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Gold Crown Management  
Denver

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Lamar Food Stores, Inc.  
Lamar

Odell Barry  
Barry & Associates  
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## **INTRODUCTION**

The Economic Development Commission is pleased to report on its activities during 1994. This report includes information on projects funded in 1994 as well as an update on projects which received funding in 1993. As of December 31, 1994, the commission had committed approximately \$1 million of its \$1.7 million FY 1994 appropriation and had a balance of \$1.4 million in its Revolving Account.

Through legislative authorization and in response to a number of current state priorities, the commission has participated in several specific activities. As directed by H.B. 94-1191, the EDC has committed funds to the Economic Development Advisory Board and the Workforce Coordinating Council as these entities develop their respective strategic plans. The chair of the EDC also serves as chair of the EDAB which ensures collaboration and cooperation between the two bodies.

Per the Joint Budget Committee, the EDC earmarked funds to help address the impacts resulting from defense downsizing. Funds have been used to match federal grants for conversion and retention projects in the state. The commission has also supported the activities conducted by the Office of Statewide Defense Initiatives and the Colorado Defense Conversion and Retention Council to address these issues.

The funding commitments made by the EDC reflect its ongoing support for a variety of incentive and marketing projects intended to assist existing businesses throughout the state as well as to attract new companies to Colorado. The commission also continued to provide funding for agricultural projects important to rural Colorado, including the Agricultural Feasibility program. Marketing funds targeted Enterprise Zone projects and Motion Picture and Television Commission activities.

The EDC continued to hold regional meetings in order to gain a first-hand perspective on local and regional issues. Past meetings have been held in Grand Junction, Colorado Springs, Alamosa, Durango and other locations. Most recently the commission met with local officials, legislators, community and business leaders in Fort Morgan.

The Economic Development Commission looks forward to continuing to work with the Governor and the Legislature in 1995 and to participating in the state's economic development efforts.

**TABLE I: PROJECTS FUNDED BY THE ECONOMIC DEVELOPMENT COMMISSION IN 1994**

**ECONOMIC DEVELOPMENT PROJECTS**

| PROJECT                | LOCATION            | EDC \$     | OTHER \$   | OTHER \$ SOURCE  | STATUS     |
|------------------------|---------------------|------------|--|--|------------|
| Empak, Inc.            | Castle Rock         | \$16,490   | \$52,500<br>\$222,000<br>\$16,000<br>\$4,000<br>\$15,000 | Colorado FIRST<br>Linked-Depos.(Castle Rock)<br>Property Tax Waivers (C.R.)<br>Use Tax Waivers (C.R.)<br>Douglas County Property<br>Tax Credit | Contracted |
| Lan Technologies       | Pueblo              | \$70,000   | \$30,000<br>\$950,500**<br>\$760,000<br>\$130,000        | Colorado FIRST<br>City of Pueblo/PEDCO<br>Pueblo Deve. Foundation<br>DOLA  | Contracted |
| Sheldahl               | Longmont            | \$150,000* | \$95,931<br>\$50,000                                     | City of Longmont<br>Colorado FIRST   | Pending    |
| Dillon Companies, Inc. | Fountain            | \$50,000   | \$75,000   | Colorado FIRST   | Pending    |
| Optima Batteries, Inc. | Aurora              | \$9,000    | \$56,250<br>\$150,000<br>\$36,000                        | Colorado FIRST<br>City of Aurora<br>Adams County   | Pending    |
| Tenera L.P.            | Boulder/Westminster | \$25,000*  | \$50,000   | Colorado FIRST   | Pending    |
| Sykes Enterprises      | Sterling            | \$15,570   | \$82,000<br>\$600,000                                    | Colorado FIRST<br>City of Sterling   | Pending    |
| Sykes Enterprises      | Greeley             | \$400,000* | \$50,000<br>\$850,000<br>\$220,000**<br>\$125,000        | Use Tax/Fee Wvrs (Greeley)<br>Weld County<br>Weld County Land<br>Colorado FIRST  | Contracted |
| SCOTT Powr-Ply         | Telluride           | \$20,000   | \$31,500   | Colorado FIRST   | Contracted |

\* denotes loan  
\*\* denotes in-kind

**ECONOMIC DEVELOPMENT PROJECTS**

| PROJECT                               | LOCATION                 | EDC \$   | OTHER \$                 | OTHER \$ SOURCE                    | STATUS     |
|---------------------------------------|--------------------------|----------|--------------------------|------------------------------------|------------|
| Bestop, Inc.                          | Trinidad                 | \$25,000 | \$116,000<br>\$165,000** | Colorado FIRST<br>City of Trinidad | Pending    |
| Kan-Build, Inc.                       | Walsenburg               | \$75,000 | \$25,000<br>\$35,000     | Huerfano County<br>Colorado FIRST  | Pending    |
| AGFS: Sunflower Oil                   | Region 5                 | \$6,000  | \$6,000                  | Local                              | Contracted |
| AGFS: Food & Feed Processing Facility | Ute Mtn. Ute Reservation | \$15,000 | \$15,000                 | Local                              | Contracted |
| AGFS: Kitchen Ag Feasibility          | Mesa County              | \$12,600 | \$13,500                 | Local                              | Contracted |
| AGFS: Flavored Applesauce             | Hotchkiss                | \$15,000 | \$15,000                 | Local                              | Contracted |
| AGFS: Fungus and Compost              | Fort Collins             | \$9,000  | \$18,000                 | Local                              | Contracted |

