Economic Development Databook

2010-2011 Edition

Colorado
Economic Development Databook

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ECONOMIC BASE

Colorado has a diverse economic base. The state is not dependent on any single sector, but has a strong core of businesses in a variety of high-tech and traditional sectors. Colorado's strength in mature high tech industries such as telecommunications, software development, and high tech manufacturing has resulted in one of the highest concentrations of high tech workers among all 50 states, ranking third. Emerging industries such as biotech, photonics, homeland security and aerospace, renewable energy and clean tech are rapidly becoming major industry clusters.

- Eight Fortune 500 companies are headquartered in Colorado.

- CNBC's "Top States for Business 2010" list placed Colorado third among all states, and its third year in the top five states.

- 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 2009, and 10th busiest in the world.
  - DIA served over 50 million passengers in 2009, down just 2% from 2008, and still above 2007 levels. 2010 is showing increased passenger traffic in every month year-to-date.
  - Exports of manufactured products totaled almost $5.8 billion in 2009.

Colorado has a diverse manufacturing base. The manufacturing sector as a whole employs over 130,000 workers in Colorado. The largest manufacturing sub-sectors are computer and electronic products manufacturing and food and beverage manufacturing, each with over 23,000 workers. Fabricated metal products, with over 13,000 employees, and machinery manufacturing with nearly 10,000 workers, are also major sub-sectors within manufacturing.

Among the state's largest service industry sectors are Information, 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 almost 400,000 Coloradans. Health care is another important sector, accounting for 225,500 workers statewide.

Agriculture and mining are Colorado's traditional economic strongholds—Farm and ranch market receipts (including forestry and government payments) totaled $6.8 billion in 2009. Colorado mineral production, including oil & gas, coal, and other minerals, was valued at $8.1 billion in 2009, down from 2008 record high levels as energy prices moderated.

Tourism is a major component of Colorado's economic base. It encompasses a cross section of economic sectors, though not reported as a separate economic sector. Accommodations & Food Services, along with Recreation Services, provide a reasonable indication of tourism activity. Visitors are drawn to Colorado year round, for the world-class skiing in the winter months, and the myriad of recreational activities and breathtaking scenery in the summer. Colorado's travel and tourism industry generated over $13.6 billion in 2009. Of this total, $9.73 billion was from domestic overnight visitors. The remainder was from international visitors, and day trips.

Colorado's Largest Private Sector Employers – 2009

Rank	Company	Type of Business	Colorado Employees
1	Wal-Mart	Discount Stores	25,959
2	Kroger (King Soopers/ City Market)	Supermarkets	17,100
3	Centura Health	Health Care	13,000
4	Safeway	Supermarkets	10,680
5	HCA-HealthOne LLC	Health Care	9,600
6	Qwest Communications Int'l.	Telecommunications	8,300
7	Lockheed Martin	Aerospace & Defense	7,700
8	Target Stores	Discount Stores	6,250
9	Exempla Healthcare	Hospital	6,100
10	Home Depot	Home Improvement Stores	5,950
11	Wells Fargo	Banking/Financial Services	5,700
12	University of Denver	Private University	5,650
13	Kaiser Permanent	Health Maint. Org.	5,570
14	Oracle Corporation	Software	5,500
15	Comcast Corporation	Satellite Television	5,300
16	Dish Network Corp.	Satellite Television	5,200
17	United Parcel Services	Delivery Services	4,800
18	UAL Corp (United Airlines)	Air Transportation	4,700
19	IBM	IT/Computers	4,100
20	Frontier/Midway Airlines	Air Transportation	4,000
21	Ball Corporation	Containers/Aerospace	3,750
22	Xcel Energy	Utility	3,700
23	Poudre Valley Health System	Health Care	3,500
24	Swift & Company	Meat Proc./Transp.	3,250
25	Molson Coors Brewing Co.	Brewery	3,200
26	Sun Microsystems	Computer Software	3,200
27	The Childrens Hospital	Health Care	3,150
28	Hensel Phelps Construction	Construction/Project Management	2,600
29	U.S. Bank	Financial Services	2,600
30	Covidien	Medical devices	2,300

Sources: Denver, Colorado Springs, Boulder & Northern Colorado Business Journals 2010 *Books of Lists;* OneSource and ReferenceUSA

Recent Economic Development Announcements

Colorado's new energy economy has been the bright spot in the state's economy in the midst of the current recession. Projects are primarily in wind and solar, but also other forms of renewable energy. Companies in other sectors such as healthcare, financial services and aerospace/defense have also undertaken major expansions within the past year.

Vestas Technology R&D Centre – Louisville. This 48,000 square foot facility will employ about 75 to 100 workers in its first year, with the number slated to approach 240 within three years. This is the fifth major Colorado facility announced by Vestas in the past several years. The other four are manufacturing plants. Other Vestas facilities include:

- Turbine blades plant – Windsor, CO – 600 employees, with 100 additional expected to be hired.
- Nacelles (housing unit at the top of a wind turbine tower) plant – Brighton – currently has 280 employees and will have between 500 and 550 at full capacity.
- Towers plant – Pueblo – 283 employees currently, with 465 expected by the end 2010 and 500 at full capacity.
- Turbine blade plant – Brighton – schedule to open in 2011, expected employment to be 750.

Together, these facilities represent an investment of nearly $1 Billion in Colorado since 2007. The presence of this global powerhouse in wind energy has also attracted a number of suppliers to Colorado, among them:

- Bach Composite Industry – Fort Lupton. A Danish-based company that produces composite products for wind energy customers, including Vestas, opened its first North American plant in Colorado, employing 100 to 150 workers.
- Hexcel Corp. – Windsor. A developer and manufacturer of carbon fiber and composites for the wind industry opened a facility in Windsor, will supply resin composite materials to Vestas.
- SGB USA, Inc. – Wheat Ridge (metro Denver). SGB USA, Inc's, part of a German –based transformer manufacturer Starkstrom-Beratebau GmbH, announced its first U.S. manufacturing plant near Denver.

SMA Solar Technology AG – Denver. A German based manufacturer of inverters for solar power systems announced its first North American manufacturing plant in Denver. The 180,000 square foot facility will employ about 300 jobs initially, expected to grow to 700 at full employment.

Scottrade Inc. – Westminster. Online investing firm Scottrade recently acquired a 204,000 square foot building in Westminster, CO for a corporate office that will employ about 285 employees over the next five years.

Hewlett Packard – Fort Collins. HP is expanding its engineering lab facilities in Fort Collins. The $64.4 million investment will add 100 jobs.

Raytheon – Aurora. This aerospace company won a major U.S. Air Force contract to upgrade the Global Positioning System (GPS), with most of the work to be done at Raytheon's Aurora, Colorado location. The contract could mean 100 new jobs this year, and an additional 200 next year. Other Colorado-based partners will result in additional jobs. Boeing indicated it would add 50 to its Aurora operations.

DaVita, Inc. – Denver. DaVita, a Fortune 500 kidney-care provider, announced last year it would move its headquarters to Colorado from California. It recently announced a site in Downtown Denver for a planned 270,000 square foot, $90 million headquarters to house 450 employees plus extensive training facilities.

Entrepreneurship/Small Business

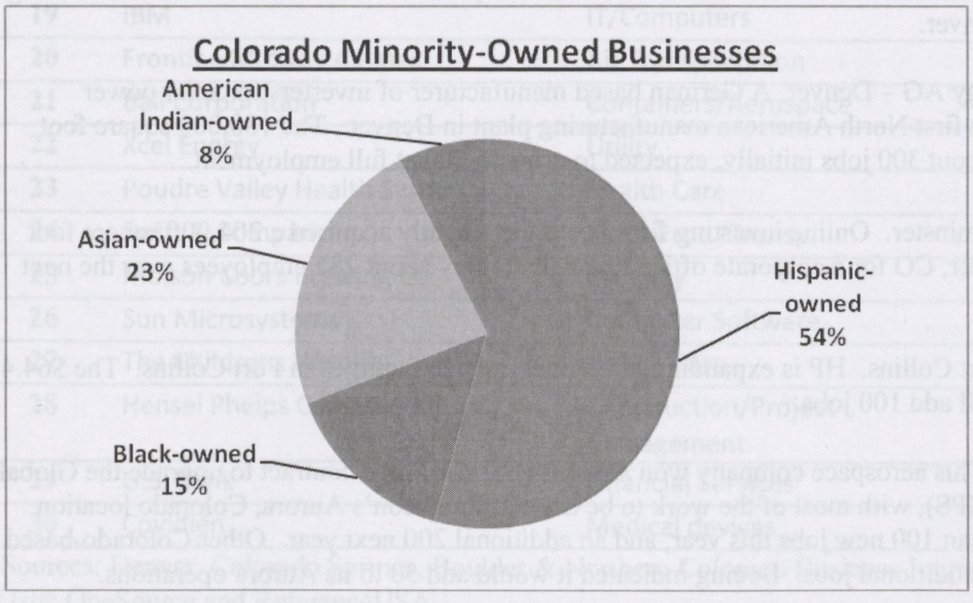
Across all industry sectors, Colorado is dominated by small business. They are truly the backbone of the Colorado economy. New company formation in Colorado ranks near the top of the nation, and these companies are responsible for a substantial share of new job creation as well.

