendment One, passed by the voters of Colorado in 1992, a constitutional limit was placed on both revenues and expenditures of state and local governments. Without voter approval, both are limited to the increase in inflation plus the population growth rate. State government alone has refunded over a billion dollars to Colorado taxpayers, and enacted permanent tax cuts in the state income and sales taxes.

- The Tax Foundation ranked Colorado as having the 4th best state business tax climate.
- Simon Fraser Institute & National Center for Policy Analysis ranked Colorado tops in economic freedom in North America.

Known as Taxpayer's Bill of Rights (TABOR), large surpluses, reaching $927 million in 2000, resulted from the economic expansion. However, due to the slowdown in the economy there were several years with no refunds. TABOR surpluses for the next few years are projected as follows.

Projected TABOR Surplus Revenues
(Millions of Dollars)

Fiscal Year	TABOR Surplus
2002-03	$0
2003-04	$0
2004-05	$82.3
2005-06	$230.2
2006-07	$467.8
2007-08	$513.9
2008-09	$554.6
Cumulative Total	**1,848.8**

Source: Office of State Planning and Budgeting, June 2004
http://www.state.co.us/gov_dir/govnr_dir/ospb/econ.html#cep

Corporate Income Tax

Colorado's corporate income tax rate is a flat 4.63%. 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 40th nationally in per capita corporate income tax revenue. Collections in 2002 totaled $46 per capita, compared to a national average of $90 for corporate income tax revenue.

Per Capita State Corporate Net Income Tax Revenue, 2002
(Selected States)

State	*Per Capita*	*National Rank*
Illinois	$164	5
California	$152	6
Minnesota	$108	11
North Dakota	$79	17
New Mexico	$67	23
Arizona	$64	27
Nebraska	$62	28
Oregon	$56	34
Oklahoma	$50	38
U.S. Average	**$111**	**N/A**
Colorado	**$46**	**40**

Source: Morgan Quitno Corporation, State Rankings-2004

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 also a number of corporate income tax credits including an investment tax credit, and various enterprise zone tax credits. A number of credits are 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 2.9% sales or use tax on goods purchased by a business that are not intended for resale. Colorado's state sales tax rate is the lowest among the 45 states that collect sales tax. 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.

State Sales Tax Exemptions: 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, aircraft parts used in general maintenance, interstate long distance telephone charges, farm equipment and machinery, 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.

State Sales Tax Refund for Biotechnology: State sales and use taxes paid on the sale, storage, use or consumption of tangible personal property to be used in Colorado directly and predominantly in research and development of biotechnology is refundable.

Legislation passed in 2001 allows for a 50% sales & use tax refund on tangible personal property used for research and development in any industry in years when there is a revenue surplus.

For additional information on Sales and Use Taxes please see the state of Colorado's Department of Revenue web site: http://www.revenue.state.co.us/

Unemployment Taxes

An employer's unemployment insurance tax liability is based on the taxable wage base, which is the first $10,000 of each worker's wages. If covered for the first time, the tax rate will be 1.7% of the wage base rate, plus an annually computed surtax. For calendar year 2003, the surtax is .22%, for a total of 1.92%. After twelve months the employer is eligible for a calculated rate.

Specific information on the tax rate for a business can be obtained from the Colorado Department of Labor and Employment Unemployment Insurance Tax Branch at (303) 381-9100, or on the web www.coworkforce.com/UIT

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. 2005 is expected to be the 4th year in a row with lower workers compensation costs, anticipated to drop 3.4% from 2004. Reforms 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 web site 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 2003 was 74.335 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. Business personal property with an economic life of one year or less, or with acquisition cost of $250 or less, is exempt. Computer and telecommunications equipment will have new, accelerated depreciation schedules and reduced residual values. 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.

The "Economic Recovery Act" passed in June 2002 extends the life span of business personal property tax incentive agreements negotiated by cities, counties, or school districts from four to ten years, giving local communities greater leverage to attract top-notch companies. This bill also increased the maximum amount of time to 10 years that companies in terminated former enterprise zone areas may have to use "grandfather" extensions of their enterprise zone tax credits.

For more information on property taxes in Colorado, see the Department of Local Affairs web site: http://www.dlg.oem2.state.co.us/PropertyTax/index.htm

Inventory Taxes

Inventory taxes are not assessed in Colorado and there is no franchise tax.

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.

Investment Tax Credits

The Colorado Tax Equity Act, signed into law during the 1987 legislative session, reinstates the Colorado Investment Tax Credit. With a maximum 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 $2,000 tax credit per new employee hired in economically depressed rural areas. There is an additional $500 per employee hired in value-added agricultural processing business. (Effective January 1, 2003).
- 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. In June 2002, the state extended the tax credit to non-profit "community development" projects which help implement each enterprise zone's local economic development plan.
- 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
- Tangible Personal Property Used in Biotech Research & Development **(refund, not exemption)**

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 7.96 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 2003, the average total mill levy for the state was 74.335. 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 web site: 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 neighboring and similar states.