\* denotes loan

\*\* denotes in-kind

**MARKETING PROJECTS**

| PROJECT                          | LOCATION         | EDC \$   | OTHER \$ | OTHER \$ SOURCE | STATUS     |
|----------------------------------|------------------|----------|----------|-----------------|------------|
| MPTV Marketing                   | Statewide        | \$60,000 |          |                 | Contracted |
| OBD Marketing                    | Statewide        | \$70,000 |          |                 | Contracted |
| EZ Trade Show Marketing          | Multizone        | \$30,000 |          |                 | Pending    |
| Adams County EZ Marketing        | Adams County     | \$10,000 | \$10,000 | EZ              | Completed  |
| Arapahoe County EZ Marketing     | Arapahoe County  | \$6,650  | \$6,650  | EZ              | Completed  |
| Denver EZ Marketing              | Denver           | \$10,000 | \$10,000 | EZ              | Completed  |
| East Central EZ Marketing        | Multi County     | \$20,000 | \$20,000 | EZ              | Completed  |
| El Paso County EZ Marketing      | El Paso County   | \$6,700  | \$6,700  | EZ              | Completed  |
| Greeley/Weld County EZ Marketing | Weld County      | \$10,000 | \$10,000 | EZ              | Completed  |
| Huerfano/Las Animas EZ Marketing | Multi County     | \$20,000 | \$20,000 | EZ              | Completed  |
| Jefferson County EZ Marketing    | Jefferson County | \$6,650  | \$6,650  | EZ              | Completed  |
| Larimer County EZ Marketing      | Multi County     | \$7,000  | \$7,000  | EZ              | Completed  |
| Mesa County EZ Marketing         | Mesa County      | \$20,000 | \$20,000 | EZ              | Completed  |
| Northeast COG EZ Marketing       | Multi County     | \$20,000 | \$20,000 | EZ              | Completed  |
| AGNC EZ Marketing                | Multi County     | \$20,000 | \$20,000 | EZ              | Completed  |
| Pueblo County EZ Marketing       | Pueblo County    | \$10,000 | \$10,000 | EZ              | Completed  |
| Region 10 LEAP                   | Multi County     | \$20,000 | \$20,000 | EZ              | Completed  |
| San Luis/Upper Ark. EZ Marketing | Multi County     | \$20,000 | \$20,000 | EZ              | Completed  |
| Southeast EZ Marketing           | Multi County     | \$20,000 | \$20,000 | EZ              | Completed  |
| Region 9 ED District             | Multi County     | \$20,000 | \$20,000 | EZ              | Completed  |
| East Central Tradeshow EZ        | Multi County     | \$30,000 | \$30,000 | EZ              | Completed  |