American Express' *OPEN Forum* networking site for small business owners recently ranked Colorado as the second most small-business friendly state.

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 14 Colorado companies in 2009.

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 160,000, with receipts of over $22.5 billion. In addition, Colorado is home to almost 60,000 minority-owned businesses with annual receipts approaching $12 billion. Approximately one-third of the minority owned businesses are also woman-owned. These estimates were released in July 2010 by the U.S. Census Bureau's Survey of Business Owners as part of the 2007 Economic Census series.

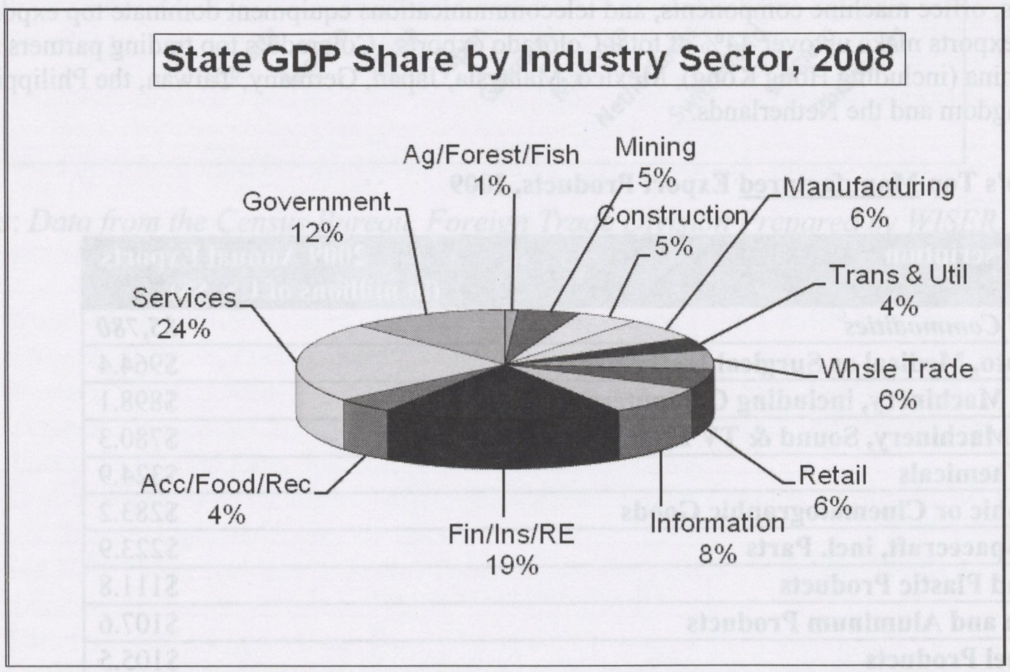


Colorado State Gross Domestic Product (GDP)

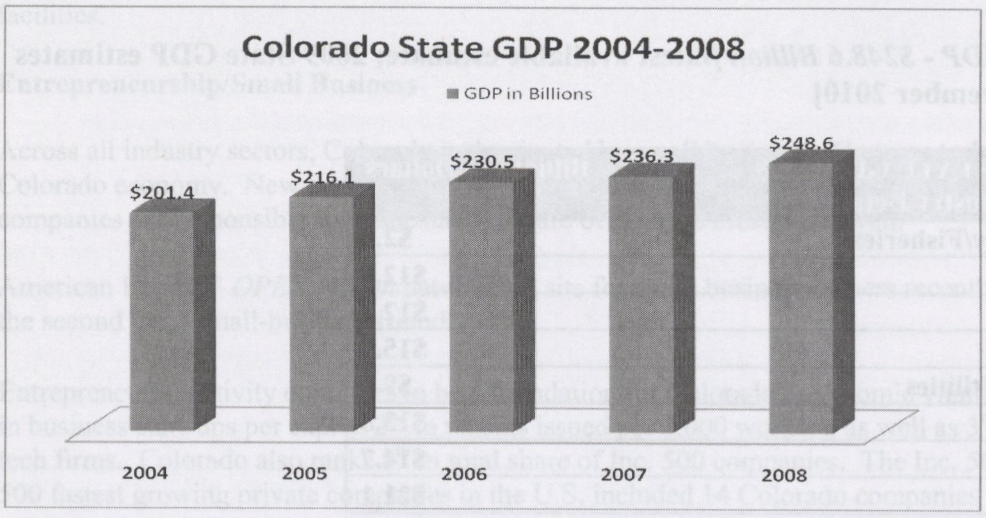
***Colorado's 2008 GDP - $248.6 Billion* [latest available estimate; 2009 State GDP estimates are due out in November 2010]**

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.

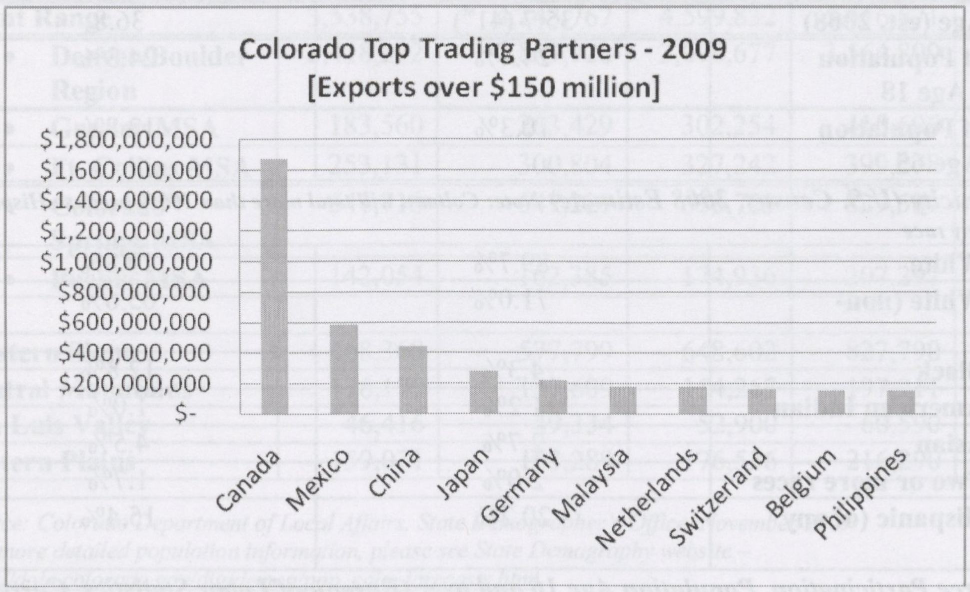
High-tech products, including semiconductors, computers and peripherals, analytical and measuring instruments, office machine components, and telecommunications equipment dominate top export sectors. High tech exports make up over 44% of total Colorado exports. Colorado's top trading partners are Canada,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

Colorado's Top Manufactured Export Products, 2009

Product Description	2009 Annual Exports (in millions of US $$)
Total – All Commodities	***$5,780***
Optic, Photo, Medical or Surgical Instruments	$964.4
Industrial Machinery, including Computers	$898.1
Electrical Machinery, Sound & TV Equipment, etc.	$780.3
Organic Chemicals	$324.9
Photographic or Cinematographic Goods	$283.2
Aircraft, Spacecraft, incl. Parts	$223.9
Plastics and Plastic Products	$111.8
Aluminum and Aluminum Products	$107.6
Iron & Steel Products	$105.5
Vehicles and Parts	$81.8
Total-Top Ten Commodities	**$3,881.5**
All other commodities (incl. Agricultural and Mining/Mineral exports)	**$1,898.5**

Colorado's Top Trading Partners, 2009

Canada is Colorado's largest trading partner by a wide margin, with almost $1.7 billion in products going there in 2009. Mexico, Colorado's second largest market, accounted for $584 million in exports in 2009. Other major export markets, in descending order, were China ($441 million), Japan at $276 million, Germany ($221 million), followed by Malaysia ($179 million), the Netherlands ($176 million) and Switzerland ($159 million). Belgium, the Philippines, United Kingdom, Australia, Republic of Korea, Hong Kong, and Taiwan each received over $100 million in Colorado exports in 2009.



