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Economic Development Databook



2009-2010 Edition

Colorado
Economic Development Databook

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ECONOMIC BASE

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Agriculture and mining are Colorado's traditional economic strongholds—

- Farm and ranch market receipts (including forestry and government payments) totaled \$7.6 billion in 2008.
- Colorado mineral production, including oil & gas, coal, and other minerals, reached \$14.8 billion in 2008, 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 for myriad of recreational activities and breathtaking scenery in the summer. Colorado's travel and tourism industry generated almost \$11 billion in 2008. Of this total, \$8.6 billion was from domestic overnight visitors. The remainder was from international visitors, and day-trips.

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 biotech, photonics, homeland security and aerospace, nanotech and renewable energy are gaining momentum.

- Twelve Fortune 500 companies are headquartered in Colorado.
- CNBC's "Top States for Business 2009" list placed Colorado third among all states, up from 5th last year.
- 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 5th busiest in the US in 2008, and 10th busiest in the world.
 - DIA set a new passenger traffic record in 2008, serving 51.2 million passengers, up 2.8% from 2007, and the fifth straight record-setting year.
 - Exports of manufactured products totaled over \$6.5 billion in 2008.

Colorado has a diverse manufacturing base, especially in high-tech durable goods. The largest manufacturing sub-sector, computer and electronic products manufacturing, has over 25,000 employees in 500 companies. The manufacturing sector as a whole employs almost 145,000 workers in Colorado.

Among the state's largest service industry sectors are Information, and Professional & Technical Services, and Administrative/Business service. 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 400,000 Coloradans. Health care is another important sector, with almost 220,000 workers employed.

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Colorado's Largest Private Sector Employers – 2008

Rank	Company	Type of Business	Colorado Employees
1	Wal-Mart	Discount Stores	25,674
2	Kroger (King Soopers/City Market)	Supermarkets	17,965
3	Centura Health	Health Care	13,000
4	Safeway, Inc.	Supermarkets	10,795
5	HCA-HealthOne LLC	Health Care	9,600
6	Qwest Communications Intl.	Telecommunications	9,055
7	Target Stores	Discount Retailer	7,500
8	Exempla Healthcare	Hospital	7,092
9	Wells Fargo	Banking/Financial Services	6,000
10	University of Denver	Private University	5,989
11	UAL Corp (United Airlines)	Air Transportation	5,400
12	Kaiser Permanente	Health Maintenance Org.	5,285
13	United Parcel Service	Delivery Services	4,910
14	IBM	Computers	4,750
15	Dish Network Corp.	Satellite Television	4,519
16 (tie)	Comcast Corporation	Satellite Television	4,500
16 (tie)	Frontier Airlines	Air Transportation	4,500
16 (tie)	Lockheed Martin	Aerospace & Defense	4,500
19	Poudre Valley Health System	Health Care	4,206
20	Banner Health Western Region	Health Care	4,200
21	Molson Coors Brewing Company	Brewery	4,100
19	Xcel Energy	Utility	3,853
20	Ball Corporation	Containers, Aerospace	3,800
21	The Children's Hospital	Health Care	3,422
22	Albertsons	Supermarkets	2,800
23	Penrose-St. Francis Health	Hospital	2,712
24	Hensel Phelps Construction	Construction	2,599
25	Sun Microsystems	Computer Software	2,593
26	Raytheon Company	Aerospace	2,562
27	Regis University	Private University	2,554
28	Boulder Community Hospital	Hospital	2,380
29	Swift & Company	Agri-business	2,350
30	State Farm Insurance	Insurance	2,061

Sources: Denver, CO Springs, Boulder & Northern Colorado Business Journal 2009 *Books of Lists*

Recent Economic Development Announcements

Charles Schwab Corporation announced a major Colorado expansion in 2009, with plans to add more than 500 jobs in Douglas County, Colorado. This is in addition to its existing employment base of 1,300 in the state. The jobs will be primarily technology jobs averaging \$75,000 per year.

DaVita, Inc., a leading provider of kidney care services, announced that it will relocate its headquarters to Denver in 2009. The company's presence brings the number of Fortune 500 companies based in Colorado to 12. The company cited a number of factors in its decision to select Denver for its headquarters. Among them were the city's central geographic location, favorable cost of living and cost of doing business, and its desirability as a place to live and work.

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" continued with the recent announcement of a wind turbine manufacturing plant in Brighton and wind-tower complex in Pueblo, bringing total investments of \$680 million and 2,450 new jobs to the state.

Other renewable energy companies that recently announced projects in Colorado include Ascent Solar, AVA Solar, Inc., Siemens Energy, SunEdison, and Renewable Energy Systems (RES) Americas. Excel Energy announced in July 2009 that it selected SunPower Corp. to build the second largest photovoltaic solar-power plant in North America. It is expected to be online in 2010 and will create 200 jobs during its construction phase.

Entrepreneurship/Small Business

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.

US News ranked **Colorado** 3rd in the US for best states to start a business. What's attracting so many people and businesses to Colorado might be its highly educated workforce, as well as income levels, capital gains, and other indicators.

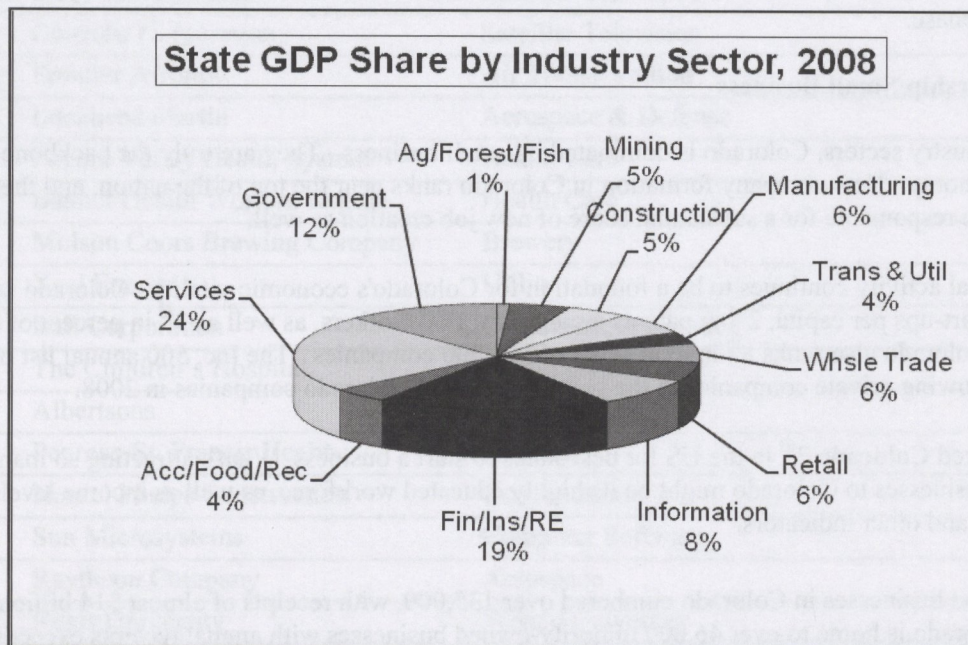
Women-owned businesses in Colorado numbered over 135,000, with receipts of almost \$14 billion. In addition, Colorado is home to over 46,000 minority-owned businesses with annual receipts exceeding \$9 billion. Approximately one-third of the minority owned businesses are also woman-owned. These estimates are expected to increase dramatically as the Census Bureau released new Survey of Business Owners data in 2010.