\*\* denotes loan  
denotes in-kind

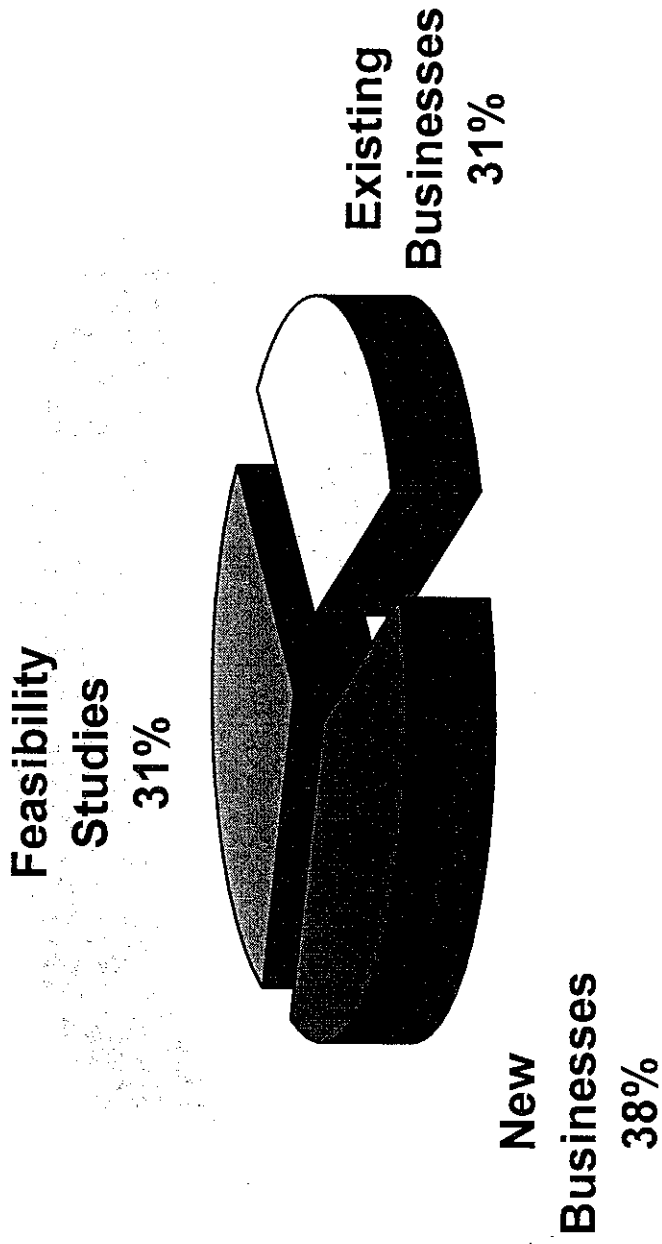
**SPECIAL PROJECTS & ACTIVITIES**

| PROJECT   | LOCATION          | EDC \$     | OTHER \$                 | OTHER \$ SOURCE                   | STATUS     |
|---|-------------------|------------|--------------------------|-----------------------------------|------------|
| Colorado Sports Council                           | Statewide         | \$200,000* | \$850,000                | Corporate Sponsors                | Contracted |
| Defense Conversion Initiative (Per JBC)           | Statewide         | \$650,000  | \$707,000<br>\$1,727,000 | Federal<br>Local and Private      | Contracted |
| State Maps  | Statewide         | \$80,000   |                          |                                   | Contracted |
| Economic Development Advisory Board (Per HB 1191) | Statewide         | \$50,000   |                          |                                   | Contracted |
| Workforce Coordinating Council (Per HB 1191)      | Statewide         | \$50,000   |                          |                                   | Contracted |
| Emergency Fund/Steamboat Springs                  | Steamboat Springs | \$3,000    | \$40,000                 | Local Northwest Loan Fund<br>CDBG | Contracted |
| Workforce Channel                                 | Statewide         | \$70,000   |                          |                                   | Pending    |

\* denotes loan

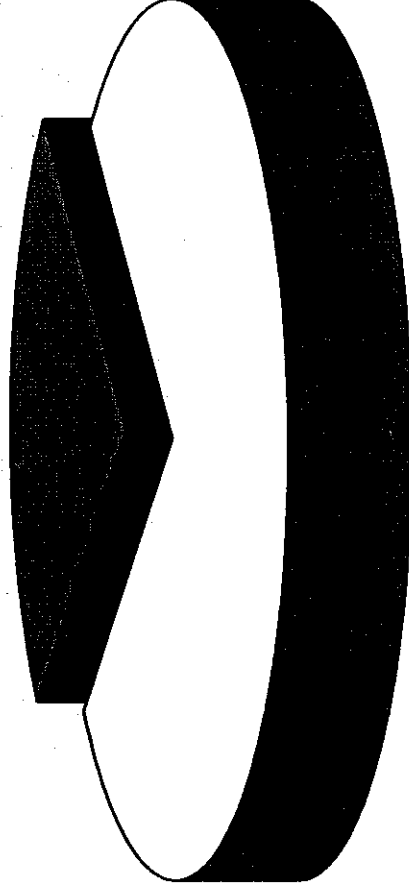
\*\* denotes in-kind

**Business Projects Funded  
1994  
By Type**



**Business Projects Funded  
1994  
By Geographic Location  
(Percentage of Dollars)**

**Metro  
23%**



**Rural  
77%**

\* Total Dollars = \$856,060  
(Excluding feasibility studies)



## **New Initiatives: Projects Funded by the EDC in 1994**

The EDC continued to support projects aimed at retaining and creating jobs throughout Colorado and funded several programs targeted to assist small businesses. The commission's ongoing focus on rural areas of the state was maintained through funding for agricultural programs and Enterprise Zone marketing.

**GOAL I: To encourage, promote and stimulate economic development in all regions of the state.**

**Objective A: In cooperation with state, local and private entities, develop incentive packages to help existing companies expand and new companies locate in the state.**

### **Accomplishments**

Working closely with the state Office of Business Development and a number of local economic development organizations, the EDC considered a variety of proposals for business expansions and relocations. During 1994, the following received approval for financial assistance.

1. **Empak, Inc., Castle Rock** - This company operates as a manufacturer of close tolerance plastic products, specifically electronic components, storage boxes and bins, etc. To assist Empak expand in Castle Rock, the commission authorized up to \$16,490 for an interest subsidy. The Town of Castle Rock deposited \$222,000 in an account at a Castle Rock bank to be used as a linked-deposit for this agreement. In addition to the linked-deposit, the loan is secured by a \$100,000 letter of credit. Castle Rock is providing property tax waivers valued at \$16,000 and sales and use tax waivers valued at \$4,000. Additionally, Douglas County is providing a 50 percent property tax rebate valued at \$15,000 and the Office of Business Development approved \$52,500 in Colorado FIRST job training funds. The company anticipates creating 149 jobs by 1996 as a result of the expansion.