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

POPULATION AND DEMOGRAPHICS

Colorado's 2009 population was 5,024,748 (US Census Bureau estimate)

- Colorado ranks 22nd in population among all states.
- Colorado's population grew by 1.8 percent from 2008 to 2009, making it the fourth fastest growing state in the U.S.

BASIC DEMOGRAPHICS

Variable	COLORADO	U.S.
Median Age (est. 2008)	35.7 (41st)	36.8
Percent of Population Under Age 18	24.4%	24.3%
Percent of Population Over Age 65	10.3%	12.8%
Race/Ethnicity (U.S. Census, 2008 Estimate) **Note: Column will total more than 100% because Hispanics *may be of any race***		
Percent White	89.7%	79.8%
Percent White (non-Hispanic)	71.0%	65.6%
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%
Labor Force Participation, Population Age 16 and over (Bureau of Labor Statistics, Current Population Survey, 2009)		
Percent in Labor Force	71%	65.4%
Educational Attainment, Age 25 and Over (U.S. Census, ACS, 2008)		
Percent College Grads (or higher)	35.6% (Ranks 2nd in the nation)	27.7%
Percent High School Grads (or higher)	88.9% (Ranks 16th in the nation)	85%
Income		
Median Household Income, 2008	$61,301 (Ranks 8th)	$51,297
Per Capita Income, 2009	$41,344 (Ranks 15th in the nation)	$39,138

Sources: U.S. Census Bureau, Population Estimates Program 2009, American Community Survey 2008, 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

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)

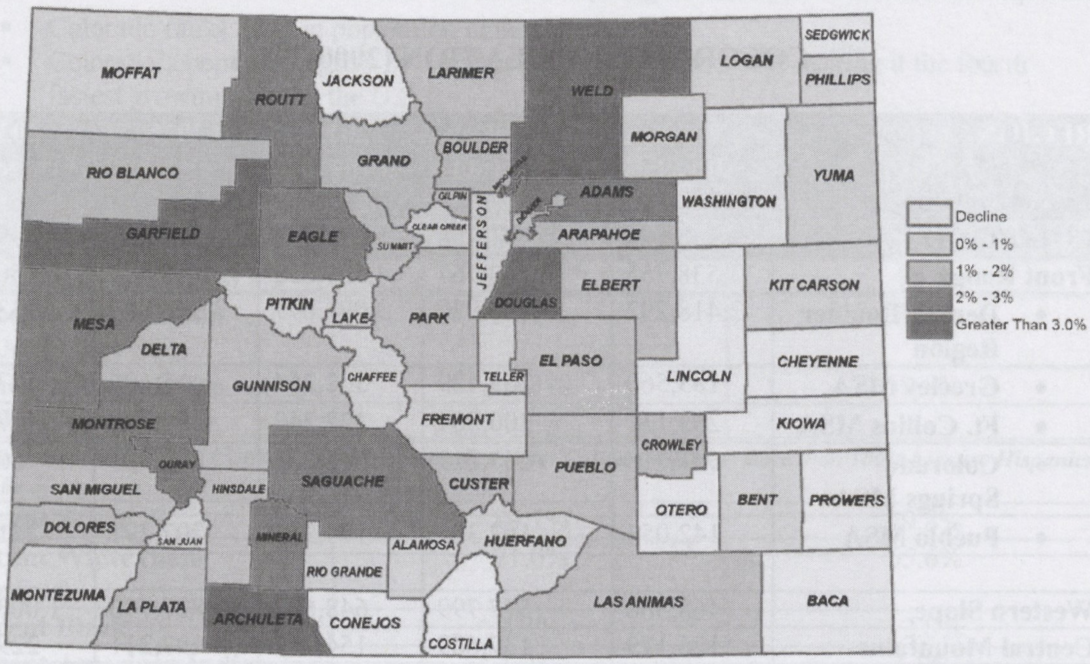
REGION	2000 July 1	2010 Projection	2015 Projection	2025 Projection	2035 Projection
COLORADO	4,338,789	5,171,798	5,632,137	6,718,452	7,699,126
Front Range	3,538,755	4,243,767	4,599,832	5,416,571	6,150,375
• **Denver/Boulder Region**	2,418,292	2,869,920	3,096,677	3,564,809	3,933,675
• **Greeley MSA**	183,560	263,429	302,254	415,606	547,371
• **Ft. Collins MSA**	253,131	300,804	327,242	399,278	467,377
• **Colorado Springs MSA**	541,718	647,229	698,723	829,581	960,796
• **Pueblo MSA**	142,054	162,385	174,936	207,297	241,156
Western Slope	468,368	577,799	648,602	827,790	1,003,708
Central Mountains	126,179	137,609	154,267	197,211	229,791
San Luis Valley	46,416	49,334	52,900	60,590	67,343
Eastern Plains	159,071	163,289	176,536	216,290	247,909

Source: Colorado Department of Local Affairs, State Demographer's Office, November 2009
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.

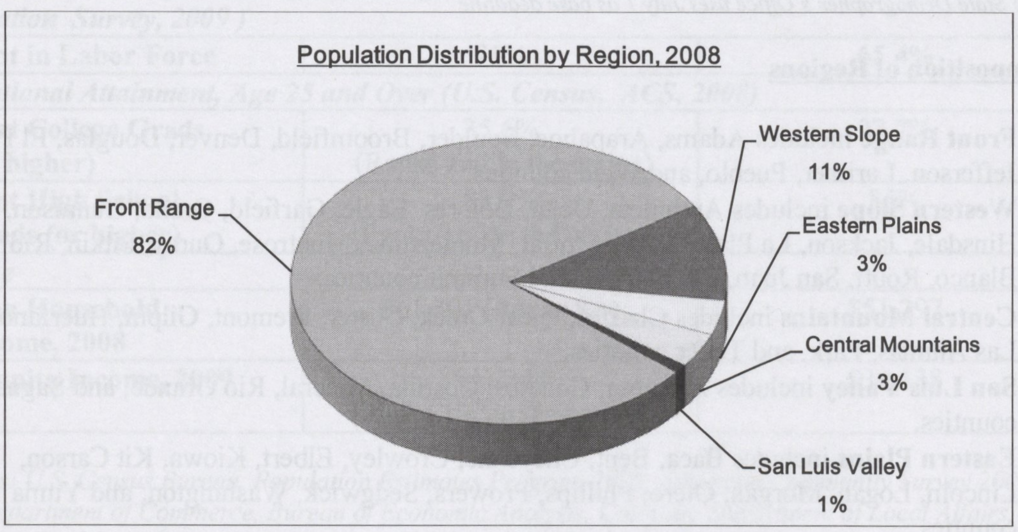
COLORADO POPULATION GROWTH
Average Annual Percent Change 2001-2008



Source: State Demography Office
Prepared: January 2010
Based on Adjusted Year 2000, and Final Year 2008 Estimates

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. In-migration to Colorado typically accounts for nearly sixty percent of total population growth. The remaining share of added population is attributed to natural increase - births minus deaths. Net in-migration is difficult to predict, as it fluctuates widely with both the regional and national economies, and other factors such as retirees moving in, people moving for quality of life and other intangibles. Even in the midst of the current recession, Colorado's population growth is well above the national average.

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 third in the nation in CNBC's 2009 annual "Top States for Business" report, jumping up from fifth in the rankings in 2008.

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.

- Colorado was among the last states to fall into recession; the recession did not impact Colorado until 3rd Quarter 2008. In 2009 it struck with a vengeance as Colorado's economy shed over 106,000 jobs, a loss of 4.5%.
- Colorado's economy is stabilizing in 2010, but is still projected to experience job losses of about 1%.
- Projections for 2011 call for Colorado to return to positive job growth, with job growth again outpacing the U.S. average. Economy.com projects 2.1% job growth in Colorado in 2011, making it the fourth fastest growing state.
- Colorado ranks third in the nation in concentration of high-tech workers, with 86 out of every 1,000 private sector workers in a high-tech job, according to TechAmerica's "Cyberstates" 2010 edition.
- American Express' *Open Forum* site recently ranked Colorado as the second most small-business friendly state.
- Colorado ranked fourth overall in Forbes magazine's 2009 "Best States for Business", ranking first in labor quality and second in growth prospects nationally.