Colorado State Gross Domestic Product (GDP)

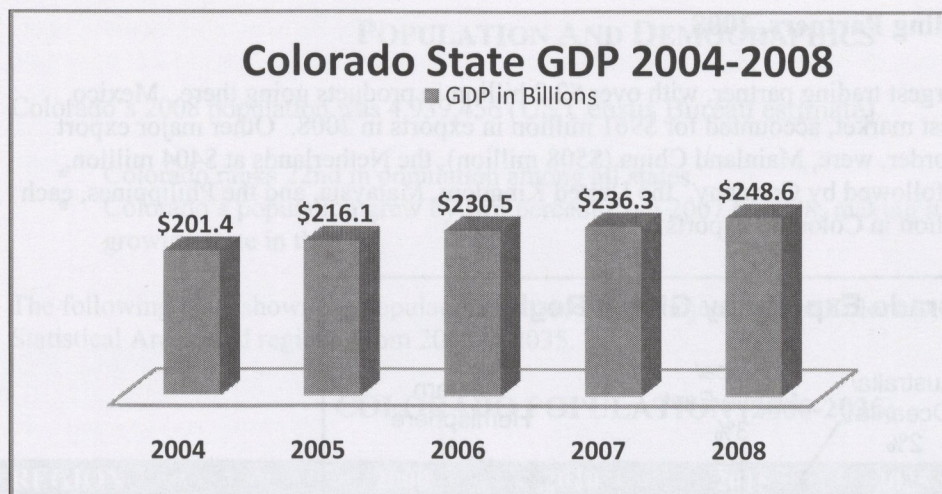
Colorado's 2008 GDP - \$248.6 Billion

TOTAL STATE GDP, 2008 Industry Detail	Billions of Dollars
Agriculture/Forestry/Fisheries	\$2.5
Mining	\$12.0
Construction	\$12.1
Manufacturing	\$15.9
Transportation & Utilities	\$9.6
Wholesale Trade	\$13.8
Retail Trade	\$14.7
Information	\$21.1
Finance, Insurance, & Real Estate	\$46.2
Services	\$58.9
Accommodations/Food/Arts & Recreation	\$11.1
Government	\$30.6

Note: Sector totals will not equal total GDP due to rounding and netting out of unallocated activity.
 Source: Bureau of Economic Analysis, June 2009



Colorado's state GDP grew by 2.9% from 2007-2008, making it the 4th fastest growing state in terms of GDP increase. Colorado's per capita GDP in 2008 was \$41,102, 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 2008, Colorado exports reached \$7.67 billion.

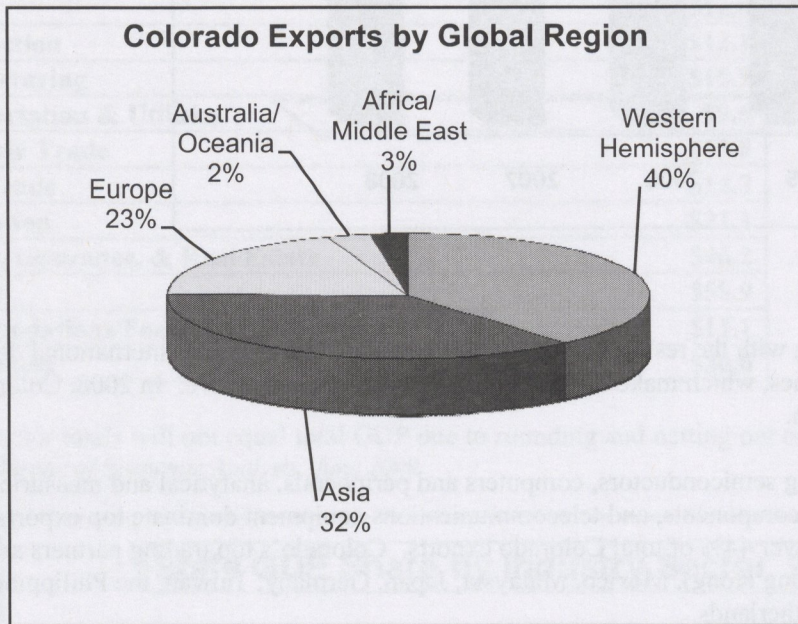
High-tech products, including semiconductors, computers and peripherals, analytical and measuring instruments, office machine components, and telecommunications equipment dominate top export sectors. High tech exports make up over 44% of total Colorado exports. Colorado's top trading partners are Canada,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

Colorado's Top Manufactured Export Products, 2008

Product Description	2008 Annual Exports
Total – All Commodities	\$7,667,990,581
Industrial Machinery, Including Computers	1,845,487,652
Electrical Machinery, Sound Equip., TV Equip. etc.	1,107,782,709
Optic, Photo, Medical or Surgical Instruments	1,006,087,383
Photographic or Cinematographic Goods	337,840,793
Ores, Slag, and Ash	302,927,873
Mineral Fuel, Oil, Bitumin Subst., Mineral Wax	293,154,214
Aircraft, Spacecraft & Parts	192,080,870
Organic Chemicals	143,305,854
Plastics	127,165,459
Iron or Steel	124,859,334
Total-Top Ten Commodities	\$5,480,692,141
All other commodities (incl. Ag exports)	\$2,187,298,440

Colorado's Top Trading Partners, 2008

Canada is Colorado's largest trading partner, with over \$2.2 billion in products going there. Mexico, Colorado's second largest market, accounted for \$961 million in exports in 2008. Other major export markets, in descending order, were, Mainland China (\$508 million), the Netherlands at \$404 million, Taiwan (\$329 million), followed by Germany, 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 2008 population was 4,939,456 (US Census Bureau estimate)

- Colorado ranks 22nd in population among all states.
- Colorado's population grew by two percent from 2007 to 2008, making it the third fastest growing state in the U.S.

The following table shows the population estimates and projections for Colorado, major Metropolitan Statistical Areas, and regions, from 2000 to 2035.

COLORADO POPULATION (2000-2035)

REGION	2000 July 1	2010 Projection	2015 Projection	2025 Projection	2035 Projection
COLORADO	4,338,789	5,218,144	5,737,305	6,823,546	7,819,775
Front Range	3,538,755	4,263,593	4,660,257	5,469,592	6,215,054
• Denver/Boulder Region	2,418,292	2,877,742	3,108,296	3,580,826	3,958,718
• Greeley MSA	183,560	267,938	311,230	423,164	555,661
• Ft. Collins MSA	253,131	306,176	338,548	410,990	480,691
• Colorado Springs MSA	541,718	646,954	724,165	844,412	975,994
• Pueblo MSA	142,054	164,783	178,018	210,200	243,990
Western Slope	468,368	598,399	683,247	867,185	1,044,209
Central Mountains	126,179	142,040	161,377	206,319	240,603
San Luis Valley	46,416	49,041	52,869	60,638	67,431
Eastern Plains	159,071	165,071	179,555	219,812	252,478

Source: Colorado Department of Local Affairs, State Demographer's Office, November 2008

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

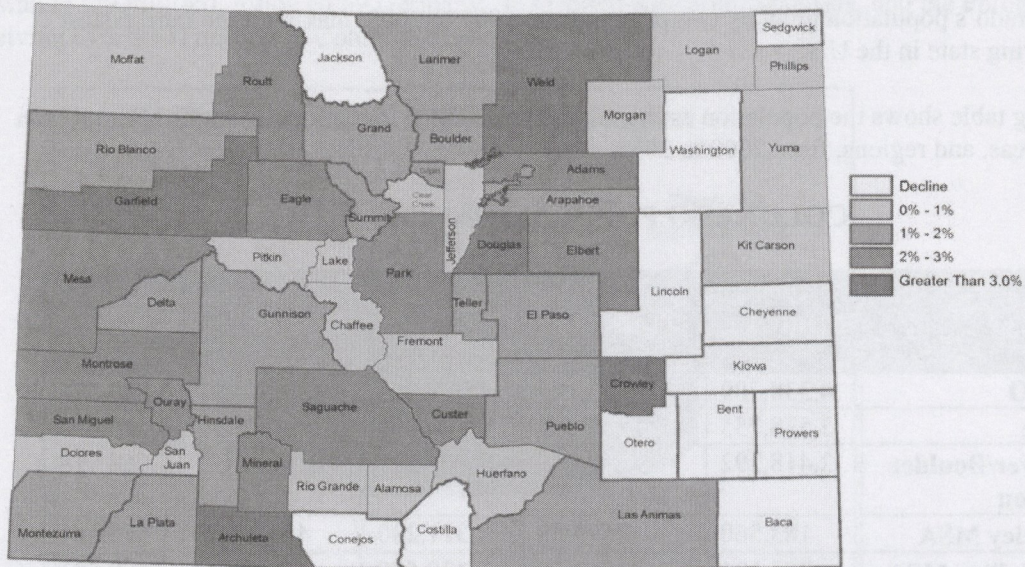
Note: State Demographer's Office uses July 1 as base deadline

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.

