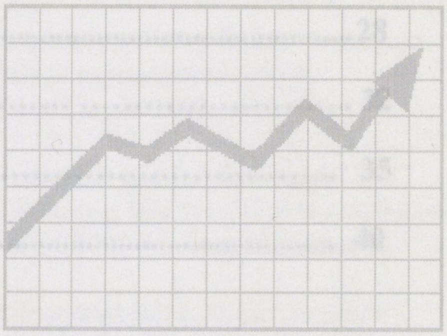
Economic Development Data Book



2008-09 Edition

Colorado
Economic Development Data Book

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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 one of the highest concentrations of high tech workers among all 50 states, ranking third. Emerging industries such as biosciences, photonics, homeland security and aerospace, nanotech and renewable energy are gaining momentum.

- Ten Fortune 500 companies are headquartered in Colorado.
- Colorado is a major transportation center.
  - Colorado has 17 commercial and 62 general aviation airports located throughout the state.
  - Denver International Airport (DIA) was the 4th busiest in the US in 2007, and 11th busiest in the world.
  - DIA set a new passenger traffic record in 2007, serving 49.9 million passengers, up 5.4% from 2006, and the fourth straight record-setting year.
  - Colorado serves as a key distribution center for the growing Rocky Mountain Region. An excellent system of highway and rail transportation supports this activity.
  - Exports of manufactured products totaled over $6.5 billion in 2007.

Colorado has a diverse manufacturing base, especially in high-tech durable goods. The largest manufacturing sub-sector, computer and electronic products manufacturing, has over 26,000 employees in 500 companies. The manufacturing sector as a whole employs over 147,000 workers in Colorado.

Among the state's largest industry sectors are Information, and Professional & Technical Services. Included within these categories are telecommunications, Internet services, software development, temporary employment agencies, and advertising, among others. Professional services such as legal and engineering are also major components of this sector. Together, these sectors employ nearly 350,000 Coloradans. Health care is another important sector, with almost 175,000 workers employed.

Agriculture and mining are Colorado's traditional economic strongholds—

- Farm and ranch market receipts (including forestry and government payments) totaled a record $6.3 billion in 2007.
- Colorado mineral production, including oil & gas, coal, and other minerals, reached $1 billion in 2007, as a result of increased production and higher energy prices.

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 reasonable indication of tourism activity. Visitors are drawn to Colorado year round, for the world-class skiing in the winter months, and the myriad of recreational activities and breathtaking scenery in the summer. Colorado's travel and tourism industry generated over $15 billion in 2007. Of this total, $9.8 billion was from domestic overnight visitors. The remainder was from international visitors, day trips and travel purchases by Colorado residents.

Colorado has a robust aerospace industry going back to the 1950s. Its 21st Century incarnation is exemplified by the recent emergence of United Launch Alliance (ULA), a joint venture of Lockheed Martin and Boeing. The new partnership, headquartered in Denver, has brought over 1,600 new aerospace jobs to the region.

The ULA announcement follows on the heels of a prior announcement that Lockheed Martin received an $8.2 billion Orion contract to build the next generation space vehicle. The Orion team is expected to grow from 500 currently to as many as 1,100 by 2009. Virtually all of the major aerospace companies have a presence in Colorado. Private sector companies plus military personnel bring total direct aerospace employment to almost 56,000.

A 2008 announcement by NASA that University of Colorado will receive $485 million in funding to support the MARS mission will further strengthen Colorado's space industry.

Renewable energy is another emerging industry where Colorado is poised to become a global leader. Vestas Wind Systems of Denmark recently completed a 200,000 square-foot blade production facility in Windsor, Colorado, to serve the growing US wind power market. It has a capacity of 1,200 blades per year and employs around 650 workers.

Vestas' commitment to Colorado's "new energy economy" continues with the recent announcement of a wind- turbine manufacturing plant in Brighton and wind-tower complex to Pueblo, bringing the company's total investments to $680 million and 2,450 new jobs to the state.

ConocoPhillips recently purchased a 432-acre site in metro Denver to house its world-class sustainable corporate training center and global research facility for renewable and alternative energy.

Other renewable energy companies that recently announced projects in Colorado include AVA Solar, Inc., Siemens Energy, SunEdison, and Renewable Energy Systems (RES) Americas.

Across all industry sectors, 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 start-ups per capita, 2nd in patents issued per 1,000 workers, as well as 3rd in percent of high tech firms. Colorado also ranks 8th in total share of Inc. 500 companies. The Inc. 500 annual list of the 500 fastest growing private companies in the U.S. included 12 Colorado companies in 2008.

Women-owned businesses in Colorado numbered over 135,000 according to 2002 Economic Census data, (the most recent available). Of these, 113,726 were sole proprietors, and 21,498 were firms employing 129,000 workers. Total women-owned business sales and receipts were $13.7 billion.

Colorado is home to over **46,000 minority-owned businesses** with annual sales and receipts exceeding $9 billion. Approximately 37,000 of these are sole proprietors, and the remaining 9,000 are firms employing over 66,000 Colorado workers. Approximately one-third of the minority-owned businesses are also woman-owned.

Colorado's Largest Private Sector Employers – 2007

Rank	Company	Type of Business	Colorado Employees
1	Wal-Mart	Discount Stores	24,686
2	Kroger (King Soopers/City Market)	Supermarkets	17,118
3	Safeway, Inc.	Supermarkets	12,075
4	Centura Health	Health Care	12,000
5	Qwest Communications Int'l.	Telecommunications	9,200
6	HCA-HealthOne LLC	Health Care	8,500
7	Target Stores	Discount Retailer	7,503
8	Exempla Healthcare	Hospital	7,191
9	Wells Fargo	Banking/Financial Services	6,000
10	UAL Corp (United Airlines)*	Air Transportation	5,273
11	University of Denver	Private University	5,126
12 (tie)	EchoStar Communications	Satellite Television	5,000
12 (tie)	Alpine Access	Call Center	5,000
12 (tie)	IBM	Computers	5,000
12 (tie)	Molson Coors Brewing Company	Brewery	5,000
16	United Parcel Service	Delivery Services	4,900
17 (tie)	Kaiser Permanente	Health Maintenance Org.	4,800
17 (tie)	Lockheed Martin	Aerospace & Defense	4,800
19	Banner Health Western Region Northern Colorado	Health Care	4,531
20	Comcast	Cable Service Provider	4,500
21	Poudre Valley Health System	Health Care	3,975
22	Ball Corporation	Containers, Aerospace	3,813
23	Xcel Energy	Utility	3,595
24	University of Colorado Hospital	Hospital	3,430
25	Sun Microsystems*	Computer Software	3,387
26	The Children's Hospital	Health Care	3,098
27	Albertsons	Supermarkets	2,800
28	Penrose-St. Francis Health Serv.	Health Care	2,712
29	Regis University	Private University	2,554
30	Boulder Community Hospital	Hospital	2,380

*Announced layoffs in 2008 will reduce this number during the year.

Sources: Denver, CO Springs, Boulder & Northern Colorado Business Journal 2008 *Book of Lists*

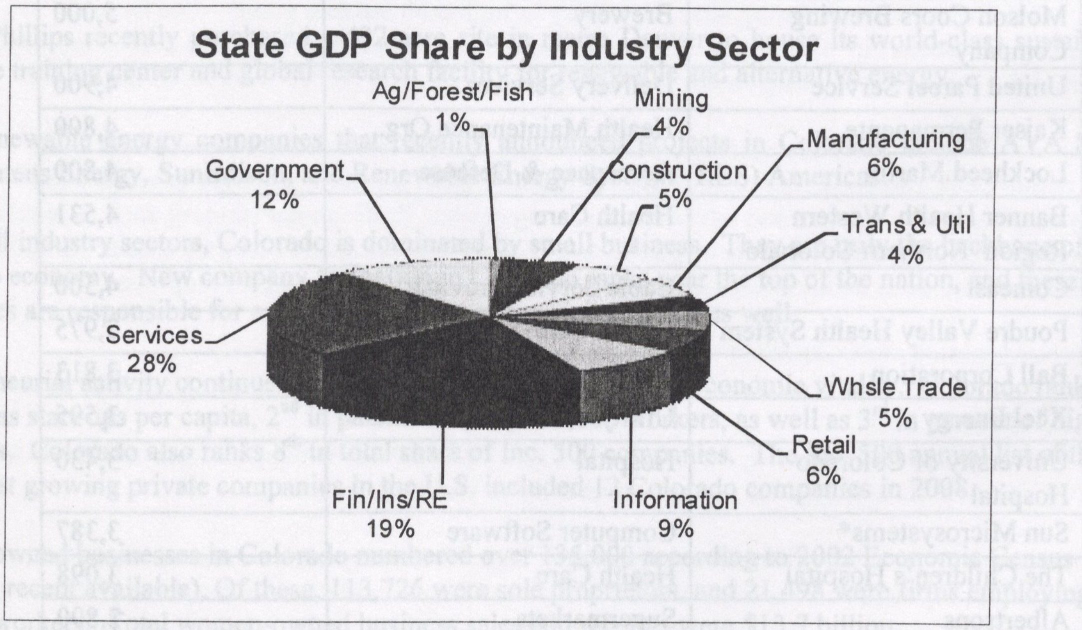
Colorado State Gross Domestic Product (GDP)