Wage Rates

Colorado's 2009 annual average wage rate for all industry sectors was $46,852. Wage rates by industry and 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 7.7% in 2009, below the US average of 9.3%. In 2010, Colorado's unemployment rate is expected to average 7.8% for the year, while the U.S. unemployment rate is expected to be 9.7%.

The following table indicates the annual average unemployment rates for Colorado compared with the U.S. average since 2004. 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	2004	2005	2006	2007	2008	2009
U.S. Average	5.5%	5.1%	4.6%	4.6%	5.8%	9.3%
Colorado	**5.6%**	**5.1%**	**4.3%**	**3.8%**	**4.9%**	**7.7%**

Source: Colorado Department of Labor and Employment, Labor Market Information Section, 2010. 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 2009 average annual employment by major industry sector, based on North American Industry Classification (NAICS) codes:

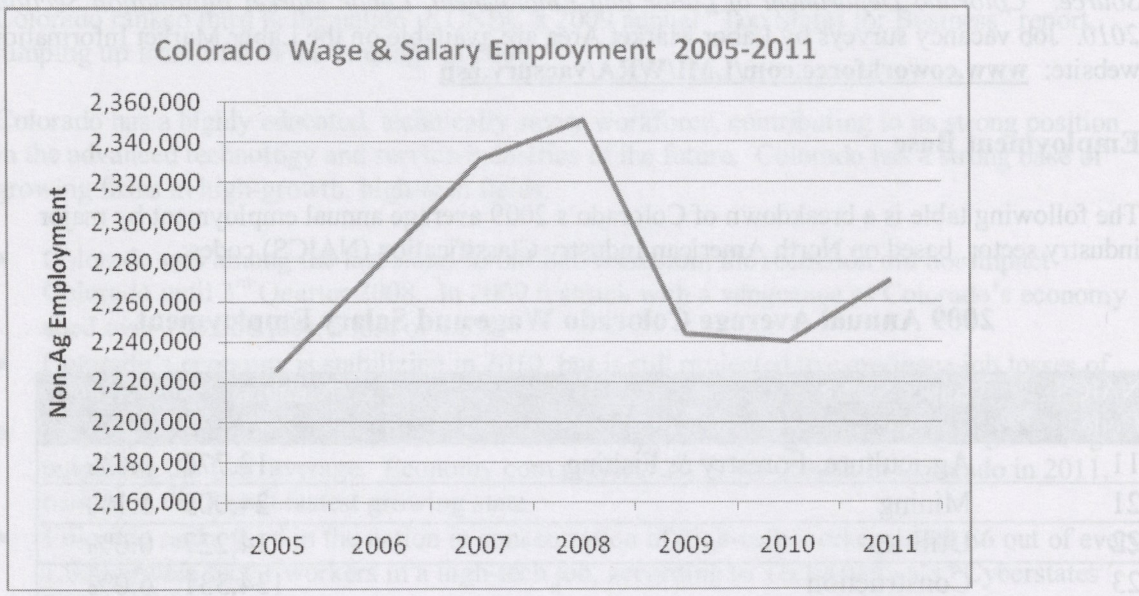
2009 Annual Average Colorado Wage and Salary Employment

NAICS Code	Super-Sector	Number	Percent
11	Agriculture, Forestry & Fishing	13,776	0.6%
21	Mining	24,005	1.1%
22	Utilities	14,227	0.6%
23	Construction	134,331	6.0%
31-33	Manufacturing	130,014	5.8%
42	Wholesale Trade	93,275	4.2%
44-45	Retail Trade	239,700	10.7%
48-49	Transportation & Warehousing	73,646	3.3%
51	Information	77,217	3.4%
52-53	Finance, Insurance & Real Estate	145,915	6.5%
54	Professional & Technical Services	170,708	7.6%
55-56	Mgmt. of Cos./Admin. & Waste Services	160,658	7.2%
61	Educational Services (Private)	28,049	1.3%
62	Health Care & Social Assistance (Private)	225,933	10.1%
71	Arts, Entertainment & Recreation	49,952	2.2%
72	Accommodation & Food Services	218,686	9.8%
81	Other Services & Unclassified	67,212	3.0%
92	Government (Federal, State & Local)*	372,472	16.6%
	Total Wage & Salary Employment	2,239,776	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, 2010

Colorado's employment base exhibited healthy growth throughout the economic expansion starting in 2003, but in the recession, which hit Colorado later than most of the rest of the country, job losses hit hard in 2009, resulting in an erosion of the job base of 4.5%, essentially wiping out the gains of the previous several years. A positive note is that job growth in Colorado for 2011 is projected to be 2.1%, well ahead of the national rate, and ranking fourth in the nation.



2010 & 2011 projected

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 FY2011, 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.

In 2009, the percentage of Colorado workers belonging to a union was 7 percent of wage & salary workers, down from 8 percent the previous year. This rate is well below the U.S. average of 12.3 percent of wage & salary workers who belong to unions.

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" 2010 edition ranked Colorado #3 in the country for concentration of high-tech workers, with 86 of every 1,000 private sector workers classified as high-tech.
- The Milken Institute's 2009 publication "North America's High Tech Economy" ranked three Colorado metro areas (Denver, Boulder & Colorado Springs) among the top regions. Its 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.
- Beacon Hill Institute's 2009 State Competitiveness Index ranked Colorado sixth overall and fourth in the technology subindex.

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	2	Percent of adult population with a bachelors degree or higher
New Companies	2	Employer firm births per 100,000 population
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	7	Degrees awarded per 100,000 inhabitants
Scientists and Engineers as a Percent of Labor Force	3	Concentration of scientists and engineers
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 Per Capital	4	Venture capital available per capita
Patents	4	Patents issued per 1,000 workers

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.

- Xcel Energy and SunPower Corp. are constructing a 17-megawatt photovoltaic solar power plant in Alamosa County, Colorado. On track for completion in 2010, the plant will be the second

largest high-efficiency solar PV power plant in North America.
- SunEdison opened an 8.22 megawatt PV solar plant near Alamosa, Colorado, in 2007.
- Vestas Wind Systems has completed four manufacturing facilities in Colorado. Its manufacturing capacity now includes wind turbine blades, nacelles, and towers. Vestas also recently announced that it's opening a Research & Development facility in Louisville, CO.
- Abound 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.
- Colorado State University recently completed a two-megawatt solar plant on a 15 acre site near its campus in Fort Collins. This is the second CSU solar project. CSU-Pueblo dedicated a 1.2 megawatt solar array in 2008.
- Colorado has a renewable energy portfolio standard that was the result of a referendum of the people of the state. In 2010, that standard was raised 30 percent renewable by 2020.
- 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.
- The rapidly growing renewable energy/green technology sectors, including energy research, have an estimated 1,530 companies in Colorado, with employment of over 18,000.

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 snapshot of the industry:

- 17,150 jobs statewide
- 650 companies
- $63,000 average annual salary

- ➢ $313.2 Million in NIH research funding, 2009
- ➢ $600 Million in Venture Capital investment in the past five 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 $3.9 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, $2.3 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 four medical specialties in U.S. News & World Report's 2010 list of America's Best Hospitals. A $400 million expansion was announced in 2010, adding 1,000 new jobs.

- As of 2008, 15,900 jobs were based at Fitzsimons/Anschutz (excluding construction jobs), mostly in health care delivery and education.
- 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 Children's Hospital was ranked among the top pediatric hospitals in the country in 2010, ranking in the top ten in 9 out of 10 specialties. A $228 Million expansion was announced in 2010, adding 124-bed capacity along with other facilities. The expansion will be completed in 2012.

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

Colorado has a strong aerospace, satellite and space industry. Colorado is home to four military commands with over 28,000 personnel. In addition, there are more than 300 companies in the space business in Colorado. These include large aerospace defense contractors, university R&D related to space, satellites and communications equipment and related companies. They have direct employment estimated at over 25,000. When indirect and industry support jobs are included, the industry provides an estimated total of 167,000 aerospace-related jobs statewide.

Major Aerospace Contractors

Ball Corporation	Northrup-Grumman
Boeing Company	Raytheon
ITT Corporation	Sierra Nevada Corp. (SNC)
Lockheed Martin	United Launch Alliance

- 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. ULA is expanding its Centennial headquarters to 2,000 from a current workforce of 1,600, by the end of 2010.

- Raytheon Company recently won an $886 million, 6-year contract with the U.S. Air Force for major upgrades to the GPS systems. Most of the work will be done in Colorado, and will add about 200 employees to the current workforce of 2,000. In addition, several sub-contracts will add hundreds more Colorado jobs.

- Colorado hosts the National Space Symposium in Colorado Springs. The 26th annual symposium in 2010 drew record attendance of almost 9,000 participants from 20 countries.