2. **Lan Technologies, Pueblo** - Lan Technologies, Inc. is based in Bedford, Massachusetts and was founded in 1992. It employs 75 people at its Massachusetts facility which serves as a major supply center for high quality information technology storage devices. The company is relocating its corporate headquarters from Bedford to Pueblo, which will result in the creation of 100 new full-time jobs by 1996 with average salaries of \$21,000. To assist the company locate to Pueblo, the commission approved a \$70,000 interest subsidy. Other support includes \$30,000 in Colorado FIRST job training funds, \$760,000 from Pueblo Development Foundation and \$130,000 in CDBG funds through the Department of Local Affairs.

3. **Sheldahl, Longmont** - This company, established in 1955, is based in Northfield, Minnesota. Its primary function is the conversion of basic raw materials into technical laminates and composites. Sheldahl has decided to locate its new flexible circuit board facility in Longmont and anticipates its Colorado investment to be approximately \$20 million. To assist with costs associated with the expansion, the commission authorized a loan of up to \$150,000. The City of Longmont committed to provide local matching dollars at \$95,931, and the Office of Business Development set aside \$50,000 in Colorado FIRST job training funds over the 1994-95 fiscal year period. The move is expected to create 60 new full-time jobs over three years.

4. **Dillon Companies, Inc., Fountain** - Dillon Companies, Inc., plans to open a distribution center in Fountain. This center is expected to create up to 150 new full-time jobs. The company operates 239 supermarkets and 931 convenience stores throughout Arizona, Colorado, Kansas, Missouri, New Mexico, Utah and Wyoming. The City of Fountain will provide a 50% waiver of the 2% use tax on building and construction materials for improvement costs, waivers on the domestic water tap fee, the fire line water tap fee, and water and electric service deposits, etc. The proposed site is located in an Enterprise Zone and OBD has committed to provide \$75,000 over a two-year period in Colorado FIRST funds. The commission approved an interest subsidy of up to \$50,000, subject to OBD's recommended contingencies.

5. **Optima Batteries, Inc., Aurora** - Optima manufactures sealed lead acid batteries used in automobiles and sells through existing distribution channels, primarily the battery specialists. The company is requesting a term loan in the amount of \$150,000 to assist with their expansion efforts in Aurora and Colorado FIRST Job Training funds in the amount of \$56,250 to assist in the training of the 170 new hires. The City of Aurora has approved use tax waivers in the amount of \$150,000, Adams County has approved \$36,000 in property tax rebates and enterprise zone credits are estimated at \$1,000,000. The commission approved an interest buy-down of up to \$9,000.

**Objective B:  
Identify and assist  
those industries  
requiring the most  
support and those  
having the greatest  
opportunity for  
growth.**

### **Accomplishments**

1. **Tenera L.P. (Limited Partnership), Boulder** - Tenera is a California based software and consulting firm. The company has committed to relocating their corporate headquarters to Boulder. They currently have a branch office in Westminster which employs 200 and will consolidate operations with their headquarters. The relocation of Tenera's headquarters to Colorado is expected to create 53 new jobs at an average salary of \$65,000/year. To reduce costs associated with relocating and consolidating operations, the EDC approved a \$25,000 loan at 3.5% for three years contingent upon local match. OBD has approved up to \$50,000 in Colorado FIRST job training funds.

**Objective C:  
Identify and support  
specific programs  
and activities to  
assist the economies  
of rural areas of the  
state.**

**Accomplishments**

1. **Sykes Enterprises, Inc., Sterling** - Sykes Enterprises, Inc. opened a customer support center in Sterling. Based in Tampa, Florida, Sykes provides computer software services that include data processing, programming, etc. Sykes' new customer support center is expected to employ up to 250 new employees over the next two years. The company received financing for the project through KeyBank of Colorado, including a \$100,000 working capital loan. The EDC approved a \$15,570 interest rate subsidy to help reduce interest expenses associated with the company's working capital financing. Additionally, OBD committed \$82,000 in Colorado FIRST job training funds and the City of Sterling provided \$600,000 in financial assistance. As of December 1994, Sykes had hired over 165 new Colorado employees in Sterling and had invested more than \$3 million dollars in the local community through the construction of its facility and the purchase of its computer software and equipment from local vendors.

2. **Sykes Enterprises, Inc., Greeley** - In November 1994, Sykes Enterprises, Inc. opened its second Colorado facility in Greeley as a result of the growing demand in the computer services sector. This new customer support center is expected to employ up to 420 new employees in Greeley. As of December 1994, the company had hired 150 new employees and is expecting to hire 300 by the end of 1995. As part of an overall incentive package, the commission provided a \$400,000 loan to Sykes. Weld County provided \$850,000 for construction of the company's new facility and also provided land valued at \$220,000. The City of Greeley approved use and tax fee waivers valued at \$50,000 and OBD approved \$125,000 in Colorado FIRST job training funds.

3. **SCOTT Powr-Ply, Telluride** - SCOTT specializes in the manufacturing and sale of customized, high-end fly fishing rods. The company manufactures the custom rods for sale to specialty outdoor retail shops, and provides travel packages and guide tours demonstrating the use of the rods. The company wanted to relocate from California to Telluride. This relocation is expected to create 40 new full-time jobs within two years. SCOTT is projecting the creation of up to 60 additional new jobs over the next five years. The bank of Telluride committed to originating a \$200,000 loan to the company and the Office of Business Development awarded \$31,500 in Colorado FIRST funds. The commission approved a \$20,000 interest subsidy to assist in reducing expenses associated with the company's relocation to Telluride.