State and Local Government Tax Revenue as a Percent of Personal Income
Colorado and Selected States (2000)
(Latest data released by Census Bureau)

State	*State/Local Tax Burden*	*Rank*
Arizona	10.2%	28
California	10.9%	15
Colorado	**9.3%**	**43**
Idaho	10.5%	19
Kansas	10.3%	25
Minnesota	11.4%	7
Nebraska	10.5%	19
New Mexico	12.1%	4
Oregon	9.9%	36
Utah	11.2%	8
Washington	10.0%	31
Wyoming	11.0%	12
U.S. Avg.	*10.4%*	

EDUCATION

Colorado's population is knowledge-intensive and extremely well educated. In 2004, the U.S. Census Bureau ranked Colorado third in the nation in percentage of population with a college degree, 36% of all adults have at least a bachelor's degree.

The Progressive Policy Institute's State New Economy Index ranked Colorado's work force as the second most educated in the nation.

Colorado colleges and universities offer a broad range of business, management, engineering, and technical degrees. All have programs directed at encouraging women and minorities in technical disciplines and all conduct joint research and training programs with corporations, particularly in technical and scientific areas. Most graduates remain in Colorado to pursue their careers, creating a valuable source of human capital that is augmented with a host of graduates from other states and nations.

Colorado K-12 Education

Colorado's 178 school districts had a Fall 2003 enrollment of 757,668, an increase of 0.8% over 2002. Large districts are concentrated in metropolitan areas while some rural areas have very small enrollments. The 10 largest school districts enroll 56% of all students, while the remaining 168 districts serve the remaining 44% of state school enrollment.

State of Colorado K-12 Education Revenues by Source

SOURCE	*PERCENT OF TOTAL*
Local Taxes (property and specific ownership)	40.5%
State Equalization	59.5%
TOTAL	100%

Source: Colorado Department of Education, 2003

Landmark legislation passed in 2000 requires the participation of all K-12 public school students in the state's assessment system, CSAP. Based on results and improvements, every school in Colorado is issued a Report Card for which annual progress and innovative programs are rewarded, providing Colorado's children the highest quality public education possible. Also passed in 2000, Amendment 23 increased public school funding by requiring that spending on state special purpose educational programs be increased by at least the rate of inflation plus one percent.

Colorado Student Test Scores

Colorado is one of only two states (the other is Illinois) that mandate that all juniors, Grade 11, take the ACT test. As a result, Colorado's average score fell below the national average for the first time. Colorado officials chose to administer the ACT Assessment to all 11th graders because it is a curriculum-based achievement test that matched up closely with their state learning standards, and to encourage students to attend college who had not previously considered it as an option.

It should be noted that average ACT score for test takers with core courses, the traditional college-bound, was 21.9.

The SAT is taken by about 27% of Colorado high school students, and average scores remain well above national averages.

Colorado Student Performance on College Entrance Exams, 2003

Test	*COLORADO Average Score (% tested)*	*U.S. Average Score (% tested)*
SAT	1104 (27%)	1026 (48%)
ACT	20.1 (100%)	
	21.9 (48% w/ core courses)	20.8 (40%)

Source: Colorado Department of Education

"Education Quotients" of Colorado School Districts

Expansion Management magazine compiles an "education quotient" for school districts across the United States. It examines over 2,000 school districts nationwide to create an index based on 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 well in this ranking. The following districts earned "gold ribbon" or "blue ribbon" rating, described as the top 16 and 33 percent, respectively, of all districts ranked.

District	*Education Quotient*
Adams-Arapahoe – Metro Denver	116
Boulder Valley	136
Cherry Creek- Metro Denver	134
Colorado Springs	119
Englewood – Metro Denver	131
Ft. Collins (Poudre) – Larimer County	127
Golden (Jefferson County)	125
Littleton – Metro Denver	119
Thompson – Larimer County	129

Colorado Educational Attainment

The following table compares Colorado with its neighboring states in terms of educational attainment of the population 25 years and over:

State	*Percent College Grads*	*U.S. Rank*
COLORADO	36	3
Arizona	26	22
Kansas	31	10
Nebraska	26.8	19
New Mexico	23.7	37
Oklahoma	24.3	31
Utah	28.4	14
Wyoming	20.7	47

Source: U.S. Census Bureau, 2004

Colorado Higher Education FTE Enrollments (2003-04)

Four-Year Colleges and Universities:

Institution	*Location*	*FTE Enrollment*
Adams State College	Alamosa	2,313
Colorado School of Mines	Golden	3,445
Colorado State University	Ft. Collins	22,626
Colorado State University-Pueblo	Pueblo	3,534
Fort Lewis College	Durango	3,941
Mesa State College	Grand Junction	4,707
Metropolitan State College	Denver	14,628
University of Colorado – Boulder	Boulder	26,374
University of Colorado – Colorado Springs	Colorado Springs	6,146
University of Colorado - Denver	Denver	8,580
University of Colorado Health Sciences Center	Denver	2,664
University of Northern Colorado	Greeley	10,709
Western State College	Gunnison	2,165
Four-Year Institution Total		**111,922**