- University of Colorado at Boulder is the #1 ranked public university in NASA research funding, with $75 million in 2009.

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, with 12,300 jobs.
- Colorado ranks third in scientists/engineers as a percent of labor force.
- The IT sector (including telecom) contributed over $21 billion to the Colorado GDP in 2008.
- 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, 2010
Cyberstates 2010, and Bureau of Economic Analysis

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 2010 tells a compelling story:

- Concentration of high-tech workers, with 86 of every 1,000 private sector workers classified as high-tech, Colorado ranks third in the country.
- 166,300 high-tech workers (15th in the nation).
- High-tech average wage of $89,500 (7th in the country), or 93 percent higher than average private sector wages.
- High-tech payroll of $14.9 billion in 2008 (11th in the nation).
- More than 12,400 high-tech establishments (10th nationwide).
- High-tech exports represented 37 percent of Colorado's total exports in 2008 (7th nationwide)
- $2.9 billion in high-tech exports, supporting 17,300 Colorado jobs.
- Colorado ranked 10th in computer and peripheral equipment exports at $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

Colorado High Tech 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. CAMT is an affiliate of NIST's Manufacturing Extension Partnership. 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.coloradotechnology.org
- **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

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. Due to the severe recession, revenues will not reach the TABOR limit during the remainder of this period, which ends June 30, 2010.
Source: *Office of State Planning and Budgeting, June 2010* *http://www.state.co.us/gov_dir/govnr_dir/ospb/econ.html#cep*

Corporate Income Tax

Colorado's corporate income tax rate is a flat 4.63 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 38th nationally in per capita corporate income tax revenue. Collections in 2008 totaled $103 per capita, compared to a national average of $167 for corporate income tax revenue.

Per Capita State Corporate
Net Income Tax Revenue, 2008 - (Selected States)

ate	*Per Capita*	*National Rank*	*Corporate Income Tax Rate*
California	$324	6	8.84% - flat rate
North Dakota	$252	9	2.1% - 6.4%
Illinois	$243	10	7.3% - flat rate
Minnesota	$199	11	9.8% - flat rate
New Mexico	$178	13	4.8% - 7.6%
Kansas	$190	15	4% - flat rate
Utah	$145	21	5% - flat rate
Nebraska	$131	26	5.58% - 7.81%
Arizona	$121	33	6.968% - flat rate
Idaho	$125	30	7.6% - flat rate
U.S. Average	**$167**	N/A	
Colorado	**$103**	**38**	**4.63 – flat rate**

Source: CQ Press using data from U.S. Bureau of the Census, Governments Division, State Rankings-2010 Rates are current as of 2010 tax year per Federation of Tax Administrators.

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.

For Tax Year 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 receiving the investment;
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.

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 – ***Exemption temporarily suspended until June 30, 2012 as emergency measure to balance state budget.***
- 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 email employerservices@state.co.us

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.

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.

In 2010, the loss cost portion of workers compensation premiums dropped by 9.7 percent, stemming from a decline in claims filed and increased workplace safety initiatives. The savings to Colorado employers could total up to $84 million. Loss costs have declined more than 50 percent since 2000, evidence of much safer workplaces than in the past.

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 2009 was 69.761 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.

Temporary deferral – for tax years 2011, 2012 and 2013, the amount of the credit for a qualified investment used solely and exclusively in an enterprise zone is limited to $500,000. Any credit exceeding that amount is deferred until the 2014 tax year, and the excess credit may be carried forward for 12 income tax years.

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/drp1002.pdf

Property Taxes

Residential property is assessed at 7.96 percent of market value in 2010 (it may fluctuate 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 2009, the average total mill levy for the state was 69.761 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 Burden as a Percent of Income
Colorado and Selected States, 2008

State	*State/Local Tax Burden*	*Rank*
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, as reported in State Rankings 2010

EDUCATION

Colorado's population is knowledge-intensive and extremely well educated. The U.S. Census Bureau's American Community Survey ranked Colorado second in the nation in percentage of population with a college degree, 35.6 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; they are 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 an October 2009 enrollment of 832,368 students, an increase of 13,925 students from October 2008, representing a 1.70 percent gain.

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 2009-10, this legislation provides for over $5.6 billion of funding to Colorado school districts via state taxes ($3.5 billion), local specific ownership (vehicle registration) taxes ($148 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)	37%
State Equalization	63%
TOTAL	100%

Source: Colorado Department of Education, 2010

Colorado Student Test Scores

Colorado is one of only five states (the others are Illinois, Kentucky, Michigan and Wyoming) 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. Of the five states where it's universally administered, Colorado is tied with Illinois for highest 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

Test	*COLORADO Average Score (% tested)*	*U.S. Average Score (% tested)*
SAT	1698 (20%)	1509 (48%)
ACT	20.8 (100%)	21.1 (43%)

Source: ACT, Inc., 2010; College Board SAT 2010

Colorado Educational Attainment

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

State	*Percent College Grads*	*U.S. Rank*
COLORADO	**35.6%**	**2**
Arizona	25.1%	31
Kansas	29.6%	14
Nebraska	27.1%	22
New Mexico	24.7%	34
Texas	25.3%	30
Oklahoma	22.2%	43
Utah	29.1%	16
Wyoming	23.6%	40

Source: U.S. Census Bureau, 2008 American Community Survey, released 2010

Colorado Higher Education Fall 2009 Enrollments

Four-Year Colleges and Universities:

Institution	*Location*	*Fall 2009 Enrollment*
Adams State College	Alamosa	2,803
Colorado School of Mines	Golden	5,124
Colorado State University	Ft. Collins	25,893
Colorado State University-Pueblo	Pueblo	5,049
CSU-Global		1,079
Fort Lewis College	Durango	3,770
Mesa State College	Grand Junction	6,968
Metropolitan State College	Denver	22,615
University of Colorado – Boulder	Boulder	31,143
University of Colorado – Colorado Springs	Colorado Springs	8,493
University of Colorado-Denver & Health Sciences Center	Denver	17,511
University of Northern Colorado	Greeley	11,244
Western State College	Gunnison	2,064
Four-Year Institution Total		**143,756**

Two-year Colleges:

Institution	*Location*	*2009 Enrollment*
Aims Community College	Greeley	5,510
Arapahoe Community College	Littleton	9,969
Colorado Mountain College	Glenwood Springs	5,741
Colorado Northwestern Community College	Rangely	1,377
Community College of Aurora	Aurora	6,293
Community College of Denver	Denver	10,918
Front Range Community College	Westminster	18,713
Lamar Community College	Lamar	1,080
Morgan Community College	Ft. Morgan	1,918
Northeastern Junior College	Sterling	2,497
Otero Junior College	La Junta	1,660
Pikes Peak Community College	Colorado Springs	13,572
Pueblo Community College	Pueblo	6,592
Red Rocks Community College	Lakewood	9,143
Trinidad State Junior College	Trinidad	1,812
Two-Year Institution Total		**96,795**

Source: Colorado Commission on Higher Education, 2010

- Fall 2009 enrollments totaled 240,551 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.

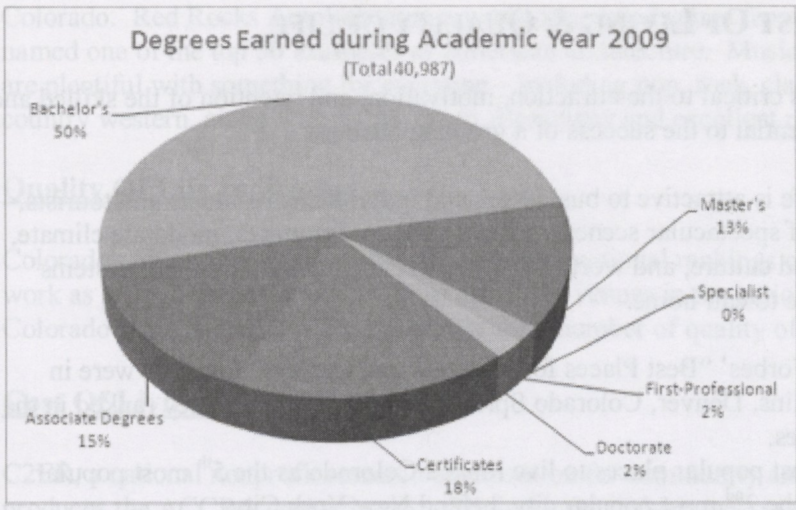
Colorado Higher Education - Degrees Conferred

Colorado's 27 public higher education institutions awarded 40,987 degrees in 2009, the most recent year for which there is data. The following table summarizes the degrees granted by major subject area of study.