4. **Bestop, Inc., Trinidad** - Bestop, Inc. is an international designer and manufacturer of convertible tops and accessories for small sport utility vehicles and provides replacement products in the automotive aftermarket. The company is located in Broomfield and is expanding its operations to Trinidad. To assist with expansion costs, Trinidad has offered one year of temporary housing at Trinidad State Junior College valued at \$31,125; an estimated savings of \$10,298 in property taxes for the first year; in-kind property improvements and an employee scholarship program valued at \$39,750; construction of a custom building for Bestop to be leased for three years at below market rates valued at \$78,750 in savings; \$5,000 for relocation costs; and all eligible enterprise zone benefits. The commission approved up to \$25,000 as an interest buy-down and OBD approved \$116,000 in Colorado FIRST job training funds over a two-year period.

5. **Kan-Build, Inc., Walsenburg** - Kan-Build is a Kansas-based manufacturer of pre-fabricated housing. The company has one expanded operation in Loveland and is seeking its second expansion in Walsenburg to reach customers in west Texas, New Mexico and Arizona. Kan-Build would like to buy an existing facility in Walsenburg and is currently negotiating the purchase. This expansion is expected to create up to 70 new full-time jobs by December 1995. To assist with expansion costs, Huerfano County has committed a cash incentive of \$25,000 and the Huerfano County commissioners approved in-kind contributions of services to cover improvement costs. The company is providing an equity contribution of \$350,000 towards financing this project and is seeking private bank financing. OBD has committed \$35,000 in Colorado FIRST funds. The commission approved up to \$75,000 contingent upon a personal guarantee of the company president, job performance and retention, job documentation reported at least quarterly before funds are drawn, minimum hourly wage and benefits, and private bank financing.

6. **Agricultural Feasibility Studies, statewide** - The commission approved a total of \$57,600 to continue the Department of Agriculture's Feasibility Studies program. This included a roll-forward of \$14,000 of unspent funds from the 1993 program allocation plus \$43,600 for the 1994 program. EDC funds are matched by local sources. To date, the following studies have been approved:

a. Sunflower Study, Region 5 - The purpose of this study is to determine the economic and technical feasibility of producing and marketing value added products from sunflower oil and by-products in East Central Colorado. Specifically, the study

will evaluate the trends in production and consumption of sunflower oil and meal derived products and their competitors, the purchase criteria of buyers of the most promising products identified, and results of interviews with sunflower processing industry executives and potential sources of financial assistance. This study is being funded by \$6,000 of commission funds and \$6,000 from local sources.

- b. Bean Study, Ute Mtn. Ute Reservation - This study is being conducted to determine the technical and economic feasibility of establishing a food and feed processing facility on the Ute Mountain Ute reservation. Specifically, this study will evaluate production and market feasibility of processing beans and related food products, production facility design, employee training, equipment, packaging and transportation, financial analysis, and community needs and resources. This study is being funded by \$15,000 commission funds and \$15,000 in local funds.
- c. Kitchen Incubator, Mesa County - This study will determine the technical and economic feasibility of establishing a shared commercial kitchen facility to serve as a small business incubator for food production businesses in Mesa County. The project will focus on agri-business activities in the Western Slope area of Colorado and investigate prospects for stimulating value added agricultural activities in the region by exploring barriers to entry, determining the demand for and effect of a shared use facility and other related issues. This study is being funded by \$12,600 of commission funds and \$13,500 from local sources.
- d. Applesauce Study, Hotchkiss - This study is being conducted to determine the technical and economic feasibility of producing and marketing portion-pack flavored apple sauce in Delta County. The study will evaluate and report on production, packaging and cooling equipment and processes to produce flavored apple sauces in plastic portion-pack containers, and the results of test marketing the apple sauces produced. This study is being funded by \$15,000 of commission funds and \$15,000 in local funds.

- e. Compost Study, Fort Collins - This study will determine the technical and economic feasibility of developing a growth-producing fungus and compost using Colorado raw materials. This project incorporates research and development of a natural soil fungus at Colorado State University in combination with a compost available in Europe. While the compost is commercially available in Europe, it cannot be economically transported to the U.S. Researchers believe they can produce the compost domestically. This study is being funded by \$9,000 of commission funds and \$18,000 in local funds.

**Goal II: To oversee the statewide economic development marketing program and to support additional activities/events which promote the state.**

**Objective A:  
Produce marketing materials and products to support ongoing business development efforts.**

## **Accomplishments**

- 1. Motion Picture and Television Commission (MPTV) -** In order to continue to promote motion picture and television production in Colorado, MPTV requested a marketing grant from the commission. The EDC approved \$40,000, of which \$20,000 was earmarked for marketing promotions for Location Expo. This event is important to smaller Colorado communities which rely on face-to-face interaction to promote their locations. Of the remaining \$20,000, up to \$5,000 was allocated for advertising, \$5,000 to continue a computerized photo-imaging system and \$10,000 for promotional t-shirts for distribution to crew members who use Colorado as a production location.
- 2. Office of Business Development (OBD) -** The commission approved \$70,000 to support OBD's marketing efforts. This includes approximately \$12,000 for two trade shows, \$16,500 for a business development mission; \$25,000 for production of an interactive computer data system containing information on the state and local communities; \$10,000 for development and production of marketing materials; \$6,000 for updating the Colorado trade show exhibit; and \$10,500 for local economic development training programs.