Colorado's 2007 GDP - $236.3 Billion

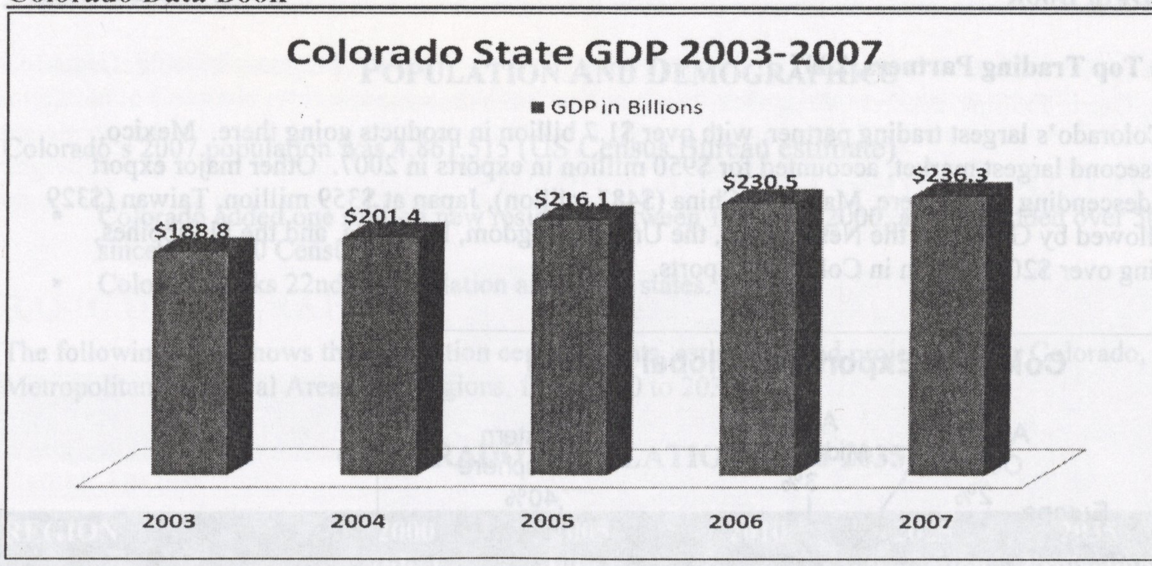
TOTAL STATE GDP, 2007 Industry Detail	Billions of Dollars
Agriculture/Forestry/Fisheries	**$2.0**
Mining	**$10.9**
Construction	**$12.4**
Manufacturing	**$15.2**
Transportation & Utilities	**$9.0**
Wholesale Trade	**$13.2**
Retail Trade	**$14.3**
Information	**$21.4**
Finance, Insurance, & Real Estate	**$44.1**
Services	**$65.7**
Government	**$28.0**

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

Source: Bureau of Economic Analysis, June 2008



Colorado's state GDP grew by 2.0% from 2006-2007, making it the 22nd fastest growing state in terms of GDP increase. Colorado's per capita GDP in 2007 was $40,805 ranking 10th among all states.



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 2007, Colorado exports reached $7.35 billion.

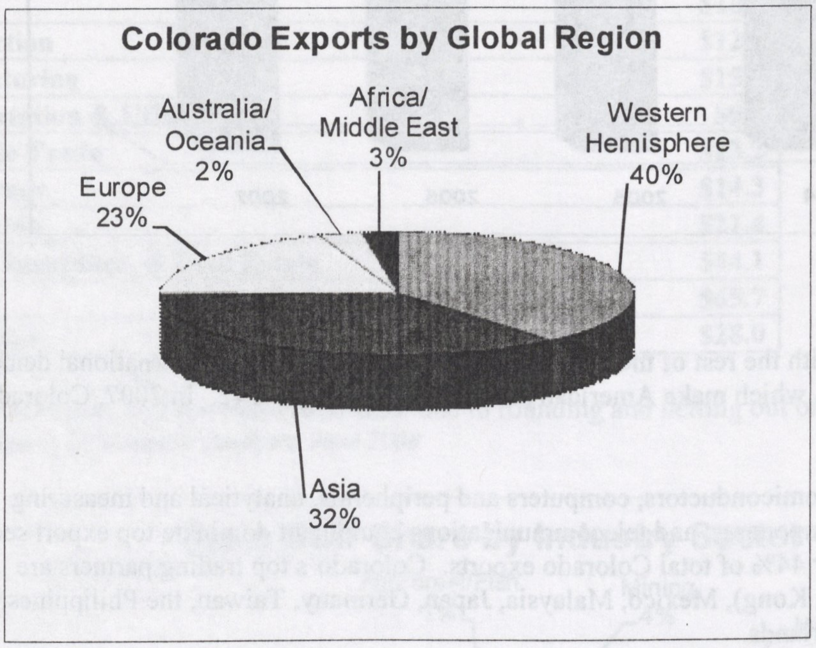
High-tech products, including semiconductors, computers and peripherals, analytical and measuring instruments, office machine components, and telecommunications equipment dominate top export sectors. High tech exports make up over 44% of total Colorado exports. Colorado's top trading partners are Canada, China (including Hong Kong), Mexico, Malaysia, Japan, Germany, Taiwan, the Philippines, the United Kingdom and the Netherlands.

Colorado's Top Manufactured Export Products, 2007

Product Description	2007 Annual Exports
Total – All Commodities	*$7,350,176,264*
Industrial Machinery, Including Computers	1,808,363,442
Electrical Machinery, Sound Equip., TV Equip. etc.	1,510,460,407
Optic, Photo, Medical or Surgical Instruments	940,508,328
Photographic or Cinematographic Goods	332,664,904
Ores, Slag, and Ash	183,685,113
Iron or Steel	125,677,757
Aircraft, Spacecraft & Parts	118,487,148
Fabricated Aluminum Products	116,824,956
Mineral Fuel, Oil, Bitumin Subst., Mineral Wax	104,081,419
Vehicles (except Railway or Tramway) and Parts	103,811,280
Total-Top Ten Commodities	**$5,344,564,754**
All other commodities (incl. Ag exports)	**$2,005,611,510**

Colorado's Top Trading Partners, 2007

Canada is Colorado's largest trading partner, with over $1.7 billion in products going there. Mexico, Colorado's second largest market, accounted for $950 million in exports in 2007. Other major export markets, in descending order, were, Mainland China ($487 million), Japan at $359 million, Taiwan ($329 million), followed by Germany, the Netherlands, the United Kingdom, Malaysia, and the Philippines, each receiving over $200 million in Colorado exports.



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

POPULATION AND DEMOGRAPHICS

Colorado's 2007 population was 4,861,515 (US Census Bureau estimate)

- Colorado added one million new residents between 1990 and 2000, and has added over 560,000 since the 2000 Census.
- 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 2000 to 2035.

COLORADO POPULATION (2000-2035)

REGION	2000 July 1 Estimate	2005 July 1 Estimate	2010 Projection	2025 Projection	2035 Projection
COLORADO	4,338,789	4,718,562	5,207,801	6,816,932	7,807,391
Front Range	3,538,755	3,862,633	4,250,332	5,457,755	6,204,133
• **Denver/Boulder Region**	2,418,292	2,623,871	2,845,175	3,567,777	3,955,107
• **Greeley MSA**	183,560	228,011	267,032	422,375	554,190
• **Ft. Collins MSA**	253,131	271,951	299,040	405,530	475,476
• **Colorado Springs MSA**	541,718	587,696	674,103	850,230	973,313
• **Pueblo MSA**	142,054	151,104	164,982	211,843	243,401
Western Slope	468,368	513,332	589,836	864,414	1,040,006
Central Mountains	126,179	131,841	145,235	207,312	240,050
San Luis Valley	46,416	48,506	50,608	60,855	66,410
Eastern Plains	159,071	162,250	171,790	226,596	256,792

Source: Colorado Department of Local Affairs, State Demographer's Office, November 2007

For more detailed population information, please see State Demography website – http://dola.colorado.gov/dlg/demog/pop_colo_forecasts.html