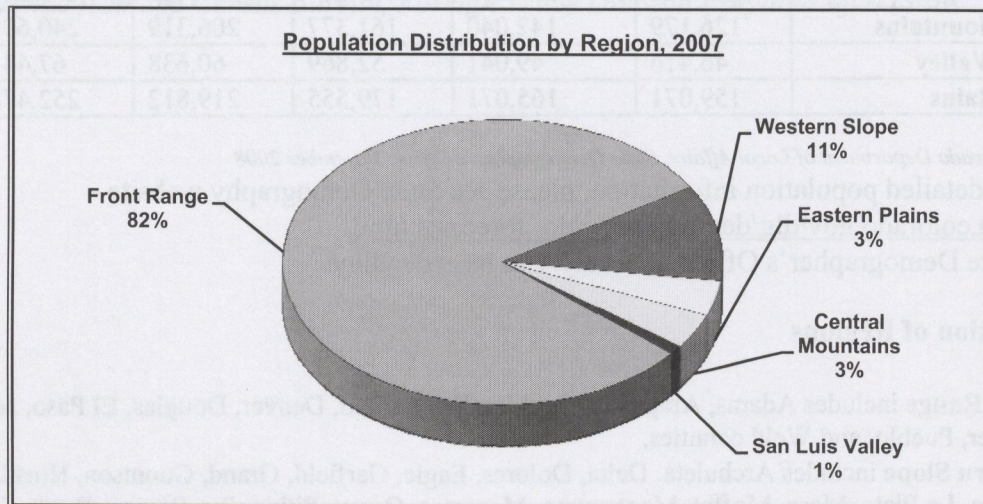
**COLORADO POPULATION GROWTH
Average Annual Percent Change 2000-2007**



Source: State Demography Office
Prepared: November, 2008
Based on Adjusted Year 2000
and Final Year 2007 Estimates

Colorado Department of Local Affairs
State Demography Office

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



Colorado's population is projected to increase by over 2.5 million people between 2010 and 2035. Immigration 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 immigration 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. Even in the midst of the current recession, Colorado's population growth is well above the national average.

Basic Demographics

Variable	COLORADO	U.S.
Median Age (est. 2007)	35.6 (41 st)	36.6
Percent of Population Under Age 18	24.5%	24.5%
Percent of Population Over Age 65	10.1%	12.6%
<i>Race/Ethnicity (U.S. Census, 2008 Estimate) Note: Column will total more than 100% because Hispanics may be of any race</i>		
Percent White	89.7%	79.8%
Percent Black	4.3%	12.8%
Percent American Indian	1.2%	1.0%
Percent Asian	2.7%	4.5%
Percent Two or more races	2.0%	1.7%
Percent Hispanic (of any race)	20.2%	15.4%
<i>Labor Force Participation, Population Age 16 - 64 (U.S. Census, American Community Survey, 2007)</i>		
Percent in Labor Force	77.9%	74.3%
<i>Educational Attainment, Age 25 and Over (U.S. Census, ACS, 2007)</i>		
Percent College Grads (or higher)	35.0% (Ranks 3 rd in the nation)	27.5%
Percent High School Grads (or higher)	88.9% (Ranks 16 th in the nation)	84.5%
<i>Income</i>		
Median Household Income, 2007	\$55,212 (Ranks 12 th)	\$50,740
Per Capita Income, 2008	\$42,377 (Ranks 13 th in the nation)	\$39,751

Sources: U.S. Census Bureau, Population Estimates Program 2008, 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 just 18,000 net new jobs in 2008, an increase of 0.8 percent over 2007. The recession did not impact Colorado until 3rd Quarter 2008, so the state avoided a net job loss.
- Colorado is projected to lose more than 80,000 jobs in 2009 as the state becomes embroiled in the recession along with the rest of the country. This represents a 3.8 percent decrease, and more than wipes out the job growth of the prior two years.
- Projections for 2010, though still very weak, call for Colorado to return to positive job growth, just barely, but a more optimistic outlook than for the U.S. as a whole, which is still projected to see slight job losses.
- Colorado ranks third in the nation in concentration of high-tech workers, with 82 out of every 1,000 private sector workers in a high-tech job, according to TechAmerica's "Cyberstates" 2009 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 2008 annual average wage rate for all industry sectors was \$46,952. 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 4.9% in 2008, below the US average of 5.8%. In 2009, Colorado's unemployment rate is expected to average 8.3% for the year, while the U.S. unemployment rate is expected to be 9.4%.

The following table indicates the annual average unemployment rates of representative labor markets throughout the state since 2003. 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	2003	2004	2005	2006	2007	2008
U.S. Average	6.0%	5.5%	5.1%	4.6%	4.6%	5.8%
Colorado	6.1%	5.6%	5.1%	4.3%	3.8%	4.9%

Source: Colorado Department of Labor and Employment, Labor Market Information Section, 2009. 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 2008 average annual employment by major industry sector, based on North American Industry Classification (NAICS) codes:

2008 Annual Average Colorado Wage and Salary Employment

NAICS Code	Super-Sector	Number	Percent
11	Agriculture, Forestry & Fishing	14,087	0.6%
21	Mining	28,335	1.2%
22	Utilities	8,221	0.4%
23	Construction	161,814	7.0%
31-33	Manufacturing	144,157	6.2%
42	Wholesale Trade	100,144	4.3%
44-45	Retail Trade	252,691	10.9%
48-49	Transportation & Warehousing	63,635	2.8%
51	Information	76,963	3.3%
52-53	Finance, Insurance & Real Estate	151,800	6.6%
54	Professional & Technical Services	176,440	7.6%
55-56	Mgmt. of Cos./Admin. & Waste Services	175,098	7.6%
61	Educational Services (Private)	27,701	1.2%
62	Health Care & Social Assistance	219,879	9.5%
71	Arts, Entertainment & Recreation	45,656	2.0%
72	Accommodation & Food Services	227,251	9.8%
81	Other Services & Unclassified	69,282	3.0%
92	Government (Federal, State & Local)*	367,712	15.9%
	Total Wage & Salary Employment	2,310,868	100%

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

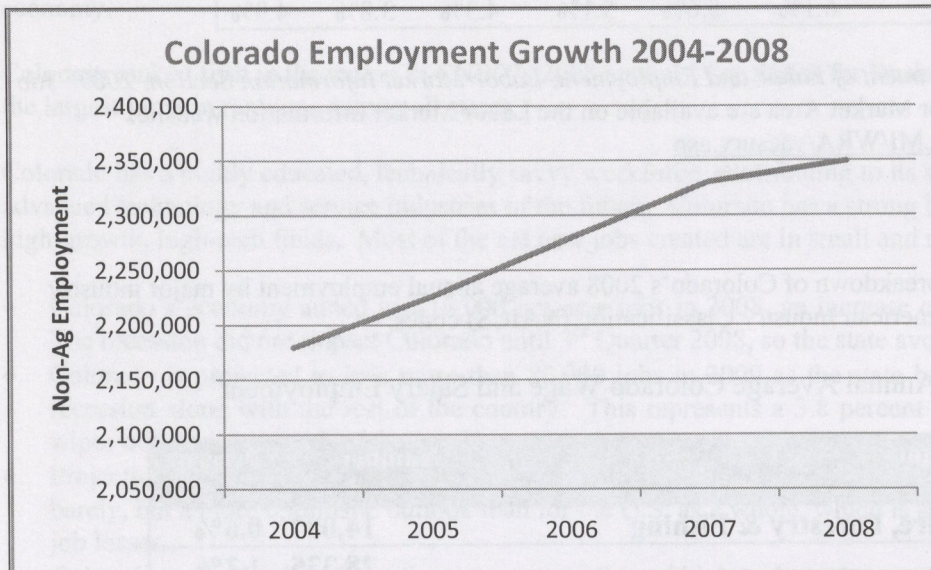
*Includes public education

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, 2009

Colorado's employment base exhibited healthy growth throughout the economic expansion starting in 2003, and in the current economic slowdown, job growth remained positive through the 3rd Quarter of 2008, enabling the year to maintain a small positive net job growth.