Two-year Colleges:

Institution	*Location*	*FTE Enrollment*
Aims Community College	Greeley	3,288
Arapahoe Community College	Littleton	4,854
Colorado Mountain College	Glenwood Springs	2,815
Colorado Northwestern College	Rangely	1,008
Community College of Aurora	Aurora	3,484

Community College of Denver	Denver	5,539
Front Range Community College	Westminster	9,949
Lamar Community College	Lamar	741
Morgan Community College	Ft. Morgan	941
Northeastern Junior College	Sterling	1,532
Otero Junior College	La Junta	1,247
Pikes Peak Community College	Colorado Springs	6,707
Pueblo Community College	Pueblo	4,286
Red Rocks Community College	Lakewood	4,711
Trinidad State Junior College	Trinidad	1,577
Two-Year Institution Total		**52,679**

Source: Colorado Commission on Higher Education, Final Student FTE Enrollment Report, August 2004

- FTE enrollment totaled 164,601 at Colorado's public post-secondary institutions in 2003-04.

- Private colleges and universities in Colorado had enrollments totaling over 30,000 in 2003. These include the University of Denver, Regis University, Colorado Christian University, Colorado College, and many smaller institutions.

- Finally, vocational schools and proprietary institutions provide another post-secondary education option for Colorado residents. 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.

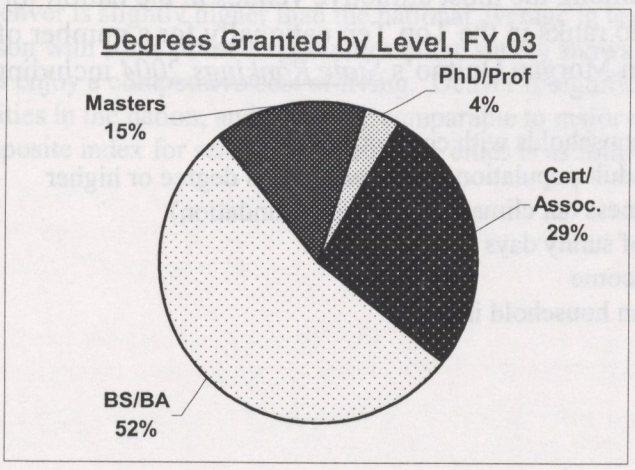
Colorado Higher Education - Degrees Conferred

Colorado students received 35,882 degrees awarded by 28 public higher education institutions in fiscal year 2003, the most recent year for which there is data. The following table summarizes the degrees granted by major subject area of study.

Over 6,000 Colorado students received degrees in Business and Management, and almost 4,400 received degrees in Math & Computer Sciences or Engineering & Technology in 2003.

Major	*Degrees Conferred*
Agricultural Science/Agribusiness	847
Architecture	372
Bioscience & Life Sciences	1,342
Business & Management	6,012
Communications	1,448
Education	1,382
Engineering & Technologies	2,674
Health Care	3,942
Humanities & Liberal Arts	4,998
Law & Public Admin.	576
Mathematics & Computer Science	1,700
Miscellaneous/Interdisciplinary	1,350
Natural Resources & Conserv.	340
Parks, Recreation, Leisure Serv.	865
Protective Services	1,048
Social & Behavioral Sciences	4,804
Visual & Performing Arts	1,410
Vocational Programs	772
TOTAL	**35,882**

Source: Colorado Commission on Higher Education, FY 2003 Degrees Granted, July 2004



COST OF LIVING & QUALITY OF LIFE

An excellent quality of life is critical to the attraction, motivation, and retention of the skilled and talented workers that are essential to the success of a growing business. Colorado is a place where such excellent quality of life not only exists, but also thrives.

Colorado's high quality of life is attractive to businesses and individuals, residents and tourists. An incredible combination of spectacular scenery, recreational opportunities, moderate climate, excellent facilities for arts and culture, and world-class health care and public school systems make Colorado an ideal place to call home. A reasonable cost of living, low crime rates, and a wide selection of communities to suit every lifestyle all contribute to the wrapping that makes Colorado's package shine.

Concern for the environment is a widely held value among Colorado's individual and corporate citizens. The state is home to 40 state and three national parks and is a leader in recycling and renewable energy.

Colorado has abundant artistic and cultural resources with broad public and private support. The state is a national leader in funding for the arts, which are greatly supported by 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 the 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.

Quality Of Life Indicators

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. Colorado ranks in the Top Ten nationally for a number of quality of life indicators. Rankings from Morgan Quitno's *State Rankings 2004* including:

- 2nd in number of households with computers
- 3rd in percent of adult population with a bachelor's degree or higher
- 4th best small business tax climate (Taxpayer Foundation)
- 6th in percentage of sunny days
- 8th in per capita income
- 10th highest median household income

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. A value of greater than 100 indicates a cost of living higher than the average, with a value lower than 100 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 second quarter of 2004.