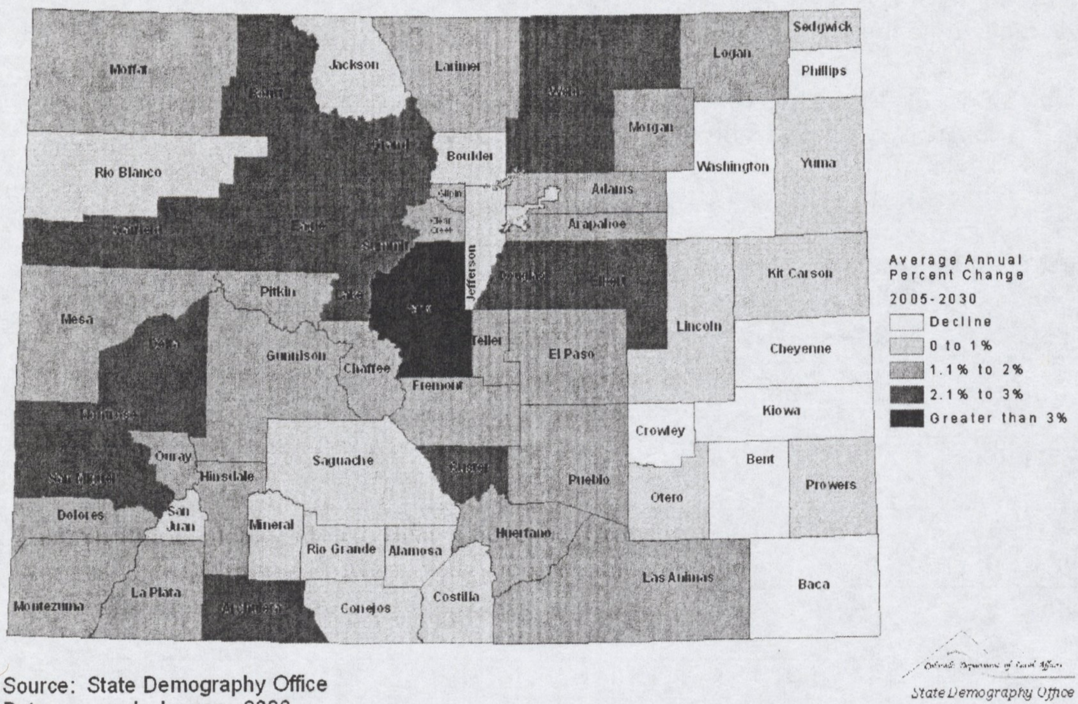
Note: State Demographer's Office uses July 1 as baseline.

Composition of Regions

- **Front Range** includes Adams, Arapahoe, Boulder, Broomfield, 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.

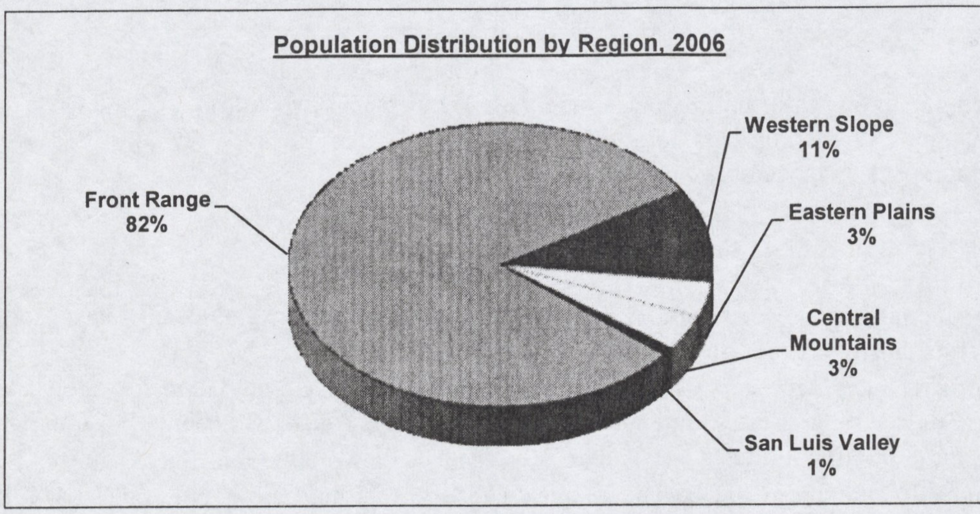
- **Eastern Plains** includes Baca, Bent, Cheyenne, Crowley, Elbert, Kiowa, Kit Carson, Lincoln, Logan, Morgan, Otero, Phillips, Prowers, Sedgwick, Washington, and Yuma counties.

Average Annual Percent Change 2005-2030



Source: State Demography Office
Data prepared: January, 2006

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



Colorado's population is projected to increase by over three million people between 2005 and 2035. In-migration to Colorado typically accounts for nearly sixty percent 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, and other factors such as retirees moving in, people moving for quality of life and other intangibles.

BASIC DEMOGRAPHICS

Variable	COLORADO	U.S.
Median Age (est. 2007)	35.6 (41st)	36.6
Percent of Population Under Age 18	24.5%	24.5%
Percent of Population Over Age 65	10.1%	12.6%
Race/Ethnicity (U.S. Census, 2007 Estimate)		
Percent White (non-Hispanic)	71.3%	66.0%
Percent Black	4.2%	12.8%
Percent American Indian	1.2%	1.0%
Percent Asian	2.7%	4.4%
Percent Two or more races	1.9%	1.6%
Percent Hispanic (of any race)	19.9%	15.1%
Labor Force Participation, Population Age 16 and Over (U.S. Census, 2006)		
Percent in Labor Force	72.8%	69.2%
Educational Attainment, Age 25 and Over (U.S. Census, 2006)		
Percent College Grads (or higher)	34.3% (Ranks 3rd in the nation)	27.0%
Percent High School Grads (or higher)	88.0% (Ranks 17th in the nation)	84.1%
Income		
Median Household Income, 2007	$55,212 (Ranks 12th)	$50,740
Per Capita Income, 2007	$41,042 (Ranks 10th in the nation)	$38,611

Sources: U.S. Census Bureau, Population Estimates Program 2007, American Community Survey 2007, 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 has a diversified employment base across a broad range of industry sectors. A skilled workforce makes a critical contribution to the vitality of the Colorado economy. Customized job training programs assure that workforce skills will remain cutting edge, allowing employers to compete in a global economy.

Colorado ranked fifth in the nation in CNBC's 2008 annual "Top States for Business" report and posted the largest jump in rankings among all 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.

- Colorado's economy added 51,100 net new jobs in 2007, an increase of 2.2 percent over 2006.
- Colorado is projected to add more than 33,600 new jobs in 2008 as job growth moderates, a 1.4 percent increase.
- In both 2006 and 2007, Colorado job growth outpaced national job growth rates.
- Colorado ranks third in the nation in concentration of high-tech workers, with 83 out of every 1,000 private sector workers in a high-tech job, according to AeA's "Cyberstates" 2008 edition.
- Colorado ranks second in workforce education based on the Kauffman Foundation's 2007 "New Economy" rankings.
- Colorado ranked first nationally for job, income and GSP growth prospects based on Forbes magazines 2008 "Best States for Business".

Wage Rates

Colorado's 2007 annual average wage rate for all industry sectors was $44,127. 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:
http://www.coworkforce.com/lmi/wages/wages.asp

Colorado's Unemployment Rate

Colorado's unemployment rate averaged 3.8% in 2007, below the US average of 4.6%. This advantage is expected to weaken in 2008 and 2009. Colorado's unemployment rate is expected to average 4.7% for the year, while the U.S. unemployment rate is expected to be 5.4% for 2008.

The following table indicates the annual average unemployment rates of representative labor markets throughout the state since 2002. 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	2002	2003	2004	2005	2006	2007
U.S. Average	**5.8**	**6.0**	**5.5**	**5.1**	**4.6**	**4.6**
Colorado	5.7	6.1	5.6	5.1	4.3	3.8

Source: Colorado Department of Labor and Employment, Labor Market Information Section, 2008

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 2007 average annual employment by major industry sector and sub-sector, based on North American Industry Classification (NAICS) codes:

2007 Colorado Wage and Salary Employment
(Annual Average)

NAICS Code	Sector Sub-Sector	Number	Percent
11	Agriculture, Forestry & Fishing	14,550	.06%
	▪ Crop Production	6,200	
	▪ Animal Production	5,807	
	▪ Agriculture & Forestry Support	2,415	
	▪ Other*	128	
21	Mining	25,019	1.1%
	▪ Mining, Except Oil & Gas	5,684	
	▪ Oil & Gas Extraction	6,908	
	▪ Mining Support Activities	12,427	
22	Utilities	7,950	.03%
23	Construction	167,718	7.3%
	▪ Building Construction	33,421	
	▪ Heavy & Civil Engineering Const.	22,097	
	▪ Special Trade Contractors	12,200	
31-33	Manufacturing	146,739	6.4%
	▪ Durable Goods	97,666	
	▪ Non-Durable Goods	49,073	
42	Wholesale Trade	99,394	4.4%
	▪ Durable Goods	54,378	
	▪ Non-Durable Goods & E-markets	45,016	
44-45	Retail Trade	253,591	11.1%
	▪ Motor Vehicle Parts & Dealers	31,841	
	▪ General Merchandise	50,747	