Almost 5,500 Colorado students received degrees in Business and Management, and over 3,300 received degrees in Math & Computer Sciences or Engineering & Technology in 2009.

Major	*Degrees Conferred*
Business & Management	5,459
Communications	1,518
Engineering	1,919
Health Care	8,124
Mathematics & Computer Science	1,387
Physical & Natural Sciences, incl. Bioscience	2,191
All Other (incl. Architecture, Soc. & Behavioral Sci., Education, Liberal Arts, Law, Public Administration, and Fine Arts)	20,598
TOTAL	**40,987**

Source: Colorado Commission on Higher Education, 2009 Degrees Granted, 2010



Source: Colorado Department of Higher Education, 2010

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.

- Four of the Top 20 Forbes' "Best Places for Business and Careers" for 2010 were in Colorado – Fort Collins, Denver, Colorado Springs, and Boulder. Greeley ranked in the next tier of best places.
- The Harris Poll's most popular places to live ranked Colorado as the 5th most popular state and Denver as the 2nd most popular city, behind New York City.
- 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. 6 on a list of the nation's "fittest cities," released in May 2010 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 **30 percent renewable by 2020**. (2010 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.
- Denver ranks seventh out of 43 U.S. metro areas ranking of "green cities." The report ranks metro areas on a variety of environmental factors, including traffic congestion, transit use, water quality, carbon emissions, LEED-certified projects and number of green jobs.

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 assures a funding stream for 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,** a total of 322 in 2009. 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 2009 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, 2009

Area	*C.O.L. Index*
Boulder	125.3
Colorado Springs	92.3
Denver	102.9
Fort Collins	92.7
Glenwood Springs	127.1
Grand Junction	99.5
Greeley	97.6
Gunnison	115.7
Pueblo	84.3

Source: C2ER, ACCRA Cost of Living Index, Annual Average, 2009, published 2010

Metropolitan Cost of Living Index Comparisons

Colorado's cities and towns generally have competitive cost of living indexes when compared to similar cities. The tables below compared Denver with a number of major metro areas, as well as some of Colorado's smaller urban areas with similar towns in neighboring Western states. The composite index for selected participating cities is as follows:

Major Metro Areas
Annual Average 2009

Area	C.O.L. Index
Boston	130.9
Chicago	113.2
Dallas	92.1
Denver	**102.9**
Minneapolis	112.7
San Diego	133.5
Salt Lake City	100.0
New York City	217.2
Philadelphia	123.9
Phoenix	98.4
Portland	116.5
San Francisco	162.9
Seattle	123.3
Washington DC	138.6

Smaller Cities
Annual Average 2009

Area	C.O.L. Index
Albuquerque	96.2
Boise, ID	95.0
Laramie	97.9
Colorado Springs	**92.3**
Farmington, NM	98.0
Tucson	99.1
Fort Collins	**92.7**
Greeley	**97.6**
Lawrence, KS	92.2
Pueblo	**84.3**
Reno	105.9
Bozeman, MT	104.4
Tacoma, WA	107.6

Crime Rate Comparison

Violent Crime Rate in 2008 (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	729.7
Nevada	2	724.5
New Mexico	8	649.9
Oklahoma	10	526.7
Texas	12	507.9
California	14	503.8
Oklahoma	16	499.6
U.S. Average	--	**454.5**
Arizona	21	447.0
Kansas	22	410.6
Colorado	**25**	**343.1**
Nebraska	30	303.7
Wyoming	45	221.8
Utah	44	234.8

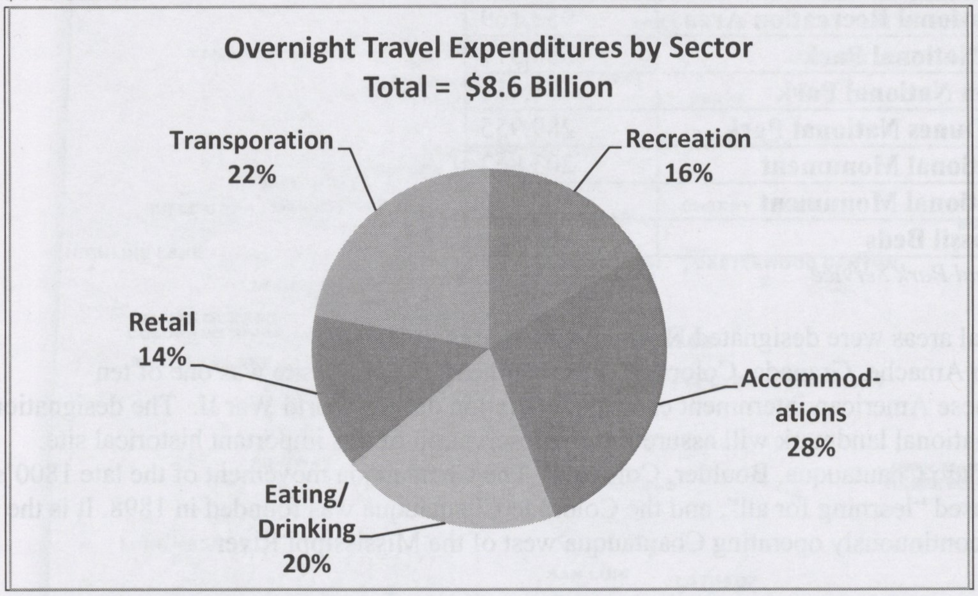
Source: CQ Press "State Rankings 2010" based on U.S. Department of Justice, Federal Bureau of Investigation, Uniform Crime Reports, Released in September 2009

RECREATION & TOURISM

Mountains, museums, sports, parks, monuments, and more — 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 27.5 million domestic visitors taking overnight trips in 2009. In spite of the recession, this was the second highest number of overnight visitors ever recorded.

Colorado Tourism Expenditures

Domestic overnight travel expenditures in Colorado did take a hit from the recession. Spending totaled approximately $8.6 billion in 2009, down 11 percent from the previous year. A record high 40% of overnight trips were made by in-state travelers who generally spend less and take shorter trips. International travelers, though not specifically measured in 2009, are estimated to have added another $500 million to Colorado's tourism sector. Finally, day trips added another $1.2 billion.



Source: Longwoods International, Colorado Visitors Study 2009, June 2010

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 almost 5.5 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	*2009 Visitors*
Rocky Mountain National Park	2,822,325
Curecanti National Recreation Area	953,169
Mesa Verde National Park	550,377
Black Canyon National Park	171,451
Great Sand Dunes National Park	289,955
Dinosaur National Monument	203,862
Colorado National Monument	400,266
Florissant Fossil Beds	64,251

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.

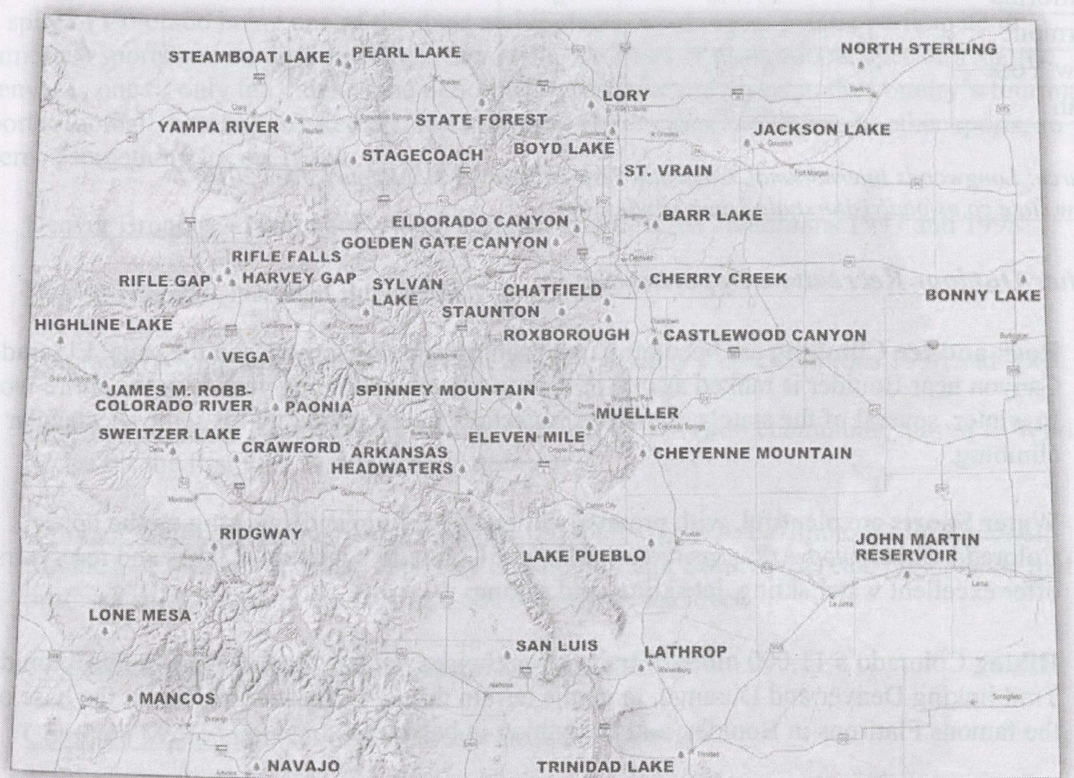
State Parks

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 almost 12 million visitors per year.