Colorado Cities' Cost of Living Index

Second Quarter, 2004 (309 cities participating nationwide)

Area	*C.O.L. Index*
Colorado Springs	96.9
Denver	104.4
Fort Collins	104.8
Glenwood Springs	120.6
Grand Junction	99.0
Greeley	93.1
Gunnison	111.3
Pueblo	90.9

Source: ACCRA Cost of Living Index, Second Quarter, 2004, published August 2004

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 selected participating cities is as follows:

Major Metro Areas
Second Quarter 2004

Area	*C.O.L. Index*
Boston	137.1
Chicago	131.1
Dallas	95.5
Denver	**104.6**
Las Vegas	112.1
Los Angeles	157.4
Minneapolis	111.2
New York City	215.0
Philadelphia	120.4
Phoenix	99.0
Portland	107.6
San Diego	143.1
San Francisco	181.5
Seattle	118.2
Washington DC	138.9

Smaller Cities
Second Quarter 2004

Area	*C.O.L. Index*
Albuquerque	102.4
Boise	97.3
Cheyenne	106.9
Colorado Springs	**96.9**
Corvallis	111.7
Flagstaff	106.9
Fort Collins	**104.8**
Greeley	**93.1**
Lawrence, KS	98.2
Lincoln	96.7
Pueblo	**90.9**
Reno	103.2
Santa Fe	111.6
Tacoma, WA	104.4

Crime Rate Comparison

Violent Crime Rate-2002 (per 100,000 population)

Colorado ranks 27th nationally in violent crimes per 100,000 population and is well below the national average and compares favorably with most of its neighboring states.

State	*Rank*	*Rate*
South Carolina	1	822
New Mexico	4	739.5
Nevada	7	637.5
California	10	593.4
Texas	11	578.6
Arizona	13	552.9
Oklahoma	16	503.4
U.S. Average	--	**494.1**
Kansas	24	376.6
Colorado	**27**	**352.4**
Washington	30	345.4
Nebraska	32	313.9
Oregon	34	292.4
Utah	43	236.9

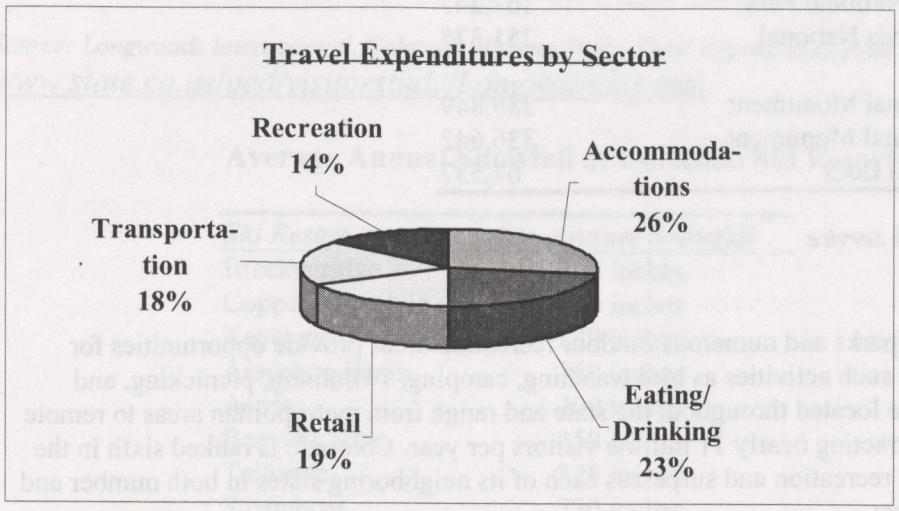
Source: Morgan Quitno "State Rankings 2004" based on U.S. Department of Justice, Federal Bureau of Investigation, Uniform Crime Reports, 2002, Released in October 2003.

RECREATION & TOURISM

Museums, sports, parks, monuments, and mountains — the Centennial State has it all. Colorado has long been recognized as one of the premier destinations in North America for recreation and tourism. Tourism is a major economic generator for the state, with 24.9 million domestic visitors taking overnight trips in 2003.

Colorado Tourism Revenues

Domestic travel expenditures in Colorado totaled approximately $7.1 billion in 2003, making it one of the state's largest industries and one of the country's leading markets for travel revenues. International travelers are estimated to have spent an additional $900 million in Colorado.



Source: Longwoods International, Colorado Visitors Study, Final Report, May 2004.

Recreational Opportunities

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

National Parks and Monuments

Colorado's national parks and monuments provide an incredible variety of outdoor recreational opportunities. These areas receive over 4.6 million annual visitors.

- Rocky Mountain National Park is 416 square miles of spectacular scenery and was designated a biosphere reserve in 1976. Its 360 miles of trails offer wildlife viewing on 65 mountain peaks that are over 10,000 feet high.
- Mesa Verde National Park, a World Heritage site, contains some 350 cliff dwellings dating back to the twelfth century.