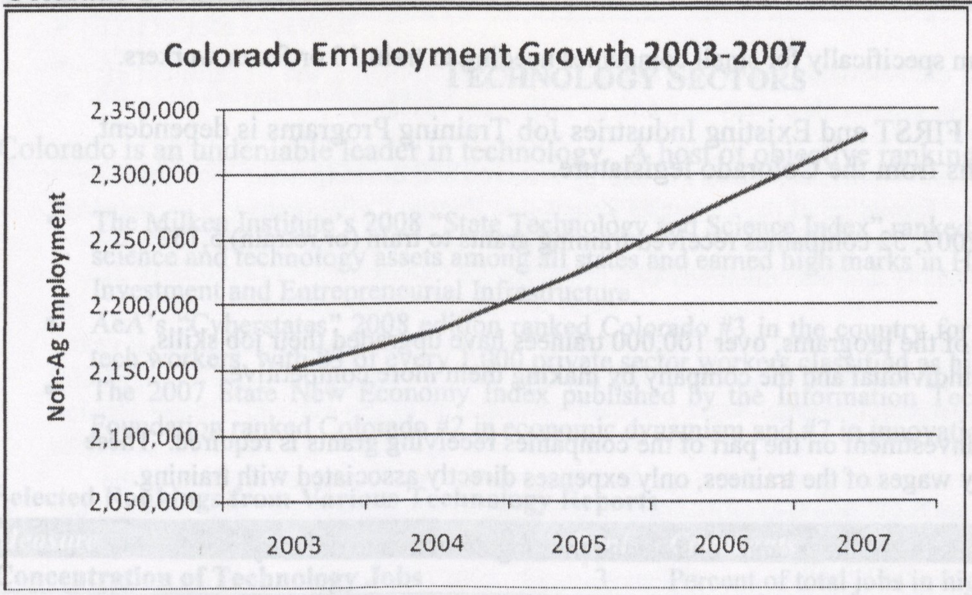
	▪ Food & Beverage Stores	44,774	
	▪ Other Retail	126,229	
48-49	Transportation & Warehousing	64,063	2.8%
	▪ Air Transportation	14,207	
	▪ Truck Transportation	19,030	
	▪ Other Transportation & Warehousing	30,761	
	▪ Rail & Water Transportation*	65	
51	Information	76,198	3.3%
	▪ Publishing, except Internet	27,777	
	▪ Telecommunications	29,877	
	▪ Other (Broadcasting, Motion Pictures, Internet service providers, etc.)	18,544	
52-53	Finance, Insurance & Real Estate	155,880	6.8%
	▪ Banking/Financial Services	67,592	
	▪ Insurance	37,159	
	▪ Real Estate	47,862	
	▪ Central Bank, Trust Funds & Other Financial Vehicles	3,267	
54-81	Services	923,053	40.3%
	▪ Accommodation & Food Services	225,787	
	▪ Professional & Technical Services	170,603	
	▪ Health Care & Social Assistance	210,530	
	▪ Administrative & Waste Services	149,081	
	▪ Arts, Entertainment & Recreation	44,626	
	▪ Educational & Other Services	122,426	
99	Non-classifiable	485	
92	Government	358,016	15.6%
	▪ Federal	52,118	
	▪ State*	70,638	
	▪ Local*	235,260	
	Total Wage & Salary Employment	2,292,656	100%

Note: Sector totals reflect addition of non-disclosed data & do not equal 100% due to net rounding
*Includes public education

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

Source: Colorado Department of Labor and Employment, 2008

Colorado's employment base has shown healthy growth throughout the economic expansion starting in 2003, and in the current economic slowdown, job growth is still exceeding the national average, largely due to energy production, from both renewable and traditional sources.



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 transferable skills.
- 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 2007, 52 companies received training grants to train (or retrain) 5,152 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's Labor Climate

Colorado has a unique, modified right to work law. If an employer is represented by a union under the National Labor Relations Act, at least 75 percent of the employees must vote in favor of an all-union agreement. Without the 75 percent approval, there can be no all-union agreement in the collective bargaining agreement, just as in a right to work state.

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:

- The Milken Institute's 2008 "State Technology and Science Index" ranked Colorado #2 in overall science and technology assets among all states and earned high marks in Human Capital Investment and Entrepreneurial Infrastructure.
- AeA's "Cyberstates" 2008 edition ranked Colorado #3 in the country for concentration of high-tech workers, with 83 of every 1,000 private sector workers classified as high-tech.
- The 2007 State New Economy Index published by the Information Technology & Innovation Foundation ranked Colorado #2 in economic dynamism and #7 in innovation capacity.

Selected Rankings from Various Technology Reports

Measure	Rank	Comments
Concentration of Technology Jobs	3	Percent of total jobs in high tech industries
Population with College Degree	3	Percent of adult population
New Companies	3	Number of new companies per 1,000 workers
Business Starts	2	Business starts per capita
Science and Engineering Degrees Awarded	5	S & E degrees awarded per 100,000 inhabitants
State Competiveness Index	3	Overall ranking in an index of over 40 key competitiveness variables
Initial Public Offerings	2	Weighted measure of number and value of IPO's as a share of total worker earnings
Venture Capital Investment	3	Venture capital investment dollars per worker
Households with computers	6	Percent of households with computers

Several technology sectors are the focus of special emphasis in Colorado's economic development strategy.

Renewable Energy

Colorado is well positioned to become a national and global leader in renewable energy. Its natural resources of abundant solar energy and wind power, coupled with innovation and entrepreneurial assets, make Colorado a prime location to develop and grow a significant new energy economy.

Recent announcements of large-scale projects include:

- Vestas Wind Systems has built its first North American blade manufacturing plant in Windsor, Colorado. The company also announced it will build facilities in Brighton and Pueblo, bringing its total investment in Colorado up to $680 million, with employment of 2,450.
- SunEdison opened an 8.22 megawatt PV solar plant near Alamosa, Colorado, in 2007.
- ConocoPhillips will locate its sustainable corporate training center and global research facility for renewable and alternative energy in metro Denver.
- AVA Solar, Inc., a Colorado State University spin-off, will manufacture thin film photovoltaic modules, and will employ 500 workers.
- Siemens Energy and RES Americas also recently announced Colorado projects.

- Colorado is home to the National Renewable Energy Laboratory (NREL), the Department of Energy's major lab for renewable energy and energy efficiency research.

- Colorado's research universities are leaders in energy research and development. This role has been solidified by the formation of the Colorado Renewable Energy Collaboratory, a partnership between NREL and the three Colorado research universities -- the Colorado School of Mines, Colorado State University and the University of Colorado.

- The Collaboratory will receive up to $2 million per year for three years, beginning in fiscal year 2007. These monies can be used only as matching funds to enable the Collaboratory to qualify for federal and private research projects.

- Colorado has a renewable energy portfolio standard that was the result of a referendum of the people of the state. In 2007, that standard was doubled from 10 percent to 20 percent renewables by 2020.

- In 2008, two new Renewable Energy Collaborations, the Center for Revolutionary Photoconversion and Center for Research and Education in Wind, signifies Colorado's continued role as a nationwide leader in renewable energy research.

- Colorado is among the national leaders in potential from renewable energy with solar quality in the 5000 to 7000 watt hours per square meter per day range, and wind energy potential is ranked in the top tier of states – 11th nationwide.

- Legislation in 2007 established the Clean Energy Fund. From that fund, $3.5 million will be specifically earmarked for economic development opportunities in renewable energy technologies.

- The rapidly growing renewable energy sectors, including energy research, have an estimated 1,300 companies in Colorado, with employment of nearly 22,000.

BioSciences

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.

- Bioscience is a growing industry sector in Colorado. A quick profile of the industry:

- 17,855 jobs statewide
- 570 companies
- $67,270 average annual salary

- Other important resources supporting Colorado Biosciences:

- $405 Million in Academic Research & Development, 2006
- $1.01 Billion in Venture capital investment in the past six years.
- 2,029 related patents award in past six years

- In 2008, the Governor signed a 5-year, $26.5 million package that creates a Bioscience and Life Science Fund to provide grants to Colorado start-up companies and research institutions seeking to commercialize new biotechnology drugs, biofuels, medical devices and nanotechnology.

- Modified in 2007, the Bioscience Discovery Evaluation Grant Program currently focuses on improving and expanding the evaluation of new bioscience discoveries originating in Colorado research institutions. Already in 2008, the program has awarded $655,000 to early stage bioscience companies and over $280,000 to biofuels projects.

Accelerating Colorado's biotechnology position is the $4.3 billion redevelopment of the former Fitzsimons Army Medical Center into one square mile dedicated to life science research, education and patient care. Now called Fitzsimons Life Science District, the 578-acre tract is the first of its kind west of the Mississippi, and will accommodate a workforce of 32,000 at build-out.

The Anschutz Medical Campus, which includes the University of Colorado Denver, as well as facilities for University Physicians, Inc., is a $1.5 billion project slated for completion in 2008. The University of Colorado Health Sciences Center and the 160-acre Colorado Bioscience Park Aurora anchor the project, being developed by Forest City Enterprises. A new Veterans Hospital is also slated to be completed by 2011.

The bioscience park has been master-planned for up to 6 million square feet of research-oriented biomedical, biotechnology and pharmaceutical operations in multi-tenant buildings as well as in single-tenant build-to-suit buildings. For more information, visit their website at http://www.cobioscience.com

Fitzsimons BioBusiness Incubator is the only Colorado incubator facility dedicated to assisting the growth of bioscience companies with business planning and management, technical and scientific advisory services, intellectual property and access to capital.