**Objective B: Assist Enterprise Zones to develop individual marketing strategies as well as cooperative programs among zones and provide matching funds for implementation.**

## **Accomplishments**

Sixteen economically distressed urban and rural areas have been designated as state enterprise zones to provide special state tax incentives to encourage job creation and private investment in these areas. For an area to use these special incentives successfully, it must let businesses, both existing and prospective new ones, know about the area's zone status. In order to assist Colorado's zones capitalize on this opportunity, the commission again provided them with funds to implement individual enterprise zone marketing plans on a matching basis with local funds.

In 1994, the commission allocated \$278,000 to enterprise zones for the continuation and expansion of their marketing activities. Of the total, \$30,000 was set aside to support continuation of a multi-zone trade show marketing program. This portion of the grant does not require local matching funds, but participating zones share in the costs. The remaining \$248,000 was divided among the zones in matching grants based on evaluation of local proposals.

Marketing activities undertaken by the zones fell into the following general categories:

- 1. Publicizing enterprise zone benefits** - Zones have attempted to increase the awareness of zone benefits by local businesses through local media, industry and professional association publications, direct mail, as well as publishing zone newsletters and updated brochures. Most zones held seminars in communities within the zone, in conjunction with local tax professionals and state agency staff, to explain zone benefits.
- 2. Supporting existing zone businesses** - Zones conducted surveys to identify and assist existing companies with expansion potential within the zone; supported local small business incubators' recruitment and publicity programs; promoted special events and other promotions to increase business activity in downtown sections of the zone, and conducted market research to support local business prospects. To encourage spending in local economies as well as to publicize their areas, several zones are supporting regional film commissions to increase motion picture and television film production in their regions.

**3. Business recruitment** - All zones coordinate closely with the major community and economic development organizations within their zone. The zones assisted these organizations to produce updated targeted advertising, direct mail and other business recruitment campaigns for their economic development organizations.

**4. Rural tourism development** - Many of the rural zones' marketing plans attempt to increase spending by visitors to their region. At the same time, they seek to convert familiarity with their area as a result of tourism contacts into business location prospects. These zones participated in the tourism marketing and hospitality training programs of their state travel regions. They supported publications, brochures and magazines which feature the zones' tourist attractions as well as their business development opportunities. Some of these zones also produced video and brochure displays for use at regional airports to inform hunters, skiers, and other visitors about business opportunities in the zone.

**Objective C:  
Develop and  
support special  
projects and  
activities.**

**Accomplishments**

1. **Colorado Sports Council** - The Colorado Sports Council, host of the U.S. Olympic Festival '95, requested support from the EDC to assist them plan and produce the ten day event. The festival will attract approximately 3,600 participants from throughout the United States, will draw 500,000 spectators and will have local and national television coverage. It is estimated to have a \$45 million economic impact on the state and will be the largest multi-sport event in Colorado history. The commission provided a \$200,000 six-month loan to the Sports Council to assist with planning this major event.
  
2. **Defense Conversion and Retention Initiative** - The Joint Budget Committee directed the EDC to earmark \$650,000 of its 1995 appropriation for defense conversion and retention initiatives. The dollars will be distributed through the Defense Conversion and Retention Council, with \$150,000 set aside for the Office of Statewide Defense Initiatives for operational costs and \$500,000 to be used as leveraged grant funds for conversion and retention projects in Colorado. To date, 11 projects have been awarded a total of \$361,000 by the EDC, with \$707,000 from federal sources, and \$1,727,000 from local and private sources. Projects are located in a number of communities, including Salida, Pueblo, Colorado Springs, Lakewood and Aurora.
  
3. **State Maps** - The EDC approved a request from the Department of Local Affairs (DOLA) for \$80,000 to print approximately 350,000 Colorado state maps. DOLA and the welcome centers, located in Fruita, Burlington, Cortez, Dinosaur, Lamar, Trinidad and soon Julesburg, are providing distribution services for the interim until the Travel and Tourism Authority is established. The authority will be charged with marketing the entire state. In addition to DOLA and the welcome centers, the tourism industry groups are contributing to distribution/mailing costs.
  
4. **Economic Development Advisory Board (EDAB)** - In accordance with House Bill 94-1191, \$50,000 of the EDC's 1995 appropriation is earmarked for the Economic Development Advisory Board. This is an eight-member board charged with developing a statewide economic development plan that addresses current and projected economic development needs of the state and its regions. The EDAB is required to submit a plan by July 1, 1995.