- The Great Sand Dunes was officially designated as a national park in September 2004. This formation is over ten miles long and features the highest dunes in all of America.
- Dinosaur National Monument, 60 miles west of Craig, is one of America's richest sites for fossils.
- Colorado National Monument, west of Grand Junction, has over 20,000 acres of towering red sandstone monoliths, sheer canyon walls and a variety of wildlife.
- Florissant Fossil Beds National Monument, just west of Pikes Peak, offers glimpses of prehistoric life from volcanic eruptions 35 million years ago – petrified redwoods, ancient insects and plants.

Park	*Total Visitors, 2003*
Rocky Mountain National Park	3,067,256
Mesa Verde National Park	438,590
Black Canyon National Park	167,247
Great Sand Dunes National Park	251,375
Dinosaur National Monument	289,849
Colorado National Monument	336,642
Florissant Fossil Beds	67,537

Source: National Park Service

State Parks

Colorado's 40 state parks and numerous outdoor recreation areas provide opportunities for boating, hiking, and such activities as bird watching, camping, swimming, picnicking, and fishing. Facilities are located throughout the state and range from metropolitan areas to remote wilderness areas, attracting nearly 11 million visitors per year. Colorado is ranked sixth in the nation for parks and recreation and surpasses each of its neighboring states in both number and acreage of state parks:

State	*State Parks*	*Acreage*
Arizona	14	32,020
Colorado	**40**	**214,245**
Kansas	24	32,300
Nebraska	8	30,095
New Mexico	29	89,420
Nevada	13	69,985
Utah	36	92,718
Wyoming	11	117,592

Source: National Association of State Park Directors

Skiing and Winter Recreation

Colorado boasts more than 35 winter recreation areas, offering such activities as snow shoeing, snow mobiling, 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, gentler runs for the family. *Ski Magazine* readers ranked six Colorado ski areas in the top ten in North America. Of the $1 Billion spent on recreation each year in Colorado, 35 percent is spent on ski related recreation. Colorado leads the nation in share of total ski trips nationwide:

State Shares (%) of Overnight Ski Trips, 2003

State	*Share (%)*	*Rank*
Colorado	**17.3**	**1**
California	15.5	2
Nevada	8.2	3
Vermont	7.9	4
Utah	7.1	5

Source: Longwoods International, Colorado Visitors Study, Final Report, May 2004,
www.state.co.us/oed/visitorstudy/LongwdIndex.htm

Average Annual Snowfall at Colorado Ski Resorts

Ski Resort	*Avg. Annual Snowfall*
Breckenridge	300 inches
Copper Mountain	280 inches
Keystone	230 inches
Arapahoe Basin	360 inches
Aspen	300 inches
Beaver Creek	350 inches
Telluride	325 inches
Steamboat	330 inches

Other Outdoor Recreation Opportunities

- **Rock and Ice Climbing** are becoming increasingly popular activities in the state. Eldorado Canyon near Boulder is ranked as one of the top ten rock climbing venues in the entire world. In winter, several of the state's numerous waterfalls freeze, allowing for some spectacular ice climbing.

- **Water Sports** are plentiful, with premier whitewater rafting and kayaking on the upper Colorado, Green, and Arkansas rivers. Many of Colorado's numerous lakes and reservoirs offer excellent water skiing, jetskiing, and sailing.

- **Hiking** Colorado's 11,000 miles of trails offer choices ranging from the 500-mile Colorado Trail linking Denver and Durango, to gentle terrain through Chautauqua Park at the base of the famous Flatirons in Boulder, and everything in between.

- **Hunting & 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. High-altitude, cold-water streams teem with several species of fish, including the illustrious rainbow trout.

- **Wildlife & Nature Viewing** is abundant. Colorado is home to 960 wildlife species and more than 230 wildlife areas for public recreation. From bear to mountain lion to Rocky Mountain bighorn sheep, visitors and residents alike enjoy observing these majestic creatures.

- **Mountain Biking** has become one of Colorado's favorite sports in recent years. *Bicycling* magazine has named several Colorado towns among its Top Bike Towns.

- **Dude Ranches** located throughout the state offer visitors the opportunity to experience what life was like during the days of cattle drives. Each of the 40 dude ranches has its own unique style with a variety of outdoor activities, gourmet meals and top-notch entertainment for their pampered guests.

- **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 states nationwide in terms of growth, according to Colorado Golf Association.

Professional Sports

Colorado is home to a large family of professional sports teams. Denver is one of only ten cities in the nation with major league teams in the country's four major sports (football, baseball, basketball, and hockey).

- NFL World Champion Denver Broncos. The voters in the Denver Metropolitan area approved a stadium tax in 1998 to help build the Denver Broncos a new stadium, Invesco Field at Mile High, which opened in 2001.

- NBA Denver Nuggets basketball franchise plays in the recently completed Pepsi Center.

- NHL Colorado Avalanche moved to Colorado from Quebec in 1996 and won the Stanley Cup in their first season here. They became champions again in 2001, bringing the Stanley Cup to Denver for the second time.

- Colorado Rockies Major league baseball came in 1993. In 1995, the Rockies' new stadium, Coors Field, was opened in downtown Denver. The Colorado Sky Sox, the AAA franchise for the Colorado Rockies, call Colorado Springs home.