The new 1.2 million square foot Children's Hospital, ranked 4th among children's hospitals in the U.S., opened in 2007.

Located in northern Colorado at Colorado State University is the U.S. Center for Disease Control and Prevention's Division of Vector-Borne Infectious Diseases, as well as a hub of veterinary and agriculture-related bioscience research and activity.

Aerospace Industry

Colorado has a strong aerospace, satellite and space industry. Colorado is home to the nation's second largest space economy, behind only California. Colorado is home to four military commands with over 29,000 personnel. There are more than 300 companies in the space business in Colorado. The industry provides an estimated 171,000 direct and industry support jobs. 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.

- Lockheed Martin was awarded an $8.2 billion contract to build the Orion crew exploration vehicle. This 7-year project currently employs 600 highly skilled engineering and related jobs at Lockheed Martin's existing Colorado facility, and could add another 600 by 2009.
- United Launch Alliance, ULA, is joint venture between Lockheed Martin and Boeing Corporation to develop a new generation of space technology based on merger of the Atlas and Delta rocket operations. The ULA program management, engineering, test and mission support functions are headquartered in Denver, with a current workforce of about 1,600.
- In 2007, Colorado ranked first in the nation for private aerospace employment concentration.
- University of Colorado at Boulder is the #1 ranked public university in NASA funding, with $56 million in 2007. In 2008, NASA announced a $485 million grant to CU-Boulder to support the Mars mission.

Information Technology

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 fifth in software publishing employment.
- Colorado ranks fourth in scientists/engineers as a percent of labor force.
- The IT sector (including telecom) contributed over $21 billion to the Colorado GDP in 2007.
- About 4,850 software companies were located in Colorado in 2007. The vast majority (83%) have 10 or fewer employees, and the majority engages in custom computer programming services.
- The Information sector (including telecommunications) employed over 78,000 Coloradans in 2007, with average annual wages of $75,764.

Sources: Colorado Department of Labor & Employment, 2008; Cyberstates 2008, using data from U.S. Bureau of Labor Statistics, Covered Employment and Wage s 2006

Advance Colorado Center

The Advance Colorado Center, a partnership between OEDIT and the Colorado Economic Development Commission and the University of Colorado at Denver and Health Sciences Center (UCDHSC) provides support for fledgling non-profit associations and business support programs that will help advance targeted industries within Colorado. The ACC provides a common headquarters for a number of high-tech industry associations. The following are organizations currently housed in the Advanced Colorado Center:

- **Colorado BioScience Association** grows the state's bioscience workforce, provides networking opportunities, educational and technical programs, creates corporate partnerships, and finds investors. **www.cobioscience.com**
- **Connected Organizations for a Responsible Economy (CORE)** promotes Colorado as a center for environmental commerce and sustainable technologies and business practices. **www.corecolorado.org**
- **Colorado Association for Manufacturing and Technology** assists manufacturers through consulting, training, export assistance, and improved technology. **www.CAMT.com**
- **Colorado Technology Association (CSIA)** provides programs, peer-to-peer connections, representation, advocacy and industry leverage for the IT industry in Colorado. www.csiaonline.com

Summary of High-Tech Economic Impact

Colorado is a leading high-tech state. When assessing Colorado's position as a high-tech hub, the summary of economic impacts of high-tech reported in Cyberstates 2008 tells a compelling story:

- Concentration of high-tech workers, with 83 of every 1,000 private sector workers classified as high-tech, Colorado ranks third in the country.
- 157,200 high-tech workers (14th in the nation).
- High-tech average wage of $86,500 (5th in the country), or 98 percent higher than average private sector wages.
- High-tech payroll of $13.6 billion in 2006 (11th in the nation).
- More than 11,600 high-tech establishments (10th nationwide).
- High-tech exports represent 44 percent of Colorado total exports in 2007 (5th nationwide)
- $3.3 Billion in high-tech exports (8th nationwide).
- Colorado ranked 7th in computer and peripheral equipment exports at $1.1 Billion.

Colorado's federal research laboratories inject over $1.1 billion yearly into the state's economy and account for about 6,200 high paying jobs. 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, also known as the Taxpayer's Bill of Rights (TABOR) 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.

TABOR & Referendum C

Under TABOR, large surpluses, reaching $927 million in 2000, resulted from a lengthy economic expansion. State government alone has refunded over a billion dollars to Colorado taxpayers, and enacted permanent tax cuts in the state income and sales taxes. At the same time, voter-mandated funding increases to education, demands for transportation projects and other programs strained the budgets beyond capacity.

In 2005, Colorado voters approved Referendum C, which allows the State to retain all revenue it collects. This measure is in effect for five years, and allows the State to fund mandated growth in education and Medicaid spending, as well as providing funding for transportation and other State programs.

Under the provisions of Referendum C, the State will retain $6.40 billion from FY 2005-06 through FY 2009-10. As a result, there will not be a TABOR surplus during this five-year period.

***Source**: Office of State Planning and Budgeting, http://www.state.co.us/gov_dir/govnr_dir/ospb/index.html*

Corporate Income Tax

Colorado's corporate income tax rate is a flat 4.63 percent. 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 39th nationally in per capita corporate income tax revenue. Collections in 2006 totaled $96 per capita, compared to a national average of $159 for corporate income tax revenue.

Per Capita State Corporate
Net Income Tax Revenue, 2006
(Selected States)

State	Per Capita	National Rank
California	$285	7
Minnesota	$208	9
New Mexico	$194	11
Illinois	$188	12 (tie)
North Dakota	$188	12 (tie)
Arizona	$144	25
Nebraska	$149	22

Kansas	$139	28
Utah	$135	29
U.S. Average	**$159**	**N/A**
Colorado	**$96**	**39**

Source:CQ Press using data from U.S. Bureau of the Census, Governments Division, State Rankings-2008

Colorado's Method of Apportioning Income

Legislation passed in 2008 simplified Colorado's corporate tax structure by establishing a "single sales factor" for multi-state corporations, effective for tax years beginning January 1, 2009. This is the most comprehensive income tax reform in Colorado in more than four decades. It creates an incentive for companies that want to build their workforce and increase their physical presence in Colorado, and it rewards companies currently investing in the people and infrastructure of Colorado.

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 nationwide. 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

Colorado's 2.9 percent sales or use tax on goods purchased by a business that are not intended for resale is the lowest among the 45 states that collect 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.

Legislation passed in 2008, HB 1261, abolished Colorado's "fly-away" sales tax on airplanes made in Colorado but sold to out-of-state owners. This will be a tool to entice aircraft manufacturers to Colorado.

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 are refundable.

Legislation passed in 2001 allows for a 50 percent 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 percent of the wage base rate, plus an annually computed surtax. Currently, the surtax is 0.22 percent, plus a solvency surcharge of 0.6 percent, for a total of 2.52 percent. 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

Workers' Compensation

Workers' 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. In 2008, Pinnacol announced it will refund $55 million to Colorado businesses, rewarding those companies with good safety records and low claims. Including this year's checks, it has returned more than $227 million since 2005. About 58,000 companies, representing 92% of policyholders, will qualify.

Over one-third of Colorado employers have Pinnacol insurance. Other carriers insure another 51 percent of companies, and 13 percent are self-insured. Self-insurance is an option, available by special permit specifying strict financial and loss control standards, for companies employing 300 or more Colorado employees.

For more information on workers' compensation, please see Department of Labor & Employment, Workers' Compensation web site at http://www.coworkforce.com/dwc/

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.

The statewide average of local mill levies in 2007 was 72.882 mills. Commercial and industrial property is assessed for property tax purposes at 29 percent 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. Local governments have the option to negotiate up to 50 percent rebate or credit on their portion of personal property tax as an economic development incentive

Personal property (machinery and equipment) used in commercial and industrial operations is also assessed at 29 percent 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. Businesses with total business personal property valued at less than $2,500 are exempt. Legislation passed in 2008 raises the exemption to $7,000 over five years.

Computer and telecommunications equipment have new, accelerated depreciation schedules and reduced residual values.

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://dola.colorado.gov/dpt/state_assessed/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 percent for income under $25,000 to 5 percent for income of $300,000 and over. Very small operations are exempt. A credit is allowed against severance tax equal to 87.5 percent 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 percent 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. Eighteen such zones and sub-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.
- In Enhanced Rural Enterprise Zones, portions of regular EZs that meet stricter economic distress criteria, an additional $2,000 tax credit per new employee hired, plus 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 percent investment tax credit for equipment purchased and used within the zone.
- A 3 percent tax credit for expenditures on research and development.
- A 25 percent 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 percent 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 percent tax credit for qualified job training within the enterprise zone.

Aviation Development Zone

Effective January 2, 2006, Colorado aircraft or aircraft parts manufacturers located within designated Aviation Development Zones can claim a $1,200 tax credit against Colorado income taxes for each new full-time employee. Companies must employ at least 10 full-time employees to be eligible.