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. The programs did receive appropriations for FY2010, so there will be ongoing opportunities for training.

- 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:

TechAmerica's "Cyberstates" 2009 edition ranked Colorado #3 in the country for concentration of high-tech workers, with 82 of every 1,000 private sector workers classified as high-tech.

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.

The 2008 State New Economy Index published by the Information Technology & Innovation Foundation ranked Colorado #3 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
Economic Dynamism	3	Composite index based on jobs in fast-growing "gazelle" firms, Tech Fast 500 and Inc. 500 firms, job churning and similar indicators.
Science and Engineering Degrees Awarded	5	S & E degrees awarded per 100,000 inhabitants
Workforce Education	3	Weighted measure of educational attainment of the workforce
Initial Public Offerings	4	Weighted measure of number and value of IPO's as a share of total worker earnings
Venture Capital Investment	4	Venture capital invested as a share of worker earnings
Patents	4	Patents issued per 1,000 workers
Economic Dynamism	7	Composite index based on high tech jobs, scientists and engineers in the workforce, movement towards a green economy and VC investment

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:

- REpower USA Corp., a subsidiary of a German wind turbine manufacturer, will move its US

headquarters to Denver in 2009.

- Xcel Energy and SunPower Corp. announced an agreement to build a 17-megawatt photovoltaic solar power plant in Alamosa County, Colorado. When completed in 2010, the plant will be the second largest high-efficiency solar PV power plant in North America
- Vestas Wind Systems has completed 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 has an impressive infrastructure of research facilities and universities that are working collaboratively to advance renewable energy research, development and distribution.

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 renewable energy potential, with solar quality in the 5000 to 7000 watt hours per square meter per day range, and wind energy potential 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 1,500 companies in Colorado, with employment of over 16,000.

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
- 920 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, Governor Bill Ritter 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.

Colorado provides meaningful support to the bioscience industry.

Proof of Concept Grants, available to Offices of Technology Transfer affiliated with qualified Research Institutions have been awarded \$1.4 million under the Bioscience Discovery Evaluation Grant Program. Bioscience Company Grants, up to \$150,000, are designed to provide early stage funding for new companies born out of Colorado Research institutions. To date, \$1.5 million in grants have been awarded.

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 Colorado Bioscience Park Aurora will anchor the project, being developed by Forest City Enterprises. A new Veterans Hospital is also slated to be completed by 2013. For more information, visit their website at <http://www.cobioscience.com>

Located on the Anschutz Medical Campus, the University of Colorado Hospital has been ranked one of the best in the country in six of 16 medical specialties in U.S. News & World Report's 2009-10 publication of America's Best Hospitals. As of 2008, 15,900 jobs were based at Fitzsimons/Anschutz (excluding construction jobs), mostly in health care delivery and education.

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By 2018, this number is projected to reach 23,980, and at full build-out, up to 44,500.

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 four military commands with over 31,000 personnel. There are more than 300 companies in the space business in Colorado, with direct employment of 57,910. When indirect and industry support jobs are included, the industry provides an estimated total of 176,930 aerospace-related jobs.

Most of the major aerospace contractors have significant operations in Colorado. Among them are Ball Corporation, Boeing Company, ITT Corporation, Lockheed Martin, Northrup-Grumman, Raytheon, and United Launch Alliance.

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 a 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.

Lockheed Martin received a \$1.5 billion contract in 2008 to develop GPSIII, the next generation military and civilian navigation technology.

In 2008, Colorado ranked first in the nation for private aerospace employment concentration. Aerospace companies represent 1.3% of Colorado employment base compared with 0.3% for the nation as a whole.

University of Colorado at Boulder is the #1 ranked public university in NASA funding, with \$56 million in 2007.

Information Technology/Software

Colorado's information technology and software sectors have helped transform the state's economic base, and been a major driver of its economic growth over the past decade. Providing support for other high tech sectors, more recent emphasis has been on software to facilitate renewable energy and clean tech, as well as bioscience. IT has garnered a hefty amount of venture capital financing, confirming the innovative nature and potential of this industry.

- 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 2008.
- Over 5,050 software companies were located in Colorado in 2008. The vast majority (83%) have 10 or fewer employees, and the majority engage in custom computer programming services.
- The Information sector (including telecommunications) employed over 79,000 Coloradans in 2008, with average annual wages of \$75,088.
- When IT occupations in all industry sectors are included, there are more than 175,000 information technology workers in Colorado.

Sources: Colorado Department of Labor & Employment, 2009; Cyberstates 2009, and Bureau of Economic Analysis

Colorado Industry Associations

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

Colorado Cleantech Industry Association, founded in 2008, is an association for the rapidly-growing cleantech sector, which includes renewable energy manufacturers and providers as well as products and services that make our current energy production and distribution systems more efficient. The sector also includes products and technologies that help consumers and industries use natural resources such as energy, water and waste more efficiently. www.coloradocleantech.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 2009 tells a compelling story:

- Concentration of high-tech workers, with 82 of every 1,000 private sector workers classified as high-tech, Colorado ranks third in the country.
- 159,600 high-tech workers (15th in the nation).
- High-tech average wage of \$89,800 (5th in the country), or 97 percent higher than average private sector wages.
- High-tech payroll of \$14.3 billion in 2007 (11th in the nation).
- More than 12,000 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 budgets.

In 2005, Colorado voters approved Referendum C, which allows the State to retain all revenue it collects. Under the provisions of Referendum C, the State will retain \$3.6 billion from FY 2005-06 through FY 2009-10. There will not be a TABOR surplus during this five-year "time out" period.

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 2007 totaled \$99 per capita, compared to a national average of \$201 for corporate income tax revenue.

**Per Capita State Corporate
Net Income Tax Revenue, 2007 - (Selected States)**

State	Per Capita	National Rank	Corporate Income Tax Rate
California	\$307	6	8.84% - flat rate
Illinois	\$229	11	7.3% - flat rate
Minnesota	\$228	12	9.8% - flat rate
New Mexico	\$216	13	4.8% - 7.6%
North Dakota	\$214	14	2.6% - 6.5%
Kansas	\$190	15	4% - flat rate
Arizona	\$155	27	6.968% - flat rate
Utah	\$149	28	5% - flat rate
Nebraska	\$120	36	5.58% - 7.81%
U.S. Average	\$201	N/A	
Colorado	\$99	42	4.63 - flat rate

Source: CQ Press using data from U.S. Bureau of the Census, Governments Division, State Rankings-2009

Colorado's Method of Apportioning Income

Effective for tax years beginning January 1, 2009, Colorado's corporate tax liability is determined using a "single sales factor" for multi-state corporations. This apportionment formula is intended to create 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.

New in 2009

For tax years commencing on or after January 1, 2009, but prior to January 1, 2015, companies creating at least 20 jobs (or five jobs in enhanced rural Enterprise Zones), that pay at least 110% of county average wage and are maintained for at least one year, a tax credit against Colorado income tax of up to fifty percent of FICA taxes paid on the new employees may be claimed.

For Tax Year 2010 – Innovation Investment Tax Credit – provides an income tax credit of 15 percent, up to \$20,000, of investments made in an innovative company that:

- Maintains its principal place of business in Colorado;*
- Has at least half its gross assets and employees based in Colorado;*
- Has less than \$2 million in annual revenue and \$5 million of total assets prior to funding;*
- Has been in operation for less than five years; and*
- Has at least two non-administrative, full-time-equivalent employees residing in Colorado.*

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.

For more information on property taxes in Colorado, see the Department of Legal Affairs web site.

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 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 Refunds: 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, clean technology and medical devices are refundable.

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
- Component parts
- Fuels and Electricity
- Packaging Materials
- Aircraft parts used in general maintenance
- Aircraft manufactured in Colorado and sold to out-of-state buyers
- Interstate long distance telephone charges
- Ink and Newsprint
- Farm Equipment and Machinery
- Tangible Personal Property Used in Biotech, Clean technology and medical device Research & Development (**refund, not exemption**)

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. 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 2009, Pinnacol announced it will refund \$120 million to Colorado businesses, rewarding those companies with good safety records and low claims. Including this year's checks, it has returned more than \$347 million over the past five years. About 89% 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.

