

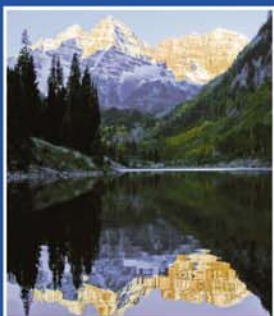


Governor Bill Ritter, Jr.

Don Marostica, Executive Director

Alice Kotrlík, Deputy Director

Colorado Office of
Economic Development &
International Trade



Economic

Development

Commission

2009 Annual Report

Colorado Office of Economic Development &
International Trade
February 2010
Revised

February 1, 2010

Members of the Second Regular Session of the Sixty-Seventh General Assembly:

On behalf of the Colorado Economic Development Commission (EDC or Commission), I am pleased to present you with the Commission's Activity Report for 2009. The report contains information on projects supported by the EDC in calendar year (CY) 2009, as well as the status of initiatives approved in CY 2008.

Over the past year, the EDC emphasized supporting business and job creation efforts throughout the state and also focused on identifying emerging industries and opportunities. The Commission supported local communities' efforts in attracting job growth and businesses, including Charles Schwab's expansion in Douglas County, Dot Hill Systems Corp.'s expansion in Longmont and Best Signs Systems, Inc.'s expansion in Montrose. Small businesses and rural areas remained a priority for the EDC in 2009 with support provided to a number of projects, including the Roaring Fork Virtual Incubator in Glenwood Springs, provision of matching funds for Enterprise Zone marketing, and funding provided for Performance Incentive Fund applications.

The Commission will continue to partner on statewide economic development activities and collaborate with communities to support their priorities and opportunities. The EDC is committed to assisting these communities with their efforts to strengthen their business and employment base and Colorado's economy.

We welcome your comments on this report. On behalf of the EDC, we want to thank Governor Ritter and members of the General Assembly for your ongoing support and guidance.

Sincerely,



Richard L. Monfort
Chairman

TABLE OF CONTENTS	Page No.
List of Commission Members	i
List of Projects	ii
Introduction	1
New Initiatives: Projects Approved by the EDC in 2009	1
Charles Schwab, Denver Metro	2
Corinthian Colleges, Inc., Colorado Springs	2
Dot Hill Systems Corp., Longmont	2
Roaring Fork Virtual Incubator, Glenwood Springs	2
OEDIT Marketing 2009, Statewide	3
Colorado Center for Renewable Energy and Economic Development, Statewide	3
Colorado Cleantech Industry Association, Statewide	3
Nano-Renewable Energy Summit, Statewide	3
Rocky Mountain Innovation Initiative, Northern Colorado	3
Enterprise Zone Marketing Activities and Policy Oversight, Statewide	4
Certified Capital Companies Program Waivers	5
Performance Incentive Fund	5
Best Signs Systems, Inc., Montrose	6
CH2M HILL Companies, Ltd., Denver Metro	6
Crispin, Porter & Bogusky, LLC Boulder	6
dpiX, LLC, Colorado Springs	7
Diversified Machine Systems Inc., Colorado Springs	7
EnCana Oil & Gas USA, Corp., Statewide	7
GEVO, Inc., Denver Metro	7
InfoPrint Solutions Company, Boulder	8
Intelligent Software Solutions, Inc. (ISS), Colorado Springs	8
Nueterra Holdings, LLC, Montrose	8
Trizetto Group, Inc., Denver Metro	8
United Launch Alliance, LLC, Denver Metro	8
The Water Company, LLC, Pueblo	9
Western Skyways, Inc., Montrose	9
Woodward Governor Company, Fort Collins	9
Film Commission Production Projects	9

Job Growth Incentive Tax Credit	10
DaVita, Denver Metro	10
REpower, USA Corp., Denver Metro	10
Sierra Nevada Corporation, Denver Metro	11
Status of Projects Approved by the EDC in 2008	11
Vestas Blades, Brighton	11
United States Olympic Committee, Colorado Springs	11
Lewis Engineering, Grand Junction	11
Colorado Aerospace Marketing 2009, Statewide	12
Department of Agriculture, Ag Products Utilization & Marketing Program, Rural & Statewide	12
Department of Agriculture, Colorado Proud Marketing 2008 Rural & Statewide	12
Advance Colorado Center, Statewide	13
ASES Green Jobs Study, Statewide	13
Colorado Center of Space Entrepreneurship, Statewide	13
Colorado Institute for Drug, Device and Diagnostic Development, Statewide	13
Colorado Springs EDC Community Business Expansion Program, Statewide	13
Grand Junction Incubator Center Feasibility Study, Grand Junction	14
Job Growth Incentive Program Study, Statewide	14
SportAccord, Statewide	14