Major Sales Tax Exemptions:

- Manufacturing equipment or machine tools over $500 purchased in one calendar year
- Machinery and equipment used for production of electricity from renewable sources [effective May 23, 2007]
- 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 collect 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. Combined sales tax rates average about 6.5 percent statewide, but vary by specific location. Exact rates can be found at:
www.revenue.state.co.us/PDF/drp1002.pdf

Property Taxes

Residential property is assessed at 7.96 percent of market value in 2007 (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 within the state. For 2007, the average total mill levy for the state was 72.882 mills. 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:
http://dola.colorado.gov/dpt/state_assessed/index.htm

Occupational Taxes

A handful of Colorado cities assess occupational privilege taxes on employees earning over a certain amount per month. All persons who work in the City and County of Denver and earn more than $500 per month are assessed a monthly occupational tax of $5.75 and their employers pay an additional $4.00 per month per employee. Greenwood Village, Aurora, Glendale and Sheridan have similar taxes, with salary bases ranging from $250 to $750, and taxes per employee per month in the $2 - $5 range, matched by their employers.

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 (2007)

State	*State/Local Tax Burden*	*Rank*
Arizona	10.3%	31
California	11.5%	12
Colorado	10.4%	30
Idaho	10.1%	35
Kansas	11.2%	15
Minnesota	11.5%	11
Nebraska	11.9%	9
New Mexico	9.8%	40
Oregon	10.0%	37
Utah	10.7%	27
Washington	11.1%	16
Wyoming	9.5%	42
U.S. Avg.	*11.0%*	*N/A*

Source: Tax Foundation 2007

EDUCATION

Colorado's population is knowledge-intensive and extremely well educated. In 2006, the U.S. Census Bureau ranked Colorado third in the nation in percentage of population with a college degree, 34 percent of all adults have at least a bachelor's degree.

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, a valuable source of human capital that is augmented with a host of graduates from other states and nations.

Colorado K-12 Education

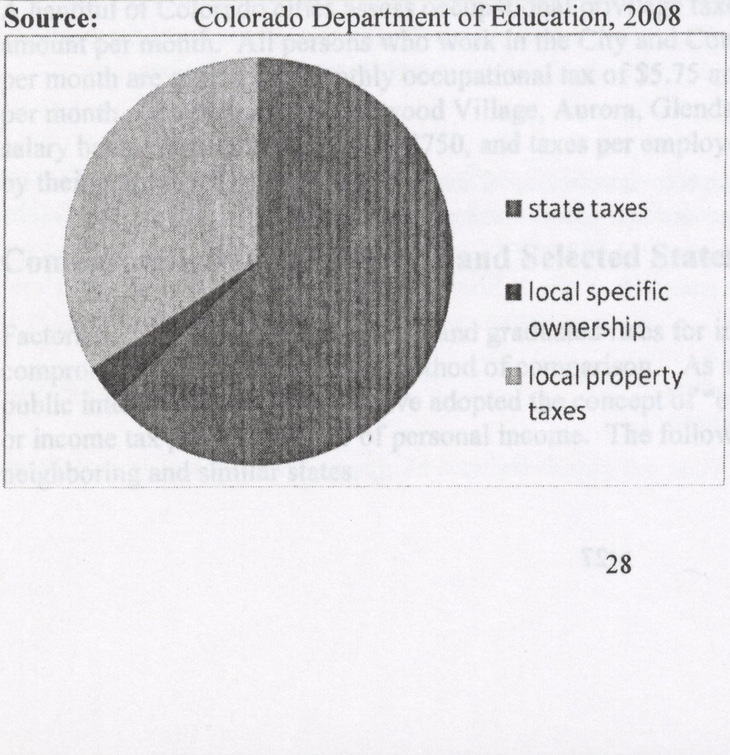
Colorado's 178 school districts had a Fall 2007 enrollment of 802,639, an increase of 1.1 percent over 2006. Large districts are concentrated in metropolitan areas, while some rural areas have very small enrollments. The 10 largest school districts enroll 55 percent of all students, while the remaining 168 districts serve 45 percent of state public school enrollment.

Colorado public schools receive funding from a variety of sources. However, most revenues to Colorado's 178 school districts are provided through the Public School Finance Act of 1994 (as amended). In budget year 2008-09, this legislation provides for over $5.3 billion of funding to Colorado school districts via state taxes ($3.39 billion), local specific ownership (vehicle registration) taxes ($160 million), and local property taxes ($1.81 billion).

State of Colorado K-12 Education Revenues by Source

SOURCE	PERCENT OF TOTAL
Local Taxes (property and specific ownership)	36%
State Equalization	64%
TOTAL	100%

Source: Colorado Department of Education, 2008



Colorado Student Test Scores

Colorado is one of only three states (the other two are Illinois and Michigan) 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 when this law went into effect. 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. Additionally, it may encourage students who had not previously considered it as an option to attend college.

Colorado's ACT scores for core course students (taking courses designed to college-bound students) are in line with their counterparts in other states, and above the overall composite score.

The SAT is taken by about 20 percent of Colorado high school students, and average scores remain well above national averages.

Colorado Student Performance on College Entrance Exams, 2008

Test	*COLORADO Average Score (% tested)*	*U.S. Average Score (% tested)*
SAT	1687 (20%)	1511 (48%)
ACT	19.4 (100%)	21.1 (43%)

Source: Colorado Department of Education, 2008; CollegeBoard SAT press release, Aug. 26, 2008

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	34.3	3
Arizona	25.5	27
Kansas	28.6	17
Nebraska	26.9	22
New Mexico	25.3	29
Texas	24.7	34
Oklahoma	22.1	42
Utah	28.6	17
Wyoming	22.7	40

Source: U.S. Census Bureau, American Community Survey 2006

Colorado Higher Education Fall 2007 Enrollments

Four-Year Colleges and Universities:

Institution	Location	FTE Enrollment
Adams State College	Alamosa	2,481
Colorado School of Mines	Golden	4,560
Colorado State University	Ft. Collins	25,382
Colorado State University-Pueblo	Pueblo	4,167
Fort Lewis College	Durango	3,928
Mesa State College	Grand Junction	6,128
Metropolitan State College	Denver	21,166
University of Colorado – Boulder	Boulder	29,982
University of Colorado – Colorado Springs	Colorado Springs	7,715
University of Colorado-Denver & Health Sciences Center	Denver	15,909
University of Northern Colorado	Greeley	11,488
Western State College	Gunnison	2,146
Four-Year Institution Total		**135,052**

Two-year Colleges:

Institution	Location	FTE Enrollment
Aims Community College	Greeley	4,588
Arapahoe Community College	Littleton	6,538
Colorado Mountain College	Glenwood Springs	5,206
Colorado Northwestern Community College	Rangely	1,430
Community College of Aurora	Aurora	4,885
Community College of Denver	Denver	8,359
Front Range Community College	Westminster	15,270
Lamar Community College	Lamar	817
Morgan Community College	Ft. Morgan	1,748
Northeastern Junior College	Sterling	2,751
Otero Junior College	La Junta	1,558
Pikes Peak Community College	Colorado Springs	11,407
Pueblo Community College	Pueblo	5,063
Red Rocks Community College	Lakewood	7,223
Trinidad State Junior College	Trinidad	1,760
Two-Year Institution Total		**78,603**

Source: Colorado Commission on Higher Education, September 2007

- Fall 2007 enrollments totaled 213,655 at Colorado's public post-secondary institutions.

- Private colleges and universities in Colorado have enrollments totaling approximately 31,000. 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.

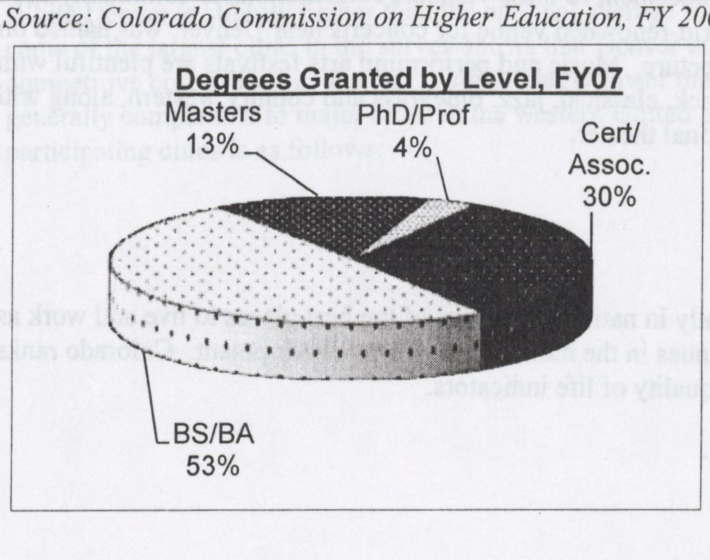
Colorado Higher Education - Degrees Conferred

Colorado students received 38,854 degrees awarded by 27 public higher education institutions in fiscal year 2008, reflecting the 2007-08 academic year. The following table summarizes the degrees granted by major subject area of study.