- Other professional sports teams include the Colorado Rapids Soccer club, Colorado Crush arena football, and Colorado Mammoth Lacrosse, in their inaugural season in 2003.

- Rodeo - Colorado's western heritage and its location in the heart of America's cattle country make the rodeo a leading spectator sport. The National Western Stock Show and Rodeo in Denver drew 625,345 spectators in 2004. Greeley boasts the world's largest 4th of July Rodeo, beginning in late June and lasting through the first week of July.

Arts & Culture

Performing Arts

Colorado offers an abundance of top-notch performances in theater, concerts featuring all types of music, dance, and film festivals. The Denver Performing Arts Complex is home to seven theatres and a concert hall that hold 9,300 people between them. Several Broadway productions travel to Denver on national tours. In recent years, "The Lion King," "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. Newly renovated in 2003, 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.

Major Colorado Performing Arts Venues and Seating Capacities

Venue	*Seats*
Denver Performing Arts Complex (includes Buell Theatre, Auditorium Theatre, Boettcher Concert Hall, and five intimate theaters)	9,316
Pepsi Center, Denver	20,100
Red Rocks Amphitheater, Denver	8,649
Invesco Mile High Stadium, Denver	76,125
Arvada Center for the Arts & Humanities (indoor theatre and outdoor amphitheater	1,700
Fiddlers Green Amphitheater, SE Denver	18,000
Denver Coliseum	11,530
Magnuss Arena, University of Denver	8,000
World Arena, Colorado Springs	9,000
Pikes Peak Center, Colorado Springs	2,000
Gerald R. Ford Amphitheater, Vail	2,800

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. It is currently undergoing a 146,000 square foot expansion, to bring the museum to more than 350,000 square feet. World-renowned architect Daniel Libeskind is designing the $112 million project.

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.

For additional information, visit Colorado Tourism's website www.colorado.com

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

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 5th busiest airport, and the 10th busiest in the world.

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 nearly 3,000 miles of Class 1 railroad tracks, as well as intermodal train/truck facilities.

Air Service

Nineteen airlines offer regularly scheduled passenger service to Denver International Airport. In addition to DIA's regular scheduled flights, several international and domestic charters leave from its gates daily. British Airways offers daily non-stop service between Denver and London. Lufthansa has daily nonstop service to Frankfurt, and Mexicana flies non-stop to Mexico City. 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 37 million passengers passed through Denver International Airport in 2003, a 5.2% increase from 2002.
- DIA is on pace to set a record for passenger traffic in 2004, the first half of the year is 22% ahead of first half 2003.

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.

Construction on a 16,000-foot sixth runway was recently completed at a cost of $169 million. This is the longest runway in the U.S. and will allow long-distance aircraft to fly direct to Europe and Asia during the summer.

DIA has over 320,000 square-feet of air cargo space on 22 acres. 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.

In light of the recent need to increase security measures at all airports, DIA recently completed a passenger screening expansion project. At a cost of $4.7 million the expansion added six new screening lanes in the terminal to cut down the time spent in security lines.

DENVER INTERNATIONAL AIRPORT OPERATIONS AND TRAFFIC DATA, 2000-2002

Operations and Traffic	*2001*	*2002*	*2003*	*% Incr./Decr. (2001-2002)*
AIRCRAFT OPERATIONS				
Air carrier	352,033	338,049	323,610	-4.3%
Air Taxi	139,538	157,777	174,092	10.3%
Military	1,551	987	1,345	36.3%
General Aviation	14,614	12,416	11,228	-9.6%
TOTAL	507,736	509,229	510,275	0.2%
PASSENGERS				
Internationals	831,664	772,007	945,318	22.4%
Majors	28,274,052	26,586,980	26,153,148	-1.6%
Nationals	5,602,755	6,249,108	7,470,740	19.5%
Regionals	657,184	1,333,698	2,785,581	108.9%
Supplementals	727,151	710,291	150,351	-78.8%
TOTAL	36,092,806	35,652,084	37,505,138	5.2%
CARGO OPERATIONS				
Air Mail (pounds)	227,205,534	95,573,027	170,426,615	12.4%
Freight & Express (pounds)	563,600,888	636,282,226	609,992,807	-4.1%

Definitions:

- *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, Lufthansa, Mexicana, and United.
- *Majors* include Alaska, 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 2003

Daily Non-Stop Flights to Major US Metropolitan Areas - Denver International Airport

DIA averaged almost 1,400 flights per day in 2003, 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	13	14
Atlanta, GA	18	22
Baltimore, MD	8	7
Boston, MA	15	10
Charlotte, NC	7	6
Chicago, IL	30	29
Cleveland, OH	4	4
Dallas/Ft. Worth, TX	26	26
Detroit, MI	7	9
Houston, TX	12	13
Kansas City, MO	12	12
Las Vegas, NV	16	17
Los Angeles	35	34
Miami, FL	4	6
Minneapolis, MN	19	20
New Orleans, LA	5	4
New York, NY	28	26
Oklahoma City, OK	9	8
Philadelphia, PA	8	8
Phoenix, AZ	22	21
Portland, OR	13	15
St. Louis, MO	14	12
Salt Lake City, UT	18	17
San Diego, CA	11	12
San Francisco, CA	15	19
Seattle/Tacoma, WA	20	22
Washington, D.C.	23	24