**5. Workforce Coordinating Council** - In accordance with House Bill 94-1191, \$50,000 of the commission's 1995 appropriation is earmarked for the workforce training council. The council was established in August 1993 and charged with creating a work force development strategy and coordinating similar job training and employment related services. Council members, appointed by the Governor, are responsible for advising the Governor and the legislature on the state's employment and training needs, including an evaluation of state training programs, recommendations on the organization structure which can best deliver employment and training services and recommendations on training programs including apprenticeship and youth apprenticeship programs. The council's recommendations and overall plan will be submitted to the Governor and the legislature by July 1, 1995.

**6. Steamboat Emergency Fund** - In February 1994, a natural gas explosion destroyed a two-story building in downtown Steamboat Springs. The building was occupied by eight businesses. In order to assist these businesses, the Office of Business Development and the Colorado Housing and Finance Authority combined efforts to encourage local financial institutions to register in the Colorado Credit Reserve Program (CCR). As part of the incentive for enrolling in the CCR program, CHFA waived the \$500 annual registration fee. The EDC provided \$3,000 to CHFA as seed money. The objective of this effort was to encourage the financial institutions to make credit available to businesses in the local community, including those affected by the explosion.

**7. Workforce Channel** - Global Knowledge Group in conjunction with Channel 6 and CCOES requested assistance to fund a workforce training channel. The project's objective is to identify and produce new programs related to Colorado's workforce and specific work skills and training. The project is based upon two phases. Phase I would require \$99,000 to cover a three-month planning period which would include research into existing television programming for use in Colorado and the formatting of a Workforce Channel. Phase II would require \$161,000 to continue the development of a full service channel dedicated to Colorado's workforce and training preparation. The EDC committed to fund up to \$70,000 for this project and directed the group to seek matching funds from the private sector.

## **Unsuccessful or Uncompleted Initiatives**

1. **Eaton, Pueblo** - The Eaton Corporation, a global manufacturer of vehicle power train components and a variety of control devices within the transportation industry, opened a new division of its operation in Pueblo which specializes in the manufacturing of high-end electrical control panels for industrial machinery. The commission awarded Eaton a \$150,000 interest-free loan in December 1993 to help offset costs associated with its expansion in Pueblo. The facility currently employs 40 people at its Pueblo site. The company opted not to use the EDC approved loan, which allows the funds to be used for other projects.

2. **Edamame Soybeans, southern Colorado** - This Agriculture Feasibility study proved to be unsuccessful after several attempts to raise funds. The private enterprise recognized that they did not have the financial backing necessary to support a food processing facility. The \$5,000 was then allocated by the commission to the 1994 grant program.

## Status of Projects Funded by the EDC in 1993

### **Business Expansion/Location Projects Funded in 1993**

1. **Eaton, Pueblo** - See Unsuccessful or Uncompleted Initiatives.
2. **Graebel Companies, Aurora** - Graebel Companies, a nationwide network of service centers and international port of entry facilities specializing in corporate relocations, has consolidated its headquarters and operations centers in Aurora. As part of an overall incentive package, the EDC awarded a \$125,000 low interest loan to the company to help cover costs associated with consolidating operations. The new facility is expected to create 269 full-time jobs over a four year period, and currently employs over 120 people. The contract for the \$125,000 award is pending completion.
3. **Kmart, Brighton** - In 1993, Kmart opened a new regional distribution center in Brighton. As part of an overall incentive package, the commission provided a \$100,000 interest subsidy to Kmart to assist in reducing interest expenses associated with the company's substantial capital investment in the project. The company has already created 300 new jobs at the new regional distribution center.

## **Industry Support Projects Funded in 1993**

1. **Colorado Credit Reserve, statewide** - The EDC provided \$150,000 in support of the Colorado Housing & Finance Authority's request to support the establishment of a pooled loss reserve program. The CCR program allows for the creation and growth of a reserve account which is established at each participating lender. The account contains all registration fees assessed to CCR small business borrowers of that bank and the program match. A participating bank can then utilize the reserve account for loan loss recoveries of any of its registered CCR loans, up to the account balance, but only with the authorization of CHFA. Registered loans may be in any amount up to \$100,000. CCR borrowers are assessed a two to five percent fee as determined by the originating bank. The program provides a dollar for dollar match of that fee. Since its inception, 71 loans have been registered in the CCR program totalling \$1,630,757. The program is meeting its objective of encouraging lenders to provide more commercial and agricultural loans in amounts of \$100,000 or less.

2. **Colorado Credit Reserve Plus, statewide** - CCR Plus is a program enhancement that increases availability of loans to women and minority owned enterprises by providing an additional two percent of the loan amount to the originating bank's CCR reserve account. Therefore, banks which originate loans to women or minority owned businesses will increase the balance of their CCR accounts and experience risk reductions on their total registered portfolios. Of the 71 registered CCR loans, 37 have been to a woman and/or minority owned business. Loans range from \$1,000-\$100,000, with an average size of \$22,968.

## **Projects in Rural Areas Funded in 1993**

1. **Scaled Composites, Montrose** - This development/research aircraft company based in Mojave, California will be relocating its corporate headquarters to Montrose. This is expected to result in the relocation of 40 full-time jobs and creation of 30 new full-time jobs within two years. To reduce costs associated with dual operations during the move, the commission committed \$125,000 with repayment of \$55,000 and \$70,000 forgiven based upon job performance. Although the move has been delayed, commission funds remain committed.