Over 5,000 Colorado students received degrees in Business and Management, and almost 4,000 received degrees in Math & Computer Sciences or Engineering & Technology in 2007.

Major	*Degrees Conferred*
Agricultural Science/Agribusiness	800
Business & Management	5,517
Communications	1,533
Engineering	2,398
Health Care	7,787
Mathematics & Computer Science	1,453
Physical & Natural Sciences, incl. Bioscience	2,434
All Other (incl. Architecture, Soc. & Behavioral Sci., Education, Liberal Arts, Law, Public Administration, and Fine Arts)	16,932
TOTAL	**38,854**

Source: Colorado Commission on Higher Education, FY 2007 Degrees Granted, July 2008



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'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.

- Fort Collins ranked #2 in Money magazine's 2008 "Best Places to Live" list.
- Highlands Ranch, Loveland, Longmont and Westminster also ranked in the Top 100 nationwide.
- Numerous other Colorado communities have ranked at the top of lists as the best place for everything from Fitness, to Best Place to Retire, Best Place to Raise a Family, best places for recreation, to name a few.

Concern for the environment is a widely held value among Colorado's individual and corporate citizens. In the 2004 election, Colorado voters became the first in the nation to vote on and pass a statewide renewable energy requirement. The renewable energy initiative, Amendment 37, called for the increased use of both wind and solar energy. The initiative provides for the following:

- A five-fold expansion of renewable energy resources from 2 percent at present to 10 percent by 2015.
- Legislation in 2007 increased the standard to 20 percent renewable by 2020.
- 4 percent of the renewable energy is to come from solar energy.
- Local building codes are required to meet the International Energy Conservation Code by July 1, 2008.

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.

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 first quarter of 2008.

Colorado Cities' Cost of Living Index

First Quarter, 2008 (311 cities participating nationwide)

Area	C.O.L. Index
Colorado Springs	92.1
Denver	105.1
Fort Collins	95.4
Glenwood Springs	130.2
Grand Junction	100.7
Greeley	98.1
Gunnison	115.6
Pueblo	86.7

Source: ACCRA Cost of Living Index, First Quarter, 2008, published May 2008

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

First Quarter 2008

Area	C.O.L. Index
Boston	134.0
Chicago	111.5
Dallas	91.9
Denver	105.1
Las Vegas	110.6
San Diego	139.4
Salt Lake City	98.7
New York City	218.8
Philadelphia	122.6
Phoenix	101.6
Portland	119.9
San Francisco	173.6
Seattle	121.5
Washington DC	138.0

Smaller Cities

First Quarter 2008

Area	C.O.L. Index
Albuquerque	95.5
Idaho Falls	89.5
Laramie	102.4
Colorado Springs	92.1
Cheyenne	100.5
Tucson	98.5
Fort Collins	95.4
Greeley	98.1
Lawrence, KS	92.4
Pueblo	86.7
Reno	110.8
Bozeman, MT	106.3

Crime Rate Comparison

Violent Crime Rate in 2006 (per 100,000 population)

Colorado ranks 25th 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	765.5
Nevada	3	741.6
New Mexico	9	643.2
California	14	532.5
Texas	15	516.3
Arizona	16	501.4
Oklahoma	17	497.4
U.S. Average	--	**473.5**
Kansas	24	425.0
Colorado	25	**391.6**
Nebraska	32	281.8
Wyoming	43	239.6
Utah	45	224.4

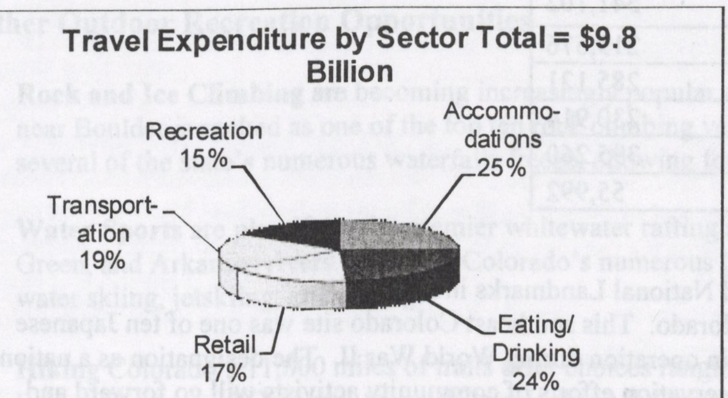
Source: CQ Press "State Rankings 2008" based on U.S. Department of Justice, Federal Bureau of Investigation, Uniform Crime Reports, Released in September 2007

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 28.0 million domestic visitors taking overnight trips in 2007. This was an all-time record and represented a 4 percent increase over 2006.

Colorado Tourism Expenditures

Domestic overnight travel expenditures in Colorado totaled approximately $9.8 billion in 2007, up 10 percent over the previous year, making it one of the state's largest industries. International travelers are estimated to have added more than $650 million to Colorado's tourism sector.



Source: Longwoods International, Colorado Visitors Study 2007, May 2008

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 5.6 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 offers glimpses of prehistoric life from volcanic eruptions 35 million years ago – petrified redwoods, ancient insects and plants.

Park	2007 Visitors
Rocky Mountain National Park	2,895,383
Curecanti National Recreation Area	964,640
Mesa Verde National Park	541,102
Black Canyon National Park	219,576
Great Sand Dunes National Park	285,121
Dinosaur National Monument	230,914
Colorado National Monument	395,260
Florissant Fossil Beds	55,992

Source: National Park Service

Two additional areas were designated National Landmarks in 2006:

- Camp Amache, Granada, Colorado. This southeast Colorado site was one of ten Japanese American internment camps in operation during World War II. The designation as a national landmark will assure that preservation efforts of community activists will go forward and enhance this important piece of our country's history.
- Colorado Chautauqua, Boulder, Colorado. The Chautauqua movement of the late 1800's espoused "learning for all", and the Colorado Chautauqua was founded in 1898. It is the only continuously operating Chautauqua west of the Mississippi River.

State Parks

Colorado's 42 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 over 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:

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 24 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. Colorado leads the nation in share of total ski trips nationwide:

State Shares (%) of Overnight Ski Trips, 2007

State	Share (%)	Rank
Colorado	**20.1**	**1**
California	14.5	2
Vermont	8.3	3
New York	4.8	4
Utah	4.7	5

Source: Longwoods International, Colorado Visitors Study, Final Report, May 2008, www.state.co.us/oed/visitorstudy/LongwdIndex.htm

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** contributes over $1.2 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 bears to mountain lions 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** courses are plentiful in Colorado with over 250 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. During the 2007, season the Rockies were the National League Division champions and headed to their first World Series in franchise history. 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, and the 2005 World Champion Colorado Crush arena football team.

- 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 has been a tradition for over 100 years. In 2008, the stock show drew 673,449 spectators. 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 holds 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," "Wicked," and "The Producers" have all made their way to the Mile High City. Boettcher Concert Hall is home to the Colorado Symphony. 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
Coors Amphitheater, SE Denver	18,000
Denver Coliseum	11,530
Magnuss Arena, University of Denver	8,000
World Arena, Colorado Springs	9,000
Wells Fargo Theater, Colorado Convention Center	5,200
Pikes Peak Center, Colorado Springs	2,000
Budweiser Events Center, Loveland	7,200
Broomfield Event Center, Broomfield	6,000

Fine Arts

Impressive displays of fine arts can be found in every corner of Colorado. The Denver Art Museum's 146,000 square foot expansion by renowned architect Daniel Libeskind has recently brought the museum to more than 350,000 square feet of space. It currently houses several collections that have never before been on display. The new wing, Frederic C. Hamilton Building, opened in October 2006, and has already attracted several renowned exhibits including "Artisans and Kings Treasures" from the Louvre and "Landscapes from the Age of Impressionism" from the Brooklyn Museum.

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 and Colorado Council on the Arts www.coloarts.state.co.us

Transportation and Utilities

A transportation system that can move people and materials locally and throughout the world, and plentiful, cost effective utilities are key components of a successful location that can meet the needs of its business base. 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 advanced, convenient, and continually developing to respond to the ever-increasing demand. Colorado businesses enjoy utility rates among the lowest in the country. Ongoing investment in new capacity and alternative sources will maintain that advantage.

Air

- Colorado is a regional, national, and international transportation hub.
- DIA is the nation's fourth busiest airport, and the 10th busiest in the world.
- In addition to DIA, Colorado has 17 commercial and 62 general aviation airports located throughout the state.

Highway

- Colorado's state highway system has over 9,000 miles, of which 956 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.

Rail

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

Mass Transit

- In 2004 Colorado voters approved a $4.7 million project to expand mass transit in a referendum known as FASTracks.
- FASTracks will add 119 miles of light rail and commuter rail, expand bus service and park and ride facilities over the next 12 years.

Denver International Airport (DIA)

In 2007, nearly 50 million passengers passed through Denver International Airport, an increase of 5.4 percent and over 2.5 million passengers from 2006, the fourth straight recording-breaking year.