Colorado's workers' compensation premium ranking in 2008 was 43rd (with 1st being the highest). Colorado's index rate of 1.76 was 78% of the national median rate of \$2.26, based on the 2008 Oregon Workers' Compensation Premium Rate Ranking Summary.

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 2008 was 72.748 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. Beginning in 2008, the exemption was raised to \$7,000 over five years.

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

Business personal property tax incentive agreements negotiated by cities, counties, or school districts may have a life span of up to ten years, giving local communities greater leverage to attract top-notch companies. Companies in former Enterprise Zones may have up to 10 years to use their Enterprise Zone tax credits earned while the area's Enterprise Zone status was in effect.

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

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.

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/drpl002.pdf

Property Taxes

Residential property is assessed at 7.96 percent of market value in 2009 (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 2008, the average total mill levy for the state was 72.748 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, 2008**

<i>State</i>	<i>State/Local Tax Burden</i>	<i>Rank</i>
Arizona	8.5%	41
California	10.5%	6
Colorado	9.0%	34
Idaho	10.1%	13
Kansas	9.6%	21
Minnesota	10.2%	12
Nebraska	9.8%	17
New Mexico	8.6%	39
Oregon	9.4%	26
Utah	9.6%	22
Washington	8.9%	35
Wyoming	7.0%	48
U.S. Avg.	9.7%	N/A

Source: Tax Foundation 2008

EDUCATION

Colorado's population is knowledge-intensive and extremely well educated. The U.S. Census Bureau's American Community Survey ranked Colorado third in the nation in percentage of population with a college degree, 35 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 2008-2009 school year enrollment of 818,443, an increase of two percent over 2007. Large districts are concentrated in metropolitan areas, while some rural areas have very small enrollments. The 10 largest school districts enroll 56 percent of all students, while the remaining 168 districts serve 44 percent of state public school enrollment. Statewide enrollment has grown every year since 1989.

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 (\$1.8 billion). Moneys provided via the Public School Finance Act of 1994 are available to each school district to fund the costs of providing public education.

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, 2009

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, 2009

<i>Test</i>	<i>COLORADO Average Score (% tested)</i>	<i>U.S. Average Score (% tested)</i>
SAT	1698 (18%)	1509 (48%)
ACT	19.6 (100%)	21.1 (43%)

Source: Colorado Department of Education, 2009; CollegeBoard SAT press release, August 2009

Colorado Educational Attainment

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

<i>State</i>	<i>Percent College Grads</i>	<i>U.S. Rank</i>
Colorado	35%	3
Arizona	25.3%	31
Kansas	28.8%	17
Nebraska	27.5%	20
New Mexico	24.8%	34
Texas	25.2%	32
Oklahoma	22.8%	42
Utah	28.7%	18
Wyoming	23.4%	41

Source: U.S. Census Bureau, 2007 American Community Survey, released 2009

Colorado Higher Education Fall 2008 Enrollments

Four-Year Colleges and Universities:

<i>Institution</i>	<i>Location</i>	<i>Fall 2008 Enrollment</i>
Adams State College	Alamosa	2,338
Colorado School of Mines	Golden	4,704
Colorado State University	Ft. Collins	25,496
Colorado State University-Pueblo	Pueblo	4,633
Fort Lewis College	Durango	3,740
Mesa State College	Grand Junction	6,205
Metropolitan State College	Denver	21,469
University of Colorado – Boulder	Boulder	30,623
University of Colorado – Colorado Springs	Colorado Springs	8,010
University of Colorado-Denver & Health Sciences Center	Denver	16,283
University of Northern Colorado	Greeley	11,130
Western State College	Gunnison	2,110
Four-Year Institution Total		136,741

Two-year Colleges:

<i>Institution</i>	<i>Location</i>	<i>FTE Enrollment</i>
Aims Community College	Greeley	4,840
Arapahoe Community College	Littleton	7,204
Colorado Mountain College	Glenwood Springs	5,092
Colorado Northwestern Community College	Rangely	1,429
Community College of Aurora	Aurora	5,384
Community College of Denver	Denver	8,250
Front Range Community College	Westminster	15,695
Lamar Community College	Lamar	1,138
Morgan Community College	Ft. Morgan	1,759
Northeastern Junior College	Sterling	2,698
Otero Junior College	La Junta	1,551
Pikes Peak Community College	Colorado Springs	11,873
Pueblo Community College	Pueblo	5,437
Red Rocks Community College	Lakewood	7,667
Trinidad State Junior College	Trinidad	1,740
Two-Year Institution Total		81,757

Source: Colorado Commission on Higher Education, 2009

- Fall 2008 enrollments totaled 218,498 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

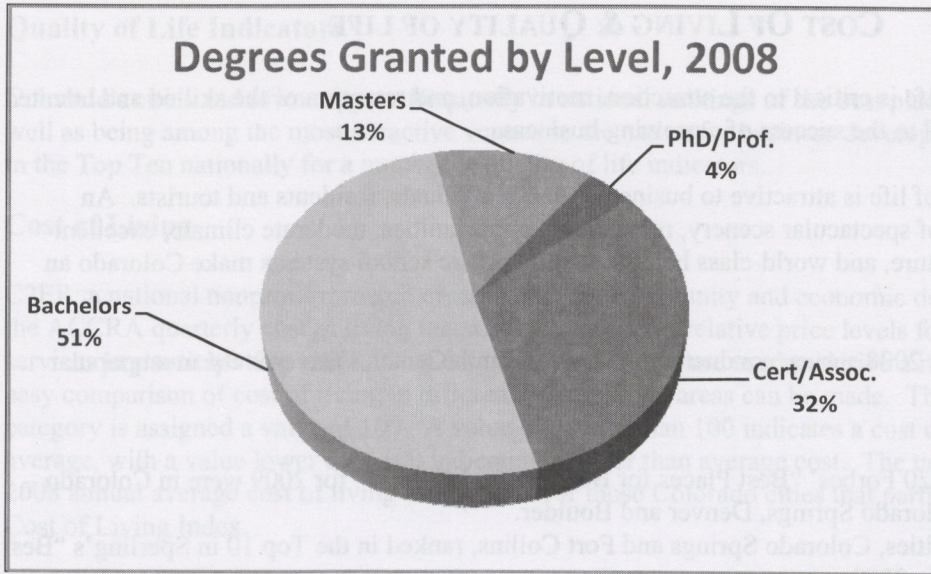
Colorado’s 27 public higher education institutions awarded 39,163 degrees in 2008, the most recent year for which there is data. The following table summarizes the degrees granted by major subject area of study.

Over 5,500 Colorado students received degrees in Business and Management, and over 3,600 received degrees in Math & Computer Sciences or Engineering & Technology in 2008.

<i>Major</i>	<i>Degrees Conferred</i>
Agricultural Science/Agribusiness	687
Business & Management	5,532
Communications	1,655
Engineering	2,304
Health Care	6,760
Mathematics & Computer Science	1,378
Physical & Natural Sciences, incl. Bioscience	2,311
All Other (incl. Architecture, Soc. & Behavioral Sci., Education, Liberal Arts, Law, Public Administration, and Fine Arts)	18,536
TOTAL	39,163

Source: Colorado Commission on Higher Education, 2008 Degrees Granted, July 2009

Degrees Granted by Level, 2008



City	Value
Colorado Springs	92.8
Denver	88.5
Fort Collins	85.2
Glenwood Springs	71.2
Grand Junction	68.1
Greeley	65.5
Golden	63.3
Ft. Collins	61.7

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.

According to an October 2008 survey conducted by Pew Research Center, Denver is the most popular city in America.

- Four of the Top 20 Forbes' "Best Places for Business and Careers" for 2009 were in Colorado – Fort Collins, Colorado Springs, Denver and Boulder.
- Two Colorado cities, Colorado Springs and Fort Collins, ranked in the Top 10 in Sperling's "Best Places to Live" in 2009.
- Louisville, Colorado, topped the 2009 Money magazine's list of "America's Best Small Towns." Superior came in at #13 out of 100.
- The Denver-area ranked No. 3 on a list of the nation's "fittest cities," released in May 2009 by the American College of Sports Medicine (ACSM).

- 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, best place for pets, healthiest places, to name a few.