Colorado Cities	*Flights To*	*Flights From*
Alamosa	3	3
Aspen *	7	7
Colorado Springs	10	9
Cortez	3	3
Durango *	7	7
Grand Junction	10	10
Gunnison *	2	2
Montrose *	5	5
Pueblo	3	3
Telluride *	2	2
Vail *	3	3

Source: DIA Flight Guide, April 20th 2004.

* More flights during ski season. Four non-stop flights to Eagle County Airport begin providing service to ski resorts in December. Eagle County is the third busiest airport in Colorado. Also service to Hayden/Steamboat Springs during ski season.

Non-stop Flights from Colorado Springs Airport: The Colorado Springs Airport has non-stop service to over 16 cities nationwide. The following table lists the destinations, as well as the number of non-stop flights departing Colorado Springs daily.

City, State	*Non-stop Flights*
Albuquerque, NM	1
Atlanta, GA	2
Chicago (O'Hare), IL	2
Cincinnati, OH	2
Dallas/Ft. Worth, TX	6
Denver, CO	4
Houston, TX	4
Los Angeles, CA	2
Minneapolis/St. Paul, MN	1
Phoenix, AZ	3
Salt Lake City, UT	3
St. Louis, MO	1
San Antonio, TX	1

Source: Colorado Springs Airport Flight Guide, April 20th 2004

The Colorado Highway System

The Colorado Department of Transportation maintains the 9,000+ miles state highway system. These highways contain 22,759 lane miles. The state has 954 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 2003-2004 fiscal year, the Colorado Department of Transportation budget was approximately $795 million, *excluding* TRANS bond proceeds used for construction projects.

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 to 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.
- Other significant projects –
    - Widening US Highway 50 between Grand Junction and Delta, to start in early 2004.
    - Safety improvements on US 160 between Wolf Creek and South Fork, a $26 million project started in late 2003.

T-REX Project - A unique collaboration between the Colorado Department of Transportation, the Regional Transportation District, the Federal Highway Administration, and the Federal Transit Administration.

- Citizen-endorsed solution
- Completion in Fall 2006 (18 months ahead of schedule)
- $1.67 billion project, funded without new taxes

- Highway expansion (lane additions) and improvements.

- Bridge reconstruction and access improvements.

- The addition of 19 miles of light rail along I-25 from Broadway Boulevard in Denver to Lincoln Avenue in Douglas County.
- The addition of light rail from I-225 from Parker Road in Aurora to a newly configured I-25 interchange.

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 seven 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. Burlington Northern/Santa Fe Railroad and Union Pacific/Southern Pacific Railroad operate the Class-One rail lines.

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.

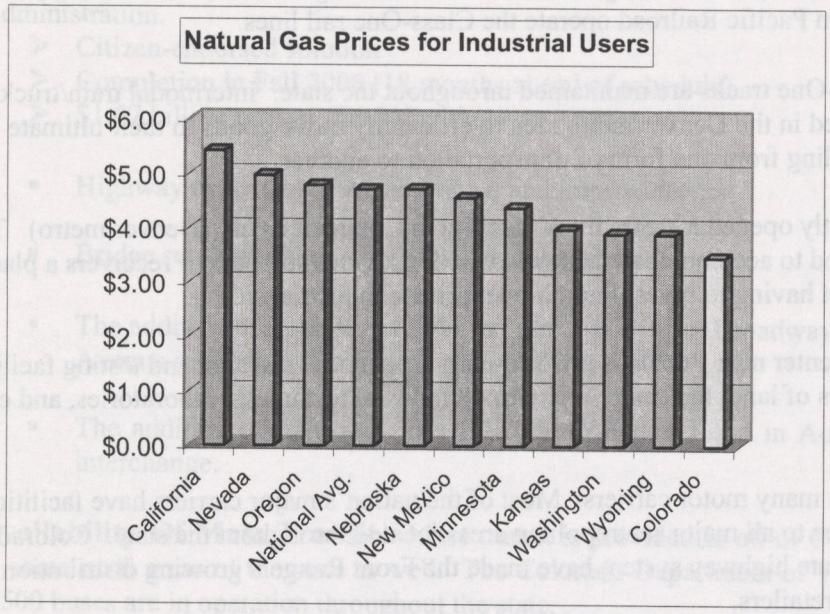
Colorado is well served by many motor carriers. Most of the nation's major carriers have facilities in the state. They provide service to all major metropolitan areas located throughout the state. Colorado's central location and interstate highway system have made the Front Range a growing distribution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