The State Parks Division also registers boats, off-highway vehicles and snowmobiles. It also licenses river outfitters in the state.

Colorado's State Parks

[The map below includes two new state parks slated to open within the next couple of years. Staunton will provide 3,700 acres of parkland and Lone Mesa has 11,760 acres.]



Key State Park statistics:

2009 Visitation:	11,955,691
Total Acres Managed:	225,099
Campsites:	4,376
Registered Boats:	96,719
Registered Snowmobiles:	33,200
Licensed River Outfitters:	176
Marinas	13

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, 2009

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 2010,
www.state.co.us/oed/visitorstudy/LongwdIndex.htm

Other Outdoor Recreation Opportunities

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

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

In spite of Colorado being one of the most active states, where most people participate in numerous sports and outdoor activities, there is no shortage of professional spectator sports. 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). Other cities host teams in other sports, so there is something for every fan.

- Denver Broncos – National Football League. Super Bowl champions 1997 and 1998.

- Denver Nuggets: National Basketball Association.

- Colorado Avalanche: National Hockey League – Stanley Cup champions 1996 and 2001.

- Colorado Rockies: National League Baseball – 2007 Division champions, played in World Series for the first time in franchise history.

- Colorado Springs Sky Sox: Minor League Baseball - the AAA affiliate for the Colorado Rockies – Colorado Springs. The Sky Sox home field, Security Service Field, is the highest professional ballpark in the U.S. at 6,531 feet above sea level.

- Colorado Rapids Soccer: Major League Soccer – Denver.

- Colorado Mammoth: National Lacrosse League – Denver.

- Colorado Outlaws: Major League Lacrosse – Denver.

- Colorado Eagles: Central Hockey League – Windsor

- Rodeo: Colorado's western heritage and its location in the heart of America's cattle country make rodeo a leading spectator sport. The National Western Stock Show and Rodeo in Denver has been a tradition for over 100 years. In 2010, the stock show drew 633,000 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. The upcoming season will feature the Tony award winning musical "Billy Elliot the Musical" as well as the Pulitzer Prize winning "Next to Normal." Boettcher Concert Hall is home to the Colorado Symphony.

Red Rocks Amphitheater is a world-famous venue for outdoor concerts in a spectacular natural setting. Music festivals in Vail, Telluride, Aspen, Breckenridge, and throughout the state offer something for everyone.

Major Colorado Performing Arts Venues and Seating Capacities

Venue	*Seats*
Denver Performing Arts Complex (includes Buell Theatre, Auditorium Theatre, Boettcher Concert Hall, and five intimate theaters)	9,316
Pepsi Center, Denver	20,100
Red Rocks Amphitheater, Denver	8,649
Invesco Mile High Stadium, Denver	76,125
Arvada Center for the Arts & Humanities (indoor theatre and outdoor amphitheater	1,700
Comfort Dental (formerly Fiddlers Green) Amphitheater, Englewood	16,823
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 increased the museum's space to more than 350,000 square feet. It currently houses several collections that have never before been on display. The museum currently features a King Tut exhibit of more than 100 treasures from ancient Egypt.

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 fifth busiest airport, and the 10th busiest in the world.
- DIA was named the nation's best airport for the third consecutive year in *Executive Travel* magazine's 2010 survey of business travelers.
- In addition to DIA, Colorado has 14 commercial and 62 general aviation airports located throughout the state.

Highway

- Colorado's state highway system has over 9,100 miles, of which 956 miles are interstate highways. Approximately 40% of all travel takes place on the interstate system.
- 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 2,645 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 2009, more than 50 million passengers passed through Denver International Airport. Though the recession took its toll as this was a 2.1 percent decline from 2008, it was still above 2007 levels. DIA highlights:

- Fifth busiest airport in the U.S.; 10th busiest in the world.
- Offers nonstop service to more than 140 U.S. cities and 160 in total.
- Offers nonstop service to 18 international cities in five countries.
- Seventeen commercial airlines, not including express carriers and charters.
- Five low-cost air carriers.
- Averages 1,620 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, 2007-2009

Operations and Traffic	*2007*	*2008*	*2009*	*% Incr./Decr. (2008-2009)*
AIRCRAFT OPERATIONS				
Air carrier	451,228	460,311	456,675	-0.8%
Air Taxi	162,319	160,746	151,659	-5.7%
Military	147	177	130	-26.6%
General Aviation	5,620	4,610	3,513	-23.8%
Total Operations	619,314	625,844	611,977	-2.2%
PASSENGERS				
Internationals	2,190,063	2,200,036	1,891,431	-14.0%
Majors	39,027,513	40,464,025	39,118,255	-3.3%
Nationals	729,587	696,190	694,297	-.03%
Regionals	7,888,648	7,872,314	8,454,073	7.4%
Supplementals	27,541	12,769	9,429	-26.2%
Total Passengers	49,863,352	51,245,334	50,167,485	-2.1%

Source: Denver International Airport Monthly Operations and Traffic Report, December 2009

Colorado Springs – Colorado Springs Municipal airport handles around 106 arrivals and departures per day, and is served by eight airlines, including non-stop service to eleven U.S. cities. More than 2 million passengers pass through Colorado Springs Airport each year.

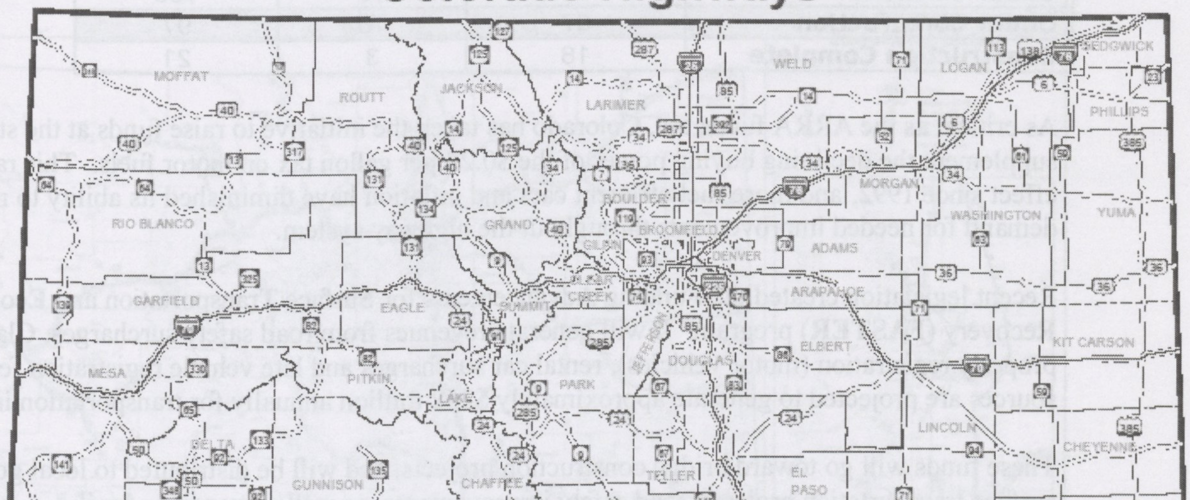
Grand Junction – Walker Field is the largest airport on Colorado's Western Slope. It has non-stop service to six major hub cities that provide connections everywhere. In 2009, Walker Field served almost 228,000 passengers.

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.

The Colorado Highway System

- 9,100+ miles of highway
- Highways contain 22,759 lane miles
- 956 miles of Interstate Highways

Colorado Highways



Data Source: CDOT 2009 Published: June 2010

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.

ARRA funding - Colorado will receive over $500 million for transportation projects statewide with the Colorado Department of Transportation (CDOT) receiving approximately $330 million in federal highway funding and another $12.5 million in federal transit funding for transit projects in non-urbanized rural areas.