Concern for the environment is a widely held value among Colorado's individual and corporate citizens. Colorado voters were 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 two percent at present to 10 percent by 2015.
- The standard increased to **20 percent renewable by 2020**. (2007 Legislation)
- Four 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

C2ER, a national nonprofit research organization for community and economic development, produces the ACCRA quarterly cost of living 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 the 2008 annual average cost of living information for those Colorado cities that participated in the ACCRA Cost of Living Index.

Colorado Cities' Cost of Living Index
Annual Average, 2008

Area	C.O.L. Index
Colorado	92.8
Springs	
Denver	105.0
Fort Collins	95.3
Glenwood Springs	131.2
Grand Junction	101.0
Greeley	97.6
Gunnison	117.7
Pueblo	87.1

Source: C2ER, ACCRA Cost of Living Index, Annual Average, 2008, published 2009

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

Annual Average 2008

Area	C.O.L. Index
Boston	133.6
Chicago	112.5
Dallas	92.1
Denver	105.0
Las Vegas	107.9
San Diego	136.4
Salt Lake City	99.7
New York City	219.8
Philadelphia	123.9
Phoenix	101.1
Portland	116.1
San Francisco	172.1
Seattle	123.0
Washington DC	137.4

Smaller Cities

Annual Average 2008

Area	C.O.L. Index
Albuquerque	96.7
Idaho Falls	89.3
Laramie	103.3
Colorado Springs	92.8
Cheyenne	101.5
Tucson	99.6
Fort Collins	95.3
Greeley	97.6
Lawrence, KS	93.4
Pueblo	87.1
Reno	110.6
Bozeman, MT	107.6
Tacoma, WA	109.9

Colorado Springs	92.8
Denver	105.0
Fort Collins	95.3
Greeley	97.6
Grand Junction	101.0
Leadville	92.8
Monte Vista	92.8
Pueblo	87.1

Crime Rate Comparison

Violent Crime Rate in 2007 (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	788.3
Nevada	3	750.6
New Mexico	7	664.2
California	13	522.6
Texas	14	510.6
Oklahoma	16	499.6
Arizona	18	482.7
U.S. Average	--	466.9
Kansas	20	452.7
Colorado	25	347.8
Nebraska	30	302.4
Wyoming	43	239.3
Utah	44	234.8

Source: CQ Press "State Rankings 2009" based on U.S. Department of Justice, Federal Bureau of Investigation, Uniform Crime Reports, Released in September 2008

State Parks

Colorado's state parks offer a wide variety of recreational opportunities for all ages and abilities. From hiking and bird watching to swimming, fishing, and hunting, there are activities for everyone. Colorado's state parks are located throughout the state and range from metropolitan areas to remote wilderness. Over 11 million visitors enjoy the state parks each year. Colorado's state parks are a great way to enjoy the outdoors and the natural beauty of the state.

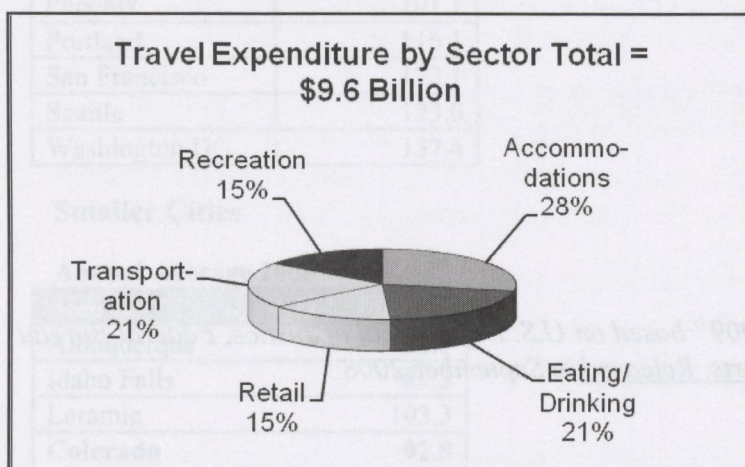
State	Rank	Rate
Arizona	11	120.23
Colorado	42	21.245
Kansas	42	100.23
Nebraska	42	100.23
Nevada	42	100.23
Utah	42	100.23

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 27.4 million domestic visitors taking overnight trips in 2008. Although a two percent drop from 2007 record levels, this was the second highest number of overnight visitors ever recorded.

Colorado Tourism Expenditures

Domestic overnight travel expenditures in Colorado totaled approximately \$9.6 billion in 2008, down two percent over the previous year, making it one of the state's largest industries. International travelers, though not specifically measured in 2008, are estimated to have added more than \$600 million to Colorado's tourism sector.



Source: Longwoods International, Colorado Visitors Study 2008, June 2009

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 5.4 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	2008 Visitors
Rocky Mountain National Park	2,757,390
Curecanti National Recreation Area	1,007,444
	551,446
Mesa Verde National Park	
Black Canyon National Park	160,185
Great Sand Dunes National Park	273,903
Dinosaur National Monument	201,724
Colorado National Monument	390,972
Florissant Fossil Beds	56,988

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 future preservation of this important historical site.
- 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:

State	State Parks	Acreage
Arizona	14	32,020
Colorado	42	214,245
Kansas	24	32,300
Nebraska	8	30,095
New Mexico	29	89,420
Nevada	13	69,985
Utah	36	92,718
Wyoming	11	117,592

Source: National Association of State Park Directors

Skiing and Winter Recreation

Colorado boasts more than 35 winter recreation areas, offering such activities as snow shoeing, snow mobiling, snowcat tours, sleigh rides, ice skating, cross-country skiing, and, of course, the largest recreational attraction in Colorado: downhill skiing and snowboarding. With 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, 2008

State	Share (%)	Rank
Colorado	18.3%	1
California	17.7%	2
Vermont	8%	3
New York	6.7%	4
Utah	5.8%	5

Source: Longwoods International, *Colorado Visitors Study, Final Report, June 2009*,
<http://www.colorado.com/IndustryPartners/LongwoodsInternational.aspx>

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 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 2009, the stock show drew 643,100 attendees. 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 Center for the 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. Recent productions of "Jersey Boys," "The Phantom of the Opera," "Rent," and "The Color Purple" 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

<i>Venue</i>	<i>Seats</i>
Denver Performing Arts Complex (includes Buell Theatre, Auditorium Theatre, Boettcher Concert Hall, and five intimate theaters)	9,316
Red Rocks Amphitheater, Denver	8,649
Pepsi Center, Denver	20,100
Invesco Mile High Stadium, Denver	76,125
Coors Amphitheater, SE Denver	18,000
Arvada Center for Arts & Humanities (indoor + outdoor)	1,700
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 businesses. 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.
- Denver International Airport (DIA) is the nation's fourth busiest airport, and the 9th busiest in the world.
- In addition to DIA, Colorado has 14 commercial and 60 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.
- Highways contain 22,759 lane miles
- 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

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

Denver International Airport (DIA)

In 2008, more than 51 million passengers passed through Denver International Airport, an increase of 2.8 percent over 2007, the fifth straight record-breaking year. DIA highlights:

- Fourth busiest airport in the U.S.; 9th busiest in the world;
- Offers nonstop service to more than 140 U.S. cities
- Offers nonstop service to 18 international cities
- More than 30 airlines, including express carriers and charters
- Five low-cost air carriers
- Averages 1,670 flights per day

Source: www.flydenver.com

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.

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, 2006-2008

<i>Operations and Traffic</i>	<i>2006</i>	<i>2007</i>	<i>2008</i>	<i>% Incr./Decr. (2007-2008)</i>
AIRCRAFT OPERATIONS				
Air carrier	428,794	451,228	460,311	2.0%
Air Taxi	167,975	162,319	160,746	-1.0%
Military	1,333	147	177	20.4%
General Aviation	11,415	5,620	4,610	-18.0%
Total Operations	609,517	619,314	625,844	1.1%
PASSENGERS				
Internationals	1,902,832	2,190,063	2,200,036	0.5%
Majors	28,379,638	39,027,513	40,464,025	3.7%
Nationals	9,375,948	729,587	696,190	-4.6%
Regionals	7,574,948	7,888,648	7,872,314	-0.2%
Supplementals	92,392	27,541	12,769	-53.6%
Total Passengers	47,325,016	49,863,352	51,245,334	2.8%

Definitions:

- *Passengers* include revenue and nonrevenue passengers as reported by the individual airlines.
- *Internationals* include carriers such as AeroMexico, Air Canada, Air Wisconsin Int'l, Allegiant Air Int'l,

American Trans Air Int'l, British Airways, Champion Int'l, Frontier Int'l, Horizon/F9X Int'l, Lufthansa, Mexicana, Miami Air Int'l, Republic Airline/F9X Int'l, Ryan Int'l Airlines Int'l, Shuttle America/UAX Int'l, SkyWest/UAX Int'l, Ted Int'l, and United Int'l.

Majors include Alaska, America West, American, Continental, Delta, Frontier, Northwest, Southwest, Ted, United, and US Airways.

- **Nationals** include Air Wisconsin/UAX, Air Tran, American Trans Air, Frontier, Jet Blue, Midwest Express, and Spirit.
- **Regionals** include Air Midwest/Mesa, ASA/Delta Connection, Big Sky Airlines, Chautauqua/AA Connection, Chautauqua/CO Express, Chautauqua/UAX, Comair/Delta Connection, Continental Express, ExpressJet/CO Express, ExpressJet/DLX, GoJet/UAX, Great Lakes, Horizon, Horizon/Frontier JetExpress, Mesa/America West Express, Mesa/UAX, SkyWest/DLX, SkyWest/UAX, Trans States/AA, and Trans States/UAX.
- **Supplements** include Allegiant Air, Casino, Champion Air, Hooters Air (dba Pace), Kalitta Air, Miami, Ryan Int'l Airlines, and Sun Country.

Source: Denver International Airport Monthly Operations and Traffic Report, December 2008

Colorado Springs - The Colorado Springs Municipal Airport has non-stop service to fifteen major cities nationwide where connections can be made to other destinations. In 2008, the Colorado Springs airport saw passenger traffic of almost 1 million.

Grand Junction - Walker Field is the largest airport on Colorado's Western Slope. It has non-stop service to five major hub cities that provide connections everywhere. In 2008, Walker Field served almost 212,000 passengers.

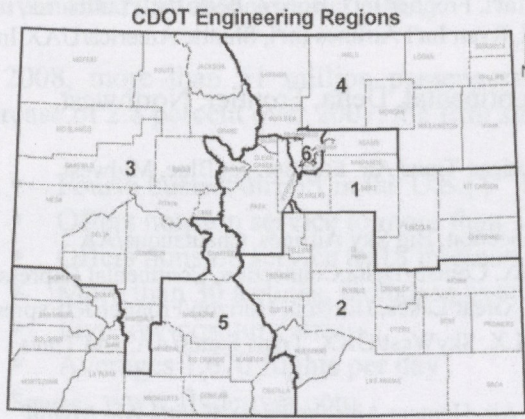
Resort Area Airports - During ski season, a number of resort-area airports such as Aspen, Eagle/Vail, Telluride, and Steamboat Springs have non-stop service to and from a number of major US cities.

State Funding for Highway Construction and Improvement

The 2009-2010 fiscal year budget for the Colorado Department of Transportation is approximately \$973.5 million. The lion's share, 93%, is dedicated to Construction, Maintenance and Operations. Revenues to fund transportation come from State sources (59%), Federal (34%), and Local/Other (7%).

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.

CDOT ARRA Project Status (July 1, 2009)	
Gone to Advertisement	39
Gone to Bid	31
Projects Awarded	29
Projects Under Construction	12



CDOT Region	ARRA Funds (Millions of \$)	Percent
Central Mtns & Eastern Plains	\$48.2	15%
South/Southeast	\$52.8	16%
Western Slope	\$47.8	14%
North/Northeast	\$47.3	14%
Southwest	\$32.1	10%
Metro Denver	\$100.8	31%

As critical as the ARRA funds are, Colorado has taken the initiative to raise funds at the state level to supplement the declining buying power of the \$0.22 per gallon tax on motor fuels. This rate has been in effect since 1992, and more fuel efficient cars and inflation have diminished its ability to meet the demand for needed improvements throughout the highway system.

Recent legislation created the **Funding Advancements for Surface Transportation and Economic Recovery (FASTER)** program. It will generate revenues from road safety surcharges, Class A personal property registration (motor vehicles), rental car surcharges and late vehicle registration fees. These sources are projected to generate approximately \$252 million annually for transportation improvements.

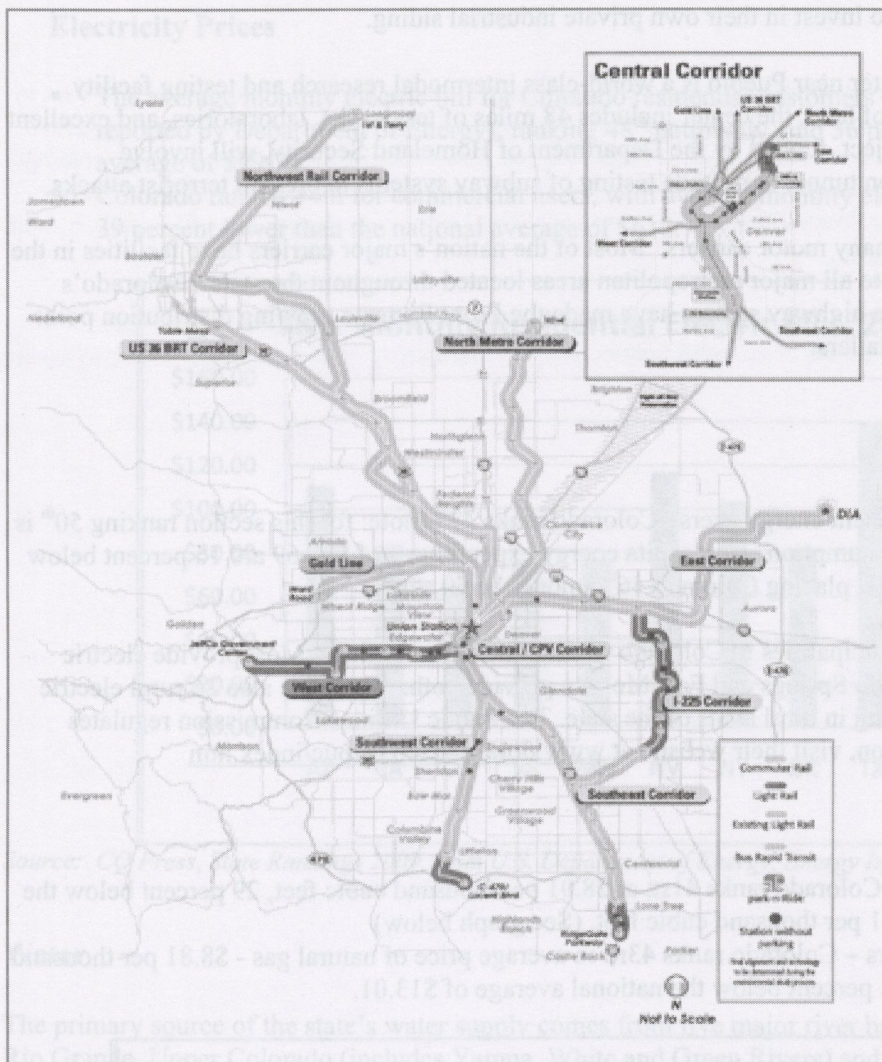
These funds will go toward bridge construction projects, and will be distributed to local governments for surface transportation projects, road safety improvements, as well as transit and rail.

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.

- In 2004 Colorado voters approved a \$4.7 million project to expand mass transit in a referendum known as FASTracks.
- FASTracks is a massive 12-year transit project that will add 122 miles of light rail and commuter rail, expand bus service and park-n-ride facilities. It will be completed by 2017.

Definitions:

- *Passengers include revenue and non-revenue passengers as reported by the individual airlines.*
- *Internationals include carriers such as Aeromexico, Air Canada, Air Wisconsin, Intl, Allegiant Air Intl.*



Over the years, RTD has completed several projects to address Metro-Denver’s long-range needs for mass transit. FasTracks will be an addition to the existing light rail system that includes 35 miles of track; 37 stations and 20 park-n-ride facilities serving the Central, Southeast and Southwest Metro Denver region.

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.

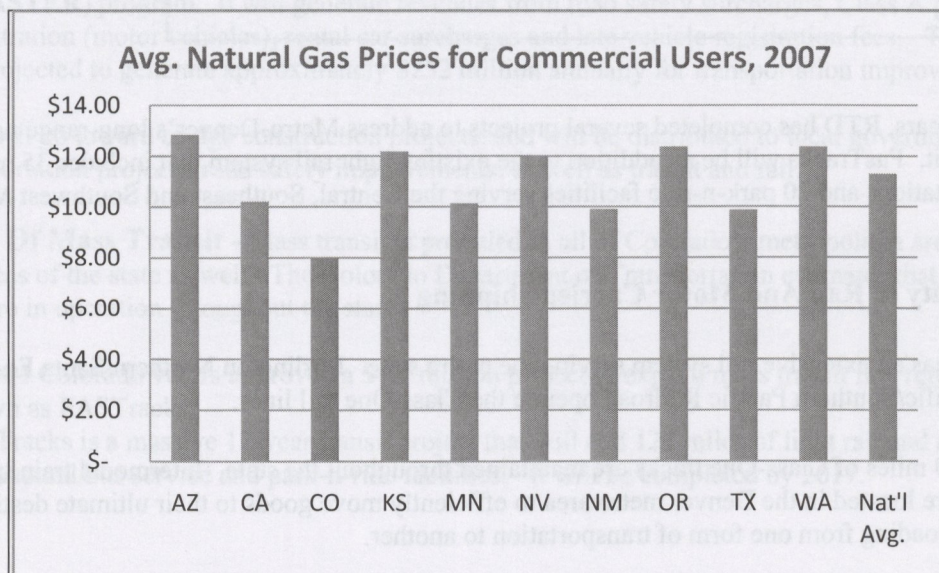
Utilities

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

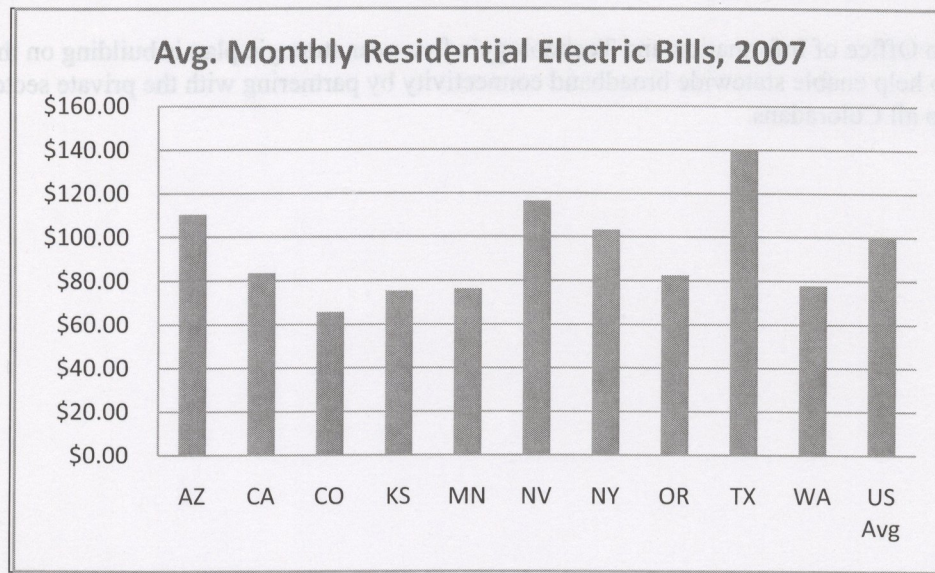
Natural Gas Prices

- Commercial users – Colorado ranks 41st, at \$8.01 per thousand cubic feet, 29 percent below the US average of \$11.31 per thousand cubic feet. (See graph below)
- Residential customers – Colorado ranks 43rd in average price of natural gas - \$8.81 per thousand cubic feet, almost 32 percent below the national average of \$13.01.



Electricity Prices

- The average monthly electric bill for Colorado residential customers was \$65.72 in 2007 (latest reported by Department of Energy), ranking 48th nationally, and 36 percent below the national average of \$99.70.
- Colorado ranked 44th for commercial users, with average monthly electric bills of \$375, almost 39 percent lower than the national average of \$618.



Source: CQ Press, State Rankings 2009, from U.S. Department of Energy, Energy Information Administration

Water

The primary source of the state's 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 passage of the American Recovery and Reinvestment Act (ARRA) has created a new sense of urgency around spurring broadband deployment and adoption. In particular, ARRA calls for an investment of \$7.2 billion in broadband programs, requiring the NTIA to award \$4.7 billion in grants and RUS to award \$2.5 billion in grants and loans over the next 18 months. Given Colorado's ongoing broadband initiative, our State is well-positioned to make the most of this opportunity.

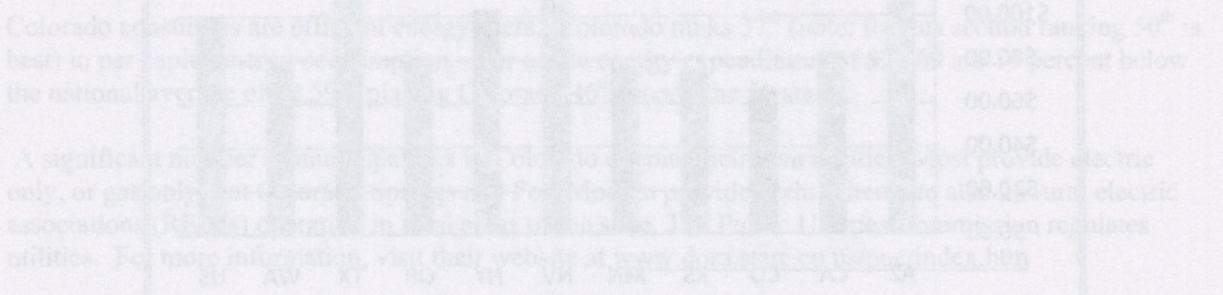
Recent legislation provides for statewide broadband mapping, to be completed by November 2009, that will identify gaps in coverage and facilitate applications for ARRA funding to projects that will have the most impact.

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. 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.

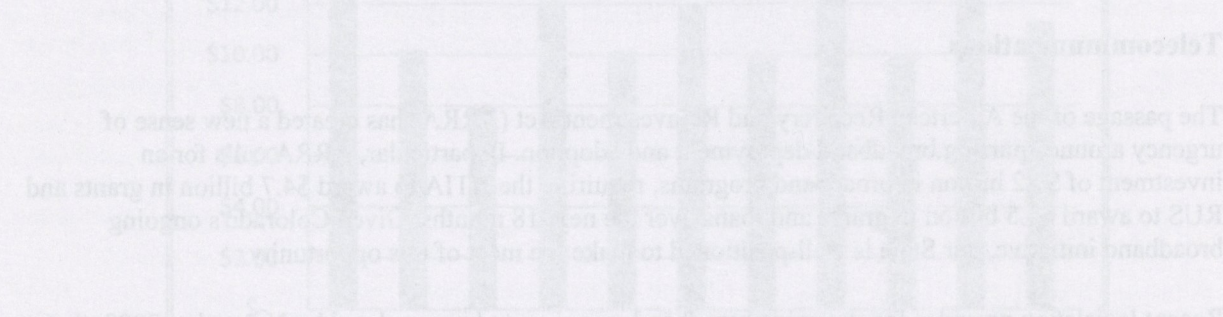
The Colorado Office of Information and Technology's five-year strategic plan is building on this foundation to help enable statewide broadband connectivity by partnering with the private sector to assure availability to all Coloradans.

Utilities



Natural Gas

The primary source of the state's water supply comes from five major river basins - the Poudre, Arkansas, Rio Grande, Upper Colorado (includes Yampa, White and Green Rivers) and the Lower Colorado (includes Gunnison, South Platte, North Platte and Arkansas). Over 99 percent of the state's drinking water is supplied by these basins. Over 99 percent of all drinking water systems are in full compliance with all federal drinking water standards.



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