COMMISSION MEMBERS AS OF JANUARY 2010

CHAIRMAN

Richard L. Monfort
Greeley, CO

VICE CHAIRMAN

Michael Matthews
Wells Fargo Bank
Centennial, CO

MEMBERS

William Sisson
Grand Junction, CO

Jerry D. Biggs
BiggsKofford, LLC
Colorado Springs, CO

Howard Gelt
Shughart Thomson & Kilroy P.C.
Denver, CO

Wellington Webb
Webb Group International
Denver, CO

Richard L. Robinson
Robinson Dairy
Denver, CO

Don Elliman
Governors Office
Denver, CO

Don Marostica,
Office of Economic Development & International Trade
Denver, CO

**PROJECTS APPROVED BY THE ECONOMIC DEVELOPMENT COMMISSION IN 2009
GENERAL PROGRAM – VARIOUS**

PROJECT	AREA	EDC \$	OTHER \$/ SOURCE	STATUS
Charles Schwab	Denver Metro	\$1,000,000	N/A	Pending
Corinthian Colleges, Inc.	Colorado Springs	\$1,200,000	\$1,900,000/ Local & Public	Pending
Dot Hill Systems Corp.	Longmont	\$250,000	\$51,000/ Local	Pending
Roaring Fork Virtual Incubator	Glenwood Springs	\$150,000	\$150,000/ Private	Pending
OEDIT Marketing 2009	Statewide	\$80,000	N/A	Contracted
Colorado Center for Renewable Energy and Economic Development	Statewide	\$615,000	\$615,000/ Public	Pending
Colorado Cleantech Industry Association	Statewide	\$100,000	\$100,000/ Public & Private	Pending
Nano-Renewable Energy Summit	Statewide	\$35,000	\$35,000/ Private	Contracted
Rocky Mountain Innovation Initiative	Northern Colorado	\$150,000	\$150,000/ Public & Private	Pending

PROJECTS APPROVED BY THE ECONOMIC DEVELOPMENT COMMISSION IN 2009
GENERAL PROGRAM – ENTERPRISE ZONE MARKETING ACTIVITIES
Alphabetically Listed

PROJECT	AREA	EDC \$	OTHER \$/ SOURCE	STATUS
Adams County EZ Marketing	Adams County	\$12,500	\$12,500/EZ	Pending
Arapahoe County EZ Marketing	Arapahoe County	\$12,500	\$12,500/EZ	Pending
Denver EZ Marketing	Denver	\$12,500	\$12,500/EZ	Pending
East Central EZ Marketing	Multi County	\$25,000	\$25,000/EZ	Pending
El Paso County EZ Marketing	El Paso County	\$12,500	\$12,500/EZ	Pending
Greeley/Weld County EZ Marketing	Weld County	\$12,500	\$12,500/EZ	Pending
Jefferson County EZ Marketing	Jefferson County	\$12,500	\$12,500/EZ	Pending
Larimer County EZ Marketing	Larimer County	\$12,500	\$12,500/EZ	Pending
Mesa County EZ Marketing	Mesa County	\$25,000	\$25,000/EZ	Pending
Northeast EZ Marketing	Multi County	\$25,000	\$25,000/EZ	Pending
Northwest EZ Marketing	Multi County	\$25,000	\$25,000/EZ	Pending
Pueblo County EZ Marketing	Pueblo County	\$12,500	\$12,500/EZ	Pending
Region 10 EZ Marketing	Multi County	\$25,000	\$25,000/EZ	Pending
San Luis/Upper Ark. EZ Marketing	Multi County	\$25,000	\$25,000/EZ	Pending
South Central EZ Marketing	Multi County	\$25,000	\$25,000/EZ	Pending
Southeast EZ Marketing	Multi County	\$25,000	\$25,000/EZ	Pending
Southwest EZ Marketing	Multi County	\$25,000	\$25,000/EZ	Pending
Upper Arkansas EZ Marketing	Multi County	\$25,000	\$25,000/EZ	Pending
EZ Tradeshow Marketing Grant 2009-2010	All EZs	\$25,000	N/A	Pending

PROJECTS FUNDED BY THE ECONOMIC DEVELOPMENT COMMISSION IN 2009
PERFORMANCE INCENTIVE FUND
Alphabetically Listed

COMPANY MONTH/YEAR JOBS CREATED	AREA	INCENTIVE
Best Signs Systems, Inc. September 2007 – February 2008	Montrose	\$26,056
CH2M HILL Companies, Ltd. June – November 2007	Denver Metro	\$279,000
Crispin, Porter & Bogusky, LLC June - November 2007	Boulder	\$256,500
dpiX, LLC January - June 2006	Colorado Springs	\$31,500
dpiX, LLC July – December 2006	Colorado Springs	\$85,500
dpiX, LLC January – June 2007	Colorado Springs	\$99,000
dpiX, LLC July - December 2007	Colorado Springs	\$67,500
Diversified Machine Systems, Inc. January – June 2008	Colorado Springs	\$94,500
EnCana Oil & Gas USA, Corp. January – June 2006	Statewide	\$450,000
EnCana Oil & Gas USA, Corp. July – December 2006	Statewide	\$324,000
GEVO, Inc. October 2007 – March 2008	Denver Metro	\$144,000
InfoPrint Solutions Company July – December 2007	Boulder	\$216,000
Intelligent Software Solutions, Inc. January – June 2006	Colorado Springs	\$76,500
Nueterra Holdings, LLC January – June 2006	Montrose	\$40,500
Trizetto Group, Inc. January – June 2006	Denver Metro	\$153,000
Trizetto Group, Inc. July – December 2007	Denver Metro	\$54,000
United Launch Alliance, LLC May - October 2007	Denver Metro	\$2,907,000
The Water Company, LLC January – June 2008	Pueblo	\$22,500
Western Skyways, Inc. January – June 2006	Montrose	\$36,000

Western Skyways, Inc. April – September 2007	Montrose	\$38,500
Woodward Governor Company January – June 2006	Fort Collins	\$148,000
Woodward Governor Company July – December 2006	Fort Collins	\$117,000
Woodward Governor Company January – June 2007	Fort Collins	\$265,500
Woodward Governor Company July – December 2007	Fort Collins	\$165,000

**PROJECTS FUNDED BY THE ECONOMIC DEVELOPMENT COMMISSION IN 2009
FILM COMMISSION PRODUCTION PROJECTS**

PRODUCTION COMPANY	LOCATIONS	PROJECT	FILM INCENTIVE \$
N/A	N/A	N/A	N/A

**PROJECTS FUNDED BY THE ECONOMIC DEVELOPMENT COMMISSION IN 2009
JOB GROWTH INCENTIVE TAX CREDITS**

PROJECT	AREA	MAXIMUM TAX CREDIT	ISSUED TAX CREDIT
DaVita	Denver Metro	\$5,278,728	N/A
REpower, USA Corp	Denver Metro	\$890,435	N/A
Sierra Nevada Corporation	Denver Metro	\$1,887,583	N/A

INTRODUCTION

During 2009, the EDC continued to assist communities and businesses throughout Colorado. As the report indicates, the EDC supported business opportunities and projects that created hundreds of quality jobs and strengthened Colorado's business and economic development infrastructure.

The Commission also provided funding to support a variety of special projects, economic development marketing programs and studies, including the Colorado Center for Renewable Energy and Economic Development, the Colorado Cleantech Action Plan and marketing support for the Nano-Renewable Energy Summit.

The following table provides a general breakdown of EDC projects (including the Performance Incentive Fund and Job Growth Incentive Tax Credit approvals) in 2009:

Region	Number of Projects	Percentage of Total Projects
Rural	15	27%
Urban	32	58%
Statewide	8	15%
Total for Year	55	100%

The Performance Incentive Fund received 24 applications from 15 businesses which were awarded incentives in the amount of \$6,097,056 for the creation of 1,431* net new full-time positions.

During the 2009 legislative session, the General Assembly established two new programs with Economic Development Commission oversight (the Job Growth Incentive Tax Credit and the Regional Tourism Act). As of December 31, 2009, three projects had been approved for Job Growth Incentive Tax Credits. It is anticipated that the Regional Tourism Act program will begin receiving applications in 2010.

The General Assembly also established the prior non-profit Colorado Film Commission as a state entity and named it the Colorado Office of Film, Television, and Media during the 2009 legislative session. Complete program responsibilities for the Film Incentive Program, previously managed by the Colorado Film Commission with final approval by the Colorado Economic Development Commission, were transferred to the new Colorado Office of Film, Television, and Media. Prior to this transition in July 2009, the Film Incentive Program did not have any projects that applied for rebates.

New Initiatives: Projects Approved by the EDC in 2009

During 2009, the EDC worked with communities, businesses, local economic development organizations and others in an effort to strengthen the state's economy. The focus continues to be on strengthening support for Colorado's businesses, employment base and economy. The EDC participated in initiatives that support business locations in urban and rural areas and small businesses and emerging industries. Incentive awards approved by the EDC in 2009 were based primarily on the number of net new jobs to be created and the average annual salary level of the

new jobs relative to the prevailing county average annual salary in addition to considering other economic benefits and financial aspects of the project.

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.

- 1. Charles Schwab, Denver Metro** – Charles Schwab is a financial services company, headquartered in California. The company was considering expanding into Indianapolis, Phoenix, or the Metro Denver area because of difficulty in recruiting new positions to San Francisco. The Commission approved an incentive of \$1,000,000 (\$2,000/job) for the attraction and creation of the first 500 new jobs created at its new facility in Englewood. The annual average wage rate for these positions is at least \$75,245.
- 2. Corinthian Colleges, Inc., Colorado Springs** – Corinthian Colleges, Inc. is a large post secondary education company based in California. The company plans on establishing a new service center facility in Colorado Springs which will create up to 600 new full-time jobs. The community will provide a match of up to \$1.9 million. The Commission approved an incentive of \$1,200,000 for the creation of 600 new jobs with an average wage rate of at least \$41,363.
- 3. Dot Hill Systems Corp., Longmont** – Dot Hill is a provider of entry-level and midrange storage systems for organizations that require networked storage and data management solutions. The company is headquartered in Carlsbad California and will relocate its headquarters from Carlsbad to an existing facility in Longmont, Colorado. The Longmont facility currently employs approximately 150 employees at this location. The headquarters relocation is anticipated to result in the creation of 100 new full-time jobs in Colorado. The Commission approved a grant in the amount of \$250,000 for the creation of 100 new jobs with an average wage rate of at least \$108,800.

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

- 1. Roaring Fork Virtual Incubator, Glenwood Springs** – The Roaring Fork Virtual Incubator was created to support a rural region from Parachute to Aspen, Colorado with practical business assistance for entrepreneurs and new/early stage businesses. This virtual incubator will focus on education and training, access to capital, economic development and anticipates becoming a model for other incubators in rural Colorado. The Commission approved a three-year \$150,000 grant in support of this incubator.

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

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

1. **OEDIT Marketing 2009, Statewide** – In 2009, the EDC allocated \$80,000 to continue promoting and marketing Colorado’s attractive business environment and quality of life with various marketing initiatives focusing on monthly eNewsletters, New Energy booklets, and targeted advertisements for emerging industries.

Objective B: Develop and support special projects and activities.

1. **Colorado Center for Renewable Energy and Economic Development (CREED), Statewide** – The Economic Development Commission approved a grant of \$615,000 to assist with the establishment of CREED which is a cooperative program between the State of Colorado and the National Renewable Energy Laboratory (NREL) with a specific purpose of supporting the new energy economy in Colorado. The first of its kind in the nation, CREED is envisioned as a “crossroads” facility for technology commercialization, where NREL scientists, engineers and researchers can meet, conference and discuss important technical, business, market and policy issues with entrepreneurs, venture capital firms, angel investors, analysts, and policymakers. It will be a base for state and regional initiatives that foster the creation of new businesses, and will emphasize the commercial deployment of renewable energy and energy efficiency technologies that emerge from NREL’s technology transfer and commercialization programs.
2. **Colorado Cleantech Action Plan, Statewide** – The Colorado Cleantech Action Plan will provide a statewide strategic framework or roadmap to guide the development and growth of the cleantech industry in Colorado. The data collected from the study and strategic initiatives identified by the plan will be used to market the state’s opportunity outside the region, to educate about the importance of the industry to Colorado’s economy and to create a new, collaborative coalition that drives continued growth for the future. The Commission approved a \$100,000 grant to support the \$200,000 study.
3. **Nano Renewable Energy Summit 2009, Statewide** - The Nano Renewable Energy Summit is a gathering of experts from around the world focused on renewable energy and nanotechnology, with a specific emphasis on the business, commercialization, and economic development potential of emerging technologies in the renewable energy and sustainability sectors. The EDC provided \$35,000 to support the second annual summit.
4. **Rocky Mountain Innovation Initiative (RMI²), Northern Colorado** – RMI² is a virtual and physical incubator offering support programs, business facilities, training, mentoring and business assistance to entrepreneurs. The primary target market of the incubator is Northern Colorado, with an emphasis on Larimer and Weld Counties. Part of RMI²’s mission includes advancing the region’s existing and emerging scientific and technology industry clusters and accelerating technology transfer, research commercialization and spin-offs from Colorado State University and the University of Northern Colorado. The EDC awarded a \$150,000 three-year grant to support incubator operations.

Objective C: Assist Enterprise Zones to develop individual marketing strategies and cooperative programs between zones and provide matching funds for implementation.

Sixteen economically distressed urban and rural areas have been designated as state Enterprise Zones, and as such 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. To assist Colorado's zones in capitalizing on this opportunity, the EDC continued to provide funds to help implement individual Enterprise Zone marketing plans.

In 2009, the Commission allocated a total of \$350,000 to Enterprise Zones for the continuation and expansion of their marketing activities. This amount was divided among the zones in matching grants, with the majority going to assist rural zones.

Marketing activities historically undertaken by the zones fall into the following general categories:

- 1. Publicizing Enterprise Zone benefits** – Zones have attempted to increase the awareness of zone benefits for local businesses through local media, industry and professional association publications, direct mail, and publishing zone newsletters and updated brochures. Many zones held seminars in communities within the zones, 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 zones. The zones supported local small business incubators' recruitment and publicity programs, promoted special events and other promotions to increase business activity in downtown sections of the zones and conducted market research to support local business prospects.
- 3. Business recruitment** – All zones coordinate closely with the major community and economic development organizations within their zones. The zones assisted these organizations to produce updated targeted advertising and direct mail, to attend targeted industry trade shows and to conduct the 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. Simultaneously, they seek to convert familiarity with their area as a result of tourism contacts into business location prospects. They support publications, brochures and magazines that feature the zones' tourist attractions, as well as their business development opportunities.

Goal III: To provide policy oversight for the state Enterprise Zone program as directed by the Enterprise Zone statute.

The General Assembly has given the Commission responsibilities in the following areas of Enterprise Zone policy:

A. Zone boundary terminations and designations. The Enterprise Zone statute gives the Commission authority to designate or terminate Enterprise Zones or areas within them. Sub-county areas are generally evaluated for Enterprise Zone eligibility using census tract/block group statistics for unemployment and per-capita income, while more current data from the Colorado Department of Labor and Employment and the Department of Local Affairs is used for countywide eligibility. During 2009, the Commission approved 4 requests for amendments to zone boundaries, reflecting changes in land use and local economic conditions.

B. Review of proposals for projects eligible for the Enterprise Zone contribution tax credit. The statute allows for state income tax credit (up to 25%) for contributions that directly promote job creation and retention, or indirectly do the same via support of the homeless community or other community development activities. The Commission has the responsibility of reviewing and evaluating the zones' lists of projects for annual recertification. Administrators submit projects that will help achieve the goals of the Enterprise Zone throughout the year for the consideration of the EDC - pursuant to the statute, the Commission must review and approve any new or modified project proposals. In 2008, the Commission approved 47 new projects, for a total of 463 active projects at year-end. In 2009, the Commission approved 28 new projects, for a total of 435 active projects at year-end.

Goal IV: Approve or deny requests for waivers of the “qualified business” criteria under the Certified Capital Companies (CAPCO) Program.

In 2001, the EDC was given new statutory authority regarding one aspect of the Certified Capital Companies program. If a Certified Capital Company wants to invest in a business that does not meet all of the eligibility requirements under the CAPCO statute and regulations, the CAPCO may ask that the EDC review the specific business and recommend approval or denial of such businesses to the Director of the Colorado Office of Economic Development and International Trade (OEDIT). Specifically, the EDC must make a determination that the specific business would further the economic development of the State of Colorado. The CAPCO Program received its funding from insurance companies in April 2002, which was made possible by the issuance of premium tax credits by the State of Colorado.

In 2009, the EDC did not review any businesses related to this authority.

Goal V: Award performance-based incentives to employers that create high quality new jobs in the state.

The EDC has oversight responsibilities for the Job Creation Performance Incentive Fund - which provides performance-based incentive payments to qualifying companies that have created net new jobs paying above average wages and that have maintained such positions for at least one year. The program is designed to support and encourage new business development, business expansions and relocations that generate new jobs throughout the state.

Noted below are companies that received incentive payouts from the Performance Incentive Fund. All payroll or other data submitted by the companies in their incentive applications were

reviewed and approved by the state. In addition, all companies achieved their job creation and wage requirements. All applicants were not adjudicated to be in violation of any federal, state, or local laws affecting the health, safety, or working conditions of employees for at least the prior five years, unless noted below. The following paragraphs include additional statutorily required reporting information.

1. **Best Signs Systems, Inc. (Best Signs), Montrose** – Best Signs is a manufacturer of architectural and ADA signage systems for schools, universities and hospital. The company is located at 1202 N Park Ave., Montrose, CO 81401; phone number 970-249-2378. Stephen D. Savoy is Best Signs' President/Owner. This company has indicated that it did not reduce employment at any other site controlled by the company in Colorado as a result of automation, merger, acquisition, corporate restructuring or other business activity. The company submitted one application for 7.4 jobs created September 2007 – February 2008 due to product expansion. The average annual wage for these positions was \$36,050. Best Signs received \$26,056.
2. **CH2M HILL Companies, Ltd. (CH2M), Denver Metro** – CH2M HILL Companies, Ltd. is an engineering firm located at 9191 S. Jamaica St., Englewood, CO 80112; phone number 303-771-0900. Jo Ann Shea is CH2M's Chief Accounting Officer. The company is expected to hire 350 new employees over the next few years and to date has received \$261,768 in incentives (from the EDC's previous job incentive program) for the creation of 107 new full-time jobs during 2006. CH2M began requesting incentives for the remaining 243 jobs under the Performance Incentive Fund and Enhanced Incentive Program in 2007 and 2008. In 2009, CH2M HILL received \$279,000 for the creation of 62 jobs from June – November 2007 due to business growth. The average annual wage for these positions was \$112,190. The company has indicated that it did not reduce employment at any other site controlled by the company in Colorado as a result of automation, merger, acquisition, corporate restructuring or other business activity.
3. **Crispin, Porter & Bogusky, LLC (CPB), Boulder** – CPB is an advertising company headquartered in Florida that opened a location in Boulder during 2006. The company is located at 6450 Gunpark, Boulder, CO 80301; phone number 303-628-5100. Eric Lear is the Chief Operation Officer. In 2009, CPB received \$256,500 for the creation of 57 jobs from June – November 2007 due to business growth. The average annual wage for these positions was \$78,941. The company has indicated that it did not reduce employment at any other site controlled by the company in Colorado as a result of automation, merger, acquisition, corporate restructuring or other business activity.

4. **dpiX, LLC (dpiX), Colorado Springs** – dpiX is a technical and management consulting company for the defense industry located at 1625 S Murray Blvd., Colorado Springs, CO 80916; phone number 719-475-0605. Kelly Roth is the Chief Executive Officer. This company has indicated that it did not reduce employment at any other site controlled by the company in Colorado as a result of automation, merger, acquisition, corporate restructuring or other business activity. The company submitted four applications for net new jobs created due to relocating positions from another state.

Months Jobs Created	Jobs Created	Average Annual Wages	Incentive
January – June 2006	7	\$68,944	\$31,500
July - December 2006	19	\$75,117	\$85,500
January – June 2007	22	\$78,458	\$99,000
July - December 2007	15	\$67,185	\$67,500

5. **Diversified Machine Systems, Inc. (DMS), Colorado Springs** – DMS is a builder of precision 3 & 5 axis CNC routers, as well as custom engineered machine tool solutions. The company is located at 2310 Executive Circle, Colorado Springs, CO 80906; phone number 719-226-5066. Pamela Pohl is the company Treasurer. In 2009, the company received \$94,500 for the creation of 21 jobs during January – June 2008 due to relocation from another state. The average annual wage for these positions was \$84,033. The company has indicated that it did not reduce employment at any other site controlled by the company in Colorado as a result of automation, merger, acquisition, corporate restructuring or other business activity.
6. **EnCana Oil & Gas USA, Corp. (EnCana), Statewide** – EnCana is an oil and gas exploration and production company located at 370 17th Street, Suite 1700, Denver, CO 80202; phone number 303-623-2300. Tim Blackwood is the Vice President, Finance. This company has indicated that it did not reduce employment at any other site controlled by the company in Colorado as a result of automation, merger, acquisition, corporate restructuring or other business activity. EnCana is engaged in the exploration and production of natural gas reserves in certain Colorado field locations. The company submitted two applications for net new jobs created due to business growth.

Months Jobs Created	Jobs Created	Average Annual Wages	Incentive
January – June 2006	100	\$79,572	\$450,000
July – December 2006	72	\$83,847	\$324,000

7. **GEVO, Inc. (GEVO), Denver Metro** – GEVO is a technology development company for biobutanol, a versatile platform chemical for the liquid fuels and petrochemical market that can be used as a gasoline blendstock to meet clean air standards and renewable fuel obligations. The company is located at 345 Inverness Drive South, Englewood, CO 80112; phone number 303-858-8358. Brett Lund is the VP & General Counsel. In 2009, GEVO received \$144,000 for the creation of 32 jobs during October 2007 through March 2008 when the company was first created. The average annual wage for these positions was \$104,913. The company has indicated that it did not reduce employment at any other site controlled by the company in Colorado as a result of automation, merger, acquisition, corporate restructuring or other business activity.

- 8. InfoPrint Solutions Company (InfoPrint), Boulder** – InfoPrint is a commercial printing and equipment and solutions company. The company is located at 6300 Diagonal Highway, Boulder, CO 80301; phone number 720-663-3261. Karen Fukuma is the Sr. Vice President of Integrated Operations and Chief Officer. In 2009, InfoPrint received \$216,000 for the creation of 48 jobs during July through December 2007 due to business expansion and growth. The average annual wage for these positions was \$82,710. The company has indicated that it did not reduce employment at any other site controlled by the company in Colorado as a result of automation, merger, acquisition, corporate restructuring or other business activity.
- 9. Intelligent Software Solutions, Inc. (ISS), Colorado Springs** – ISS is a service/software and engineering company located at 5450 Tech Center Dr, Colorado Springs, CO 80919; phone number 719-234-0634. Jay Jesse is the President. In 2009, ISS received \$76,500 for the creation of 17 jobs during January through June 2006 due to business growth. The average annual wage for these positions was \$97,552. The company indicated that it did not reduce employment at any other site controlled by the company in Colorado as a result of automation, merger, acquisition, corporate restructuring or other business activity.
- 10. Nueterra Holdings, LLC (Nueterra), Montrose** – Nueterra is a healthcare, real estate and capital management services company headquartered in Leawood Kansas. The company has a Surgical Center located at 611 East Star Court, Montrose, CO 81401; phone number is 913-387-0688. Daniel Saale is the Chief Financial Officer. In 2009, Nueterra received \$40,500 for the creation of 9 jobs during January through June 2006 due to a new business location. The average annual wage for these positions was \$48,128. The company has indicated that it did not reduce employment at any other site controlled by the company in Colorado as a result of automation, merger, acquisition, corporate restructuring or other business activity.
- 11. Trizetto Group, Inc., Denver Metro** - Trizetto is a computer software company headquartered at 500 Technology Drive, Naperville, IL 60563. The company's phone number is 630-414-5336. Michael Laudizio is the VP of Tax. The company has a Colorado location in Englewood and the company has indicated that it did not reduce employment at any other site controlled by the company in Colorado as a result of automation, merger, acquisition, corporate restructuring or other business activity. Trizetto submitted two applications for jobs created due to company growth.

Months Jobs Created	Jobs Created	Average Annual Wages	Incentive
January – June 2006	34	\$77,656	\$153,000
July – December 2007	12	\$98,147	\$54,000

- 12. United Launce Alliance, LLC (ULA), Denver Metro** – ULA is a joint venture between Boeing and Lockheed Martin that offers its launch services to U.S. government customers. The company is located at 9100 E. Mineral Circle, Centennial, CO 80112; phone number 303-269-5241. Bob Lange is the Treasurer. In 2009, ULA received \$2,907,000 for the creation of 646 jobs during May through October 2007 due to growth and relocation of employees from another state. The average annual wage for these positions was \$103,610. The company has indicated that it did not reduce employment at any other site controlled by

the company in Colorado as a result of automation, merger, acquisition, corporate restructuring or other business activity.

13. The Water Company, LLC, Pueblo – The Water Company is a water purification manufacturer located at 350 Keeler Parkway, Pueblo, CO 81001; phone number 719-948-5573. Victoria Hauser is the Chief Financial Officer. This company has indicated that it did not reduce employment at any other site controlled by the company in Colorado as a result of automation, merger, acquisition, corporate restructuring or other business activity. The company submitted one application for 5 jobs created January through June 2008 due to business growth. The average annual wage for these positions was \$61,328. The Water Company received \$22,500.

14. Western Skyways, Inc., Montrose – Western Skyways is a turbine aircraft engine service and rebuilding shop located at 21 Creative Place, Montrose, CO 81401. The company’s phone number is 970-249-0232. Al Head is the President/Owner. The company has indicated that it did not reduce employment at any other site controlled by the company in Colorado as a result of automation, merger, acquisition, corporate restructuring or other business activity. Western Skyways submitted two applications for jobs created due to company growth.

Months Jobs Created	Jobs Created	Average Annual Wages	Incentive
January – June 2006	8	\$43,806	\$36,000
April – September 2007	11	\$36,973	\$38,500

15. Woodward Governor Company (Woodward), Fort Collins – Woodward an independent designer, manufacturer, and service provider of energy control and optimization solutions used in global infrastructure equipment. The company is headquartered at 1000 E Drake Rd, Fort Collins, CO 80525; phone number 970-482-5811. Robert F. Weber, Jr. is the Chief Financial Officer. The company submitted four applications and received the incentives noted below for job creation due to company growth. This company has indicated that it did not reduce employment at any other site controlled by the company in Colorado as a result of automation, merger, acquisition, corporate restructuring or other business activity.

Months Jobs Created	Jobs Created	Average Annual Wages	Incentive
January – June 2006	74	\$43,336	\$148,000
July – December 2006	39	\$51,944	\$117,000
January – June 2007	59	\$61,959	\$265,500
July – December 2007	55	\$53,921	\$165,000

Goal VI: Grant conditional written approval to every production company that, based on the information provided by the production company, will satisfy the film incentive requirements and be eligible to claim an incentive.

The Colorado Film Production Cash Fund was established to encourage film production in Colorado by providing a rebate of 10 percent of qualifying in-state production expenses following the completion of film production. The General Assembly established the prior non-profit Colorado Film Commission as a state entity and named it the Colorado Office of Film,

Television, and Media during the 2009 legislative session. Complete program responsibilities for the Film Incentive Program, previously managed by the Colorado Film Commission with final approval by the Colorado Economic Development Commission, were transferred to the new Colorado Office of Film, Television, and Media. There were no applications reviewed or approved prior to the program transition on July 1, 2009. This section of the report will be deleted from future reports accordingly.

Goal VII: Job Growth Incentive Tax Credit

In 2009, the General Assembly created two new programs with Economic Development oversight, the Regional Tourism Act (which will be reported on under separate cover with the Department of Revenue) and the Job Growth Incentive Tax Credit. The Job Growth Incentive Tax Credit provides a state income tax credit to businesses undertaking job creation projects that would not occur in Colorado without this program and that have created net new high paying positions in the state. Requirements under the statute specify that a company must create at least 20 net new full-time positions during the credit period (60 consecutive months) with an average yearly wage of at least 110% of the county average wage rate where the business is located. A business located in an Enhanced Rural Enterprise Zone has to create at least 5 net new jobs in Colorado during the credit period with an average yearly wage of at least 110% of the county average wage rate where the business is located. All net new jobs must be maintained for at least one year after the positions are hired to qualify for the minimum amount of tax credits that may be available to a business.

As of December 2009, three companies had been approved to receive tax credits through this program. Conditional Approval documents are pending and the first year Credit Certificates may be issued in 2011 as a company can submit a request for a Tax Credit Certificate once net new jobs have been maintained for one year.

1. **DaVita, Denver Metro** – DaVita provides dialysis services and education for patients diagnosed with chronic kidney failure and end state renal disease. The company operates more than 1,513 outpatient dialysis facilities and acute units in the United States and employs 32,000 people in 43 states. The company is relocating its headquarters from El Segundo, California to Colorado. The relocation is anticipated to create up to 500 full-time jobs with the eventual capital investment of approximately \$112.5 million for a new facility to be completed in July 2012. In the interim, the company is estimating that it will incur lease costs of \$4.5 million while the new facility is being built. The Commission approved a maximum tax credit of \$5,278,728 for the creation of 500 net new full-time jobs over five years with an average wage of \$99,020. Annual Tax Credit Certificates may be issued once the company creates at least 20 net new full-time positions that are maintained for at least one year with an average annual wage that is at least 110% of Denver County.
2. **REpower, USA Corp. (REpower), Denver Metro** – REpower operates administrative, sales and project management functions for wind turbines manufactured by its German parent company REpower Systems AG. REpower has committed to relocate its US headquarters from Portland, OR to Denver, CO. The relocation will create up to 82 full-time jobs with an annual average wage of \$78,780 over five years. The Commission approved a maximum tax credit of \$890,435. Annual Tax Credits Certificates may be issued once the

company creates at least 20 net new full-time positions that are maintained for at least one year with an average annual wage that is at least 110% of Denver County.

3. **Sierra Nevada Corporation (SNC), Denver Metro** – SNC is a Federal Contractor specializing in the engineering and development of high technology electronics, communications systems, and space technology. The company is expanding its operations in Arapahoe County, Colorado. The primary business activity at this facility is the fulfillment of products and services under contract with the U.S. government focusing on Integrated Mission Systems. The expansion is anticipated to create up to 200 full-time jobs with a capital investment of approximately \$15 million on computers and materials in a leased facility over a five year period. The Commission approved a maximum tax credit of \$1,887,583 for the creation of 200 net new full-time jobs over five years with an average wage of \$76,375. Annual Tax Credit Certificates may be issued once the company creates at least 20 net new full-time positions that are maintained for at least one year with an average annual wage that is at least 110% of Arapahoe County.

Status of Projects Approved by the EDC in 2008

Each year, the EDC Annual Report tracks projects originally approved in the preceding year and provides an update of their status.

1. **Vestas Blades, Brighton** - Vestas is a wind energy manufacturing company from Denmark. This project included an EDC commitment of \$928,000 (\$2,000/job for up to 464 jobs) to attract the \$95 million investment and the 464 jobs for a new wind-blade manufacturing facility in Windsor. The new facility was opened in Windsor during 2008, the jobs were created by the company, and funds were disbursed in the summer of 2009. This contract has been closed.
2. **United States Olympic Committee, Colorado Springs** – This project provided support to retain the United States Olympic Committee’s national headquarters and the existing Olympic Training Center and approximately 170 jobs in Colorado Springs, CO. The EDC committed \$500,000 toward the \$13 million retention package assembled by the City of Colorado Springs. Grant funds were transferred to the City of Colorado Springs in November 2009. The project will continue to be monitored through November 2014.

Projects in Rural Areas Approved in 2008

1. **Lewis Engineering, Grand Junction** – Lewis Engineering is a minority woman-owned contract machine shop specializing in aerospace products, turbine engine components, rapid prototyping, and industrial pumps. The company expanded into complex machining and plans to hire 14 new full-time employees. The City of Grand Junction along with Mesa County provided a local match of \$42,000. The Commission approved an incentive of \$42,000 for the creation of 14 new jobs at an average wage rate of at least \$36,994. No EDC funds have been disbursed at this time.

Marketing Projects Approved in 2008

- 1. Colorado Aerospace Marketing 2009, Statewide** – The EDC approved a \$146,000 marketing grant to assist the Colorado Space Coalition with its promotion of Colorado as a key location for the expansion of private and public aerospace activities. Previous EDC funded projects, including the 2000 Colorado Space Initiative Strategic Plan, the 2005-2008 Colorado Aerospace Marketing plans, and individual space company initiatives, have assisted with the elevation of Colorado’s industry in terms of employment to #2 in the nation. The Colorado Space Coalition is an alliance of Colorado aerospace companies, local economic development organizations, and state governmental agencies facilitated through the Lt. Governor’s Office and OEDIT. The funds were used to establish significant visibility at the April 2009 National Space Symposium (Colorado Springs), to support development of a new Aerospace Co-laboratory, and to support maintenance of the Space Coalition website. The project was completed after the 2009 National Space Symposium and 2009 Colorado Space Roundup, and the contract is closed.
- 2. Department of Agriculture