UTILITIES

Colorado consumers are efficient energy users. Colorado ranks 40th in per capita energy consumption. Per capita energy expenditures of $2,008 are 19% below the national average of $2,492, placing Colorado 49th among the 50 states. Xcel Energy is the main provider of electricity and natural gas for the Denver metropolitan area and much of the Front Range region. A significant number of municipalities in Colorado operate their own utilities. Most provide electric only, or gas only, but Colorado Springs and Fort Morgan provide both. There are also 26 rural electric associations (REA's) operating in rural areas of the state. The Public Utilities Commission regulates utilities. For more information, visit their website at www.dora.state.co.us/puc/index.htm

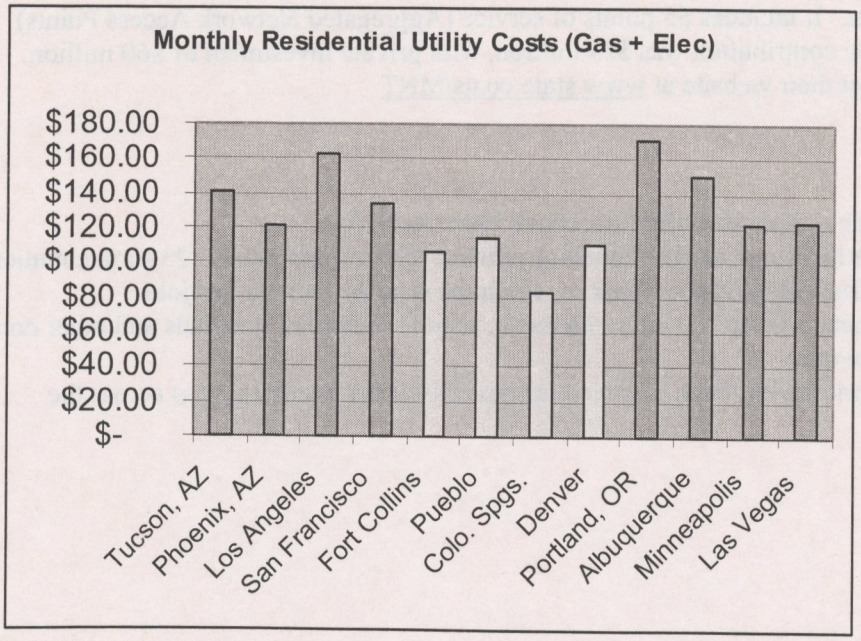
Natural Gas Prices

- Industrial users – Colorado ranks 48th, at $3.47 per million btu's, or 26% below the national average of $4.71
- Residential customers – Colorado ranks 42nd in average price of natural gas - $5.40 per thousand cubic feet versus national average of $7.88.



Electricity Prices

- The average monthly electric bill for Colorado residential customers was $50.59 in 2002 (latest reported by Department of Energy), ranking 48th nationally, and 34% the national average of $76.74.
- Colorado ranked 35th for Industrial users, with average monthly electric bills of $4,944, 26% lower than the national average of $6,647.



Source: ACCRA Cost of Living Index, Second Quarter, 2004

Water

The primary source of the states water supply comes from five major river basins - the Platte, Arkansas, Rio Grande, Upper Colorado (includes Yampa, White and Green Rivers) and the Lower Colorado (includes Gunnison, San Juan and Dolores Rivers). Ground water is also an important resource, supplying 18% of the state's drinking water. Quality of drinking water is excellent in Colorado; 99% of all drinking water systems are in full compliance with all federal drinking water standards.

Telecommunications

The economic boom of the 1990's created an array of opportunities for both consumers and the telecommunications industry in the State of Colorado. Industry leaders such as Qwest Communications, and Level 3, maintain their company headquarters in the Denver metro region. Although hurt by current overcapacity in the industry, Colorado remains a leader in telecommunications.

Qwest is the major provider of local telephone service in Colorado, but at least fourteen other providers, such as CenturyTel, and Plains Cooperative, serve many rural areas of the state. In addition, there are fifteen single exchange providers operating in Colorado. Long distance and wireless options are many, and competitively priced.

Statewide Mutli-Use Network (MNT)

The MNT is a public-private partnership between the State of Colorado and Qwest to build a high-speed fiber-optic network for the state. The goal is to bridge the digital divide and enable the same digital applications and services in rural counties as well as the metropolitan areas. The State will consolidate government agency functions and act as an "anchor tenant" and help leverage development of telecommunications infrastructure in all regions of the state.

This project is virtually complete. It includes 65 points of service (Aggregated Network Access Points) throughout Colorado. Total state contribution was $23 million, with private investment of $60 million. For more information please visit their website at www.state.co.us/MNT

MNT Goals & Achievements

- Bridge the Digital Divide – Statewide fiber backbone implemented.
- Economic Development for Rural Areas – Increase primary jobs in rural areas – 23 rural counties increase their job base from 2002-2003, a year in which the state as a whole lost jobs.
- Backbone of e-government – Over 700 cities, counties, schools, libraries, hospitals and other non-profits are using the network.
- Reduce costs – Equity pricing has been achieved, as has affordable internet access across the state.