Thirty 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 non-stop service to London
- United Airlines non-stop service to London (starting March 30, 2008)
- Lufthansa non-stop service to Frankfurt and Munich
- Several non-stops to various cities in Canada and Mexico

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.

With 93 gates, five 12,000-foot runways and one 16,000-foot runway, 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.

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.

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, 2005-2007

Operations and Traffic	*2005*	*2006*	*2007*	*% Incr./Decr. (2006-2007)*
AIRCRAFT OPERATIONS				
Air carrier	384,552	428,794	451,228	5.2%
Air Taxi	172,352	167,975	162,319	-5.6%
Military	874	1,333	147	-89%
General Aviation	9,780	11,415	5,620	-51%
Total Operations	567,588	609,517	619,314	1.6%
PASSENGERS				
Internationals	1,606,546	1,902,832	2,190,063	15%
Majors	25,953,422	28,379,638	39,027,513	37.5%
Nationals	9,217,278	9,375,948	729,587	-92.2%
Regionals	6,444,267	7,574,948	7,888,648	4.2%
Supplementals	165,862	92,392	27,541	-70.2%
Total Passengers	43,387,369	47,325,016	49,863,352	5.4%

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, United, and U.S. Airways.
- *Nationals, Regionals, and Supplementals* include Frontier, Jet Blue, Southwest, United Express, Vanguard, Mesa, Big Sky, and various other charter and air tour operators.

Source: Denver International Airport Monthly Operations and Traffic Report, December 2007

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

DIA averaged 1,670 flights per day in 2006, and provides service to over 130 major U.S. and international destinations. The following tables list the number of non-stop flights to major U.S. cities.

City, State	Flights To
Atlanta, GA	17
Boston, MA	7
Charlotte, NC	7
Chicago, IL	29
Cleveland, OH	4
Dallas/Ft.Worth, TX	32
Detroit, MI	11
Houston, TX	19
Las Vegas, NV	24
Los Angeles	23
Miami, FL	2
Minneapolis, MN	11
New York, NY	19
Philadelphia, PA	7
Phoenix, AZ	24
Portland, OR	12
St. Louis, MO	14
San Diego, CA	12
San Francisco, CA	27
Seattle/Tacoma, WA	16
Washington, D.C.	20

During ski season, a number of resort-area airports such as Aspen, Eagle/Vail, Telluride, and Steamboat Springs have non-stop service to and from a number of major US cities.

Non-stop Flights from Colorado Springs Airport: The Colorado Springs Airport has non-stop service to a number of major 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*
Atlanta, GA	3
Chicago (O'Hare), IL	7
Cincinnati, OH	1
Dallas/Ft. Worth, TX	7
Denver, CO	12
Houston, TX	5
Kansas City	2
Las Vegas	2
Los Angeles, CA	3
Minneapolis/St. Paul, MN	2
Ontario, CA	2
Phoenix, AZ	4
Sacramento, CA	2
Salt Lake City, UT	5
San Diego, CA	2

Source: Colorado Springs Airport Online Flight Guide, 2007

The Colorado Highway System

- 9,000+ miles of highway
- Highways contain 22,759 lane miles
- 954 miles of Interstate Highways

State Funding for Highway Construction and Improvement

The 2006-2007 fiscal year budget for the Colorado Department of Transportation was approximately $912.4 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.

TREX Transportation Expansion 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.
- Completed in September 2006 (18 months ahead of schedule).
- $1.67 billion project, funded without new taxes.
  - Improved 17 miles of Interstate 25 through southeast Denver, Aurora, Greenwood Village, Centennial and Lone Tree, including 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.

COSMIX Project – Colorado Springs Metro Interstate Expansion. This project will widen I-25 through Colorado Springs metro area to three or four lanes. It will be completed by year-end 2008 at a cost of $150 million.

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, the following Colorado cities have mass transit services that receive federal funding:

- Colorado Springs
- Ft. Collins
- Grand Junction
- Greeley
- Pueblo

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.

- In November 2006, an additional 19 miles of light rail serving the southeast Metro Denver region opened, with 13 stations and 6,000 park-n-ride spaces.

- Express bus service (the SkyRide) is available to Denver International Airport.

- 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

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. A new project, funded by the Department of Homeland Security, will involve construction of an $18 million tunnel to provide testing of subway systems to prevent terrorist attacks.

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.

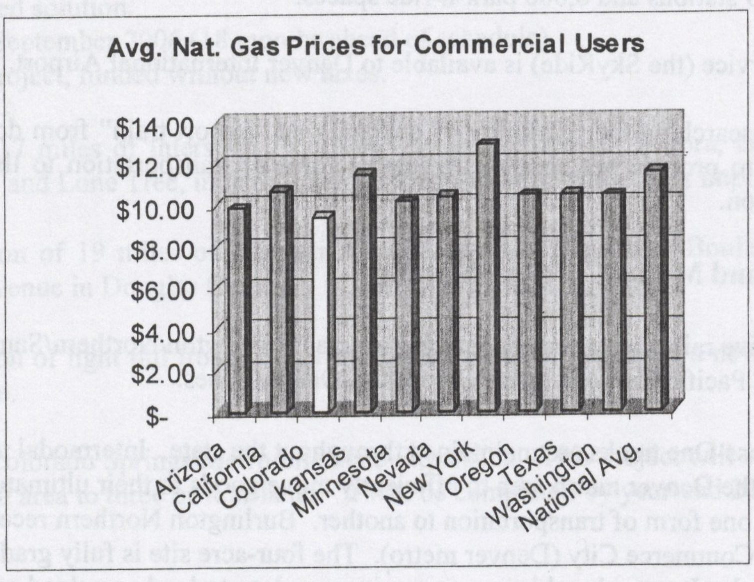
Utilities

Colorado consumers are efficient energy users. Colorado ranks 37th (note: for this section ranking 50th is best) in per capita energy consumption. Per capita energy expenditures of $2,169 are 16 percent below the national average of $2,591, placing Colorado 46th among the 50 states.

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

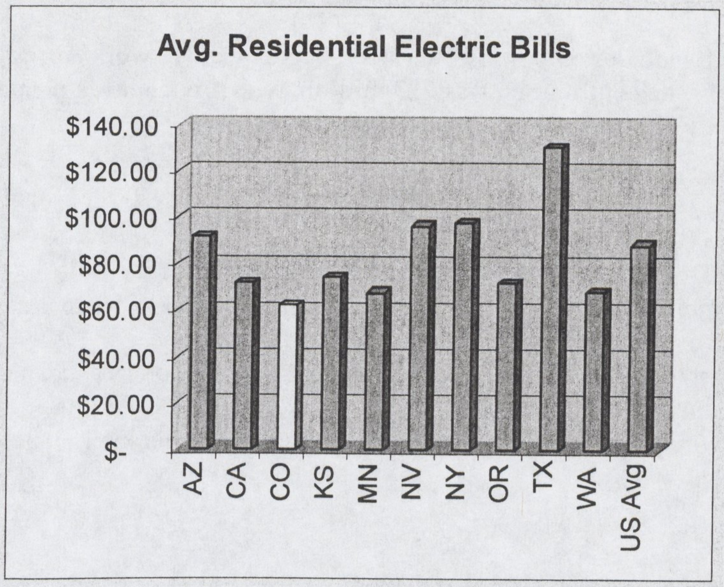
Natural Gas Prices

- Commercial users – Colorado ranks 46th, at $9.39 per thousand cubic feet, 20 percent below the US average of $11.59 per thousand cubic feet. (See graph below)
- Residential customers – Colorado ranks 48th in average price of natural gas - $10.29 per thousand cubic feet, almost 20 percent below the national average of $12.89.



Electricity Prices

- The average monthly electric bill for Colorado residential customers was $62.74 in 2006 (latest reported by Department of Energy), ranking 48th nationally, and 34 percent below the national average of $95.66.
- Colorado ranked 43rd for commercial users, with average monthly electric bills of $365, coming in at 39 percent below the national average of $596.



Source: CQ Press, State Rankings 2008, from U.S. Department of Energy, Energy Information Adm.

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 percent of the state's drinking water. Quality of drinking water is excellent in Colorado; 99 percent 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.

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)

Completed in 2003, 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 has been to bridge the digital divide and enable the same digital applications and services in rural counties as well as the metropolitan areas. The State has consolidated government agency functions and acted as an "anchor tenant" to help leverage development of telecommunications infrastructure in all regions of the state. This project will be renewed via a competitive re-procurement in 2010 with a key business goal to achieve price discounts for MNT circuits commensurate with large-scale state government business.

This project, now completed, 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 Achievements

- Bridged the Digital Divide – Statewide fiber backbone implemented.
- Economic Development for Rural Areas – High tech jobs in rural Colorado are growing at 6% per year, well above the overall statewide average job growth rate.
- Backbone of e-government – Over 700 cities, counties, schools, libraries, hospitals and other non-profits are using the network.
- Reduced costs – Equity pricing has been achieved, as has affordable Internet access across the state.