2. **Four Corners Partnership** - This is a partnership between the Four Corners' area public service company, the Indian Tribe, and the states of Utah, New Mexico and Arizona to design a marketing program that benefits the area. Montezuma County Economic Development Council serves as the lead agent for the partnership. By collectively pooling funds the area has experienced a significant enhancement in business recruitment marketing beyond what any individual community can afford. The partnership used EDC funds and other contributions by participating entities to undertake various marketing initiatives which are listed below:

Vistawest Ad - The partnership purchased a full-page ad in the in-flight magazine known as Vistawest. The ad was aimed at the business travelers flying into the Four Corners area.

LA and Orange County Business Journal Ad - A corporate relocation guide is produced quarterly as a supplement to the LA and Orange County Business Journal. The partnership purchased a 1/4 page display ad for two quarters. The relocation guide has a card system that allows readers to request information on communities. This resulted in 80 leads that were forwarded to participating economic development entities for response.

Trends 2000 Info Line Series - The partnership participated in a unique marketing program sponsored by the organization that holds the Trends 2000 Corporate and Business Relocation Expos in Anaheim, San Jose and Toronto. This marketing initiative included a special radio marketing campaign that was featured in New York, Chicago and Los Angeles. Businesses were able to dial a 1-800 number to request information on the Four Corners Partnership. Over 215 leads resulted from this initiative.



3. **Region 10 Microloan** - The \$30,000 from the commission served as a loan loss guarantee fund to a \$200,000 SBA microloan grant awarded to Region 10. The grant allows the region to provide lending services to small businesses that do not fit existing CDBG lending requirements. Thirteen loans were made with the SBA grant by June 1994. Recipients of the loans include a restaurant, trucking company, upholstery company, and a jewelry shop. The loans were made in four of the six counties that Region 10 encompasses. As a result of some of the loans being paid back with interest, three additional loans were made as of November 1994.

4. **Reynolds Polymer Technologies, Inc., Grand Junction** - Reynolds Polymer, based in Santa Ana, California, specializes in the designing, engineering, and manufacturing of specialty acrylic products, primarily for the marine and aquatic industry. In 1993, Reynolds relocated its manufacturing facility from California to Grand Junction. As part of an overall incentive package, the commission awarded the company a \$125,000 low interest rate loan to help reduce relocation costs. Currently Reynolds employs over 50 full-time employees at its Grand Junction facility.

5. **Agricultural Feasibility Studies, statewide** - The commission funded the following studies:

- a. Waxy Barley, Bent County - This study was extended through the end of December. Test plots of barley were planted. The seed variety was certified by the Colorado Seed Growers Association. Roasted and puffed samples of barley were unacceptable, but warrant additional testing.
- b. Goat Meat Sticks, Longmont - This study was also extended through the end of December. Two product formulations, regular and spicy, were developed and packed under a USDA approved label. After taste tests, it was decided to continue with the spicy formulation and develop a hot formulation. Packaged product is currently being sold in one Florida outlet. A search is currently underway to identify brokers and distributors willing to handle the line. A Colorado broker is seeking sales outlets. The tariff on meat products, even under NAFTA, made international sales to Mexico prohibited. In order to maximize opportunity for U.S. sales, the hot and spicy formulations will be marketed, the regular formulation will be dropped due to unacceptable flavor, and cost cutting measures will be investigated.

- c. Edamame Soybeans, southern Colorado - See Unsuccessful or Uncompleted Initiatives.

**6. Agricultural International Trade Promotion Program (AITPP)** - The EDC allocated \$30,000 to this program, which assists Colorado companies develop overseas sales through participation in international trade shows and promotional events. Thus far, twenty eight grants have been approved. These funds have helped livestock breeders promote exports in Mexico, Ghana, South America and Vietnam. Beverage exports were promoted in Mexico, Hong Kong, Taiwan, Korea, Thailand, Japan, Switzerland and Canada. Snack foods were promoted in Mexico, Germany, Japan, France and the U.K. Other products, such as apples, vegetables and seeds, were promoted in Japan, Mexico, China and Thailand. In addition to Metro Denver companies, the program helped companies in Wellington, Greeley, Platteville, Vona, Montrose, Palisade, Parker and Longmont. The average grant size is \$1,166, while the participants spend an additional average of \$4,660. The 1994 performance audit for the Department of Agriculture reported that for every dollar spent on a marketing event, clients received \$40.50 in actual expected sales.

## **Marketing Projects Funded in 1993**

1. **Motion Picture & Television Commission** - The EDC provided \$60,000 to the Motion Picture and Television Commission. MPTV used the funds for advertising and marketing activities with a special emphasis on Colorado's production capabilities. Due to savings in operational costs, MPTV returned \$25,000 of the total allocation to the EDC from this grant. The \$35,000 was spent on production of "baseball" cards and postcards featuring Colorado locations, photo albums, Colorado tote bags and a computerized photo-imaging system.