CDOT ARRA Project Status (April 30, 2010)

	Highway	Transit	Total
Gone to Advertisement	102	11	113
Under Contract	95	10	105
Under Construction	87	10	97
Construction Complete	18	3	21

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 **F**unding **A**dvancements for **S**urface **T**ransportation and **E**conomic **R**ecovery (**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.

- 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.

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.

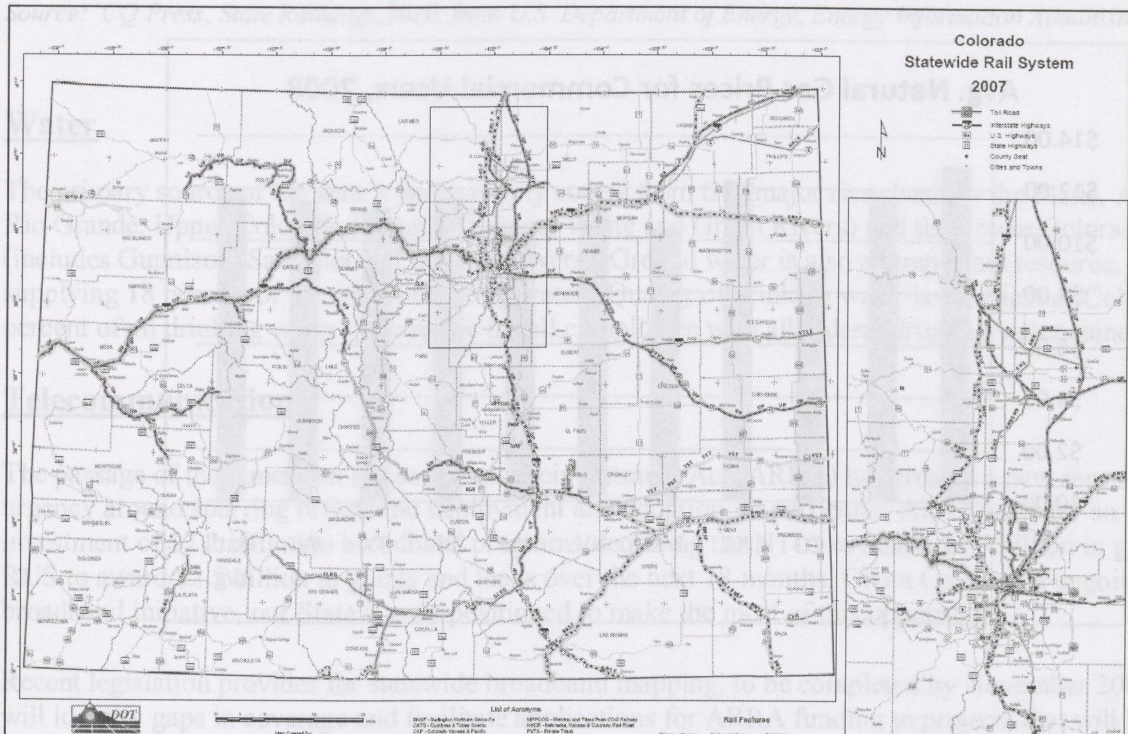
Availability of Rail and Motor Carrier Shipping

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.

Nearly 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 operates 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 Technology Center near Pueblo is a world-class intermodal research and testing facility. Located on 52 square-miles of land, the center over 50 miles of specialized test tracks, laboratories, and excellent support services. A 2010 Department of Homeland Security grant will provide training for local, state and tribal first responders to keep our surface transportation systems safe.



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.

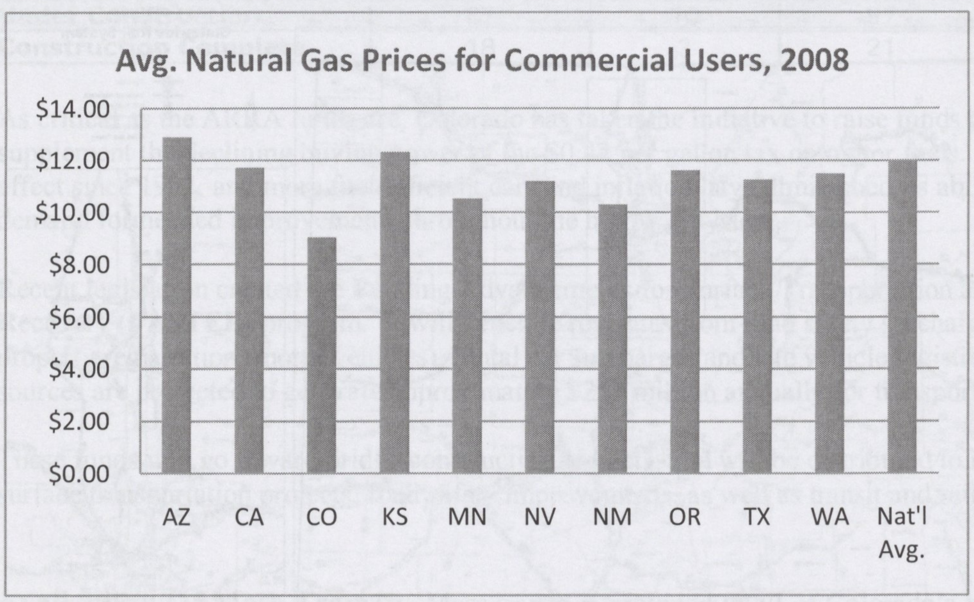
UTILITIES

Colorado consumers are efficient energy users. Colorado ranks 34th in per capita energy consumption. Per capita energy expenditures of $3,518 are 14 percent below the national average of $4,089, placing Colorado 44th 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

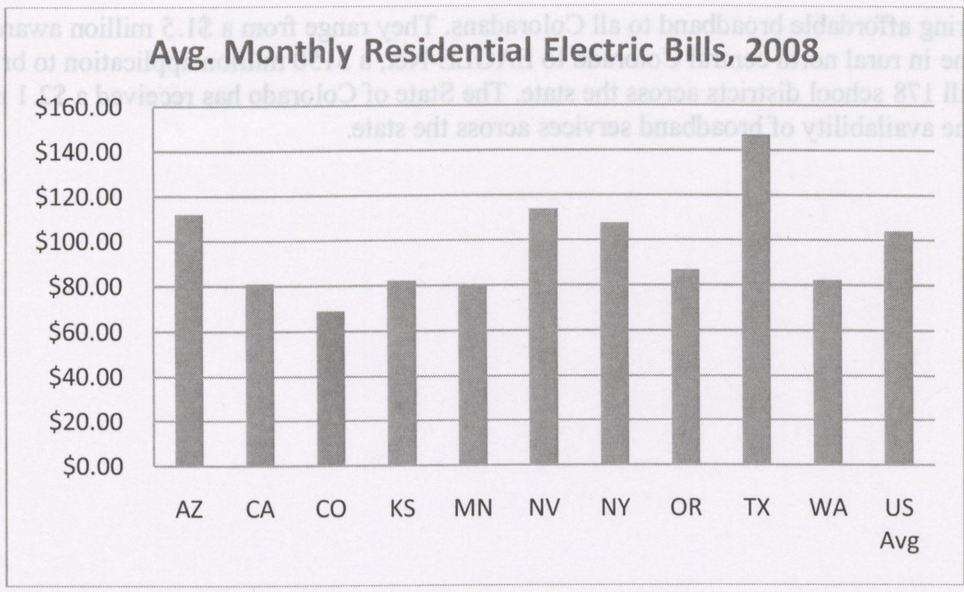
Natural Gas Prices

- Commercial users – Colorado ranks 43rd, at $$9.03 per thousand cubic feet, 25 percent below the US average of $11.99 per thousand cubic feet. (See graph below)
- Residential customers – Colorado ranks 46th in average price of natural gas - $9.76 per thousand cubic feet, 29 percent below the national average of $13.68.



Electricity Prices

- The average monthly electric bill for Colorado residential customers was $69 in 2008 (latest reported by Department of Energy), ranking 48th nationally, and 34 percent below the national average of $104.
- Colorado ranked 43rd for commercial users, with average monthly electric bills of $408, or 38 percent lower than the national average of $657.



Source: CQ Press, State Rankings 2010, 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.

Colorado's high-speed fiber-optic network 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. A number of initiatives from both the public and private sectors are underway to bring affordable broadband to all Coloradans. They range from a $1.5 million award to Peetz Telephone in rural north central Colorado to EAGLE-Net, a $150 million application to bring broadband to all 178 school districts across the state. The State of Colorado has received a $2.1 million grant to map the availability of broadband services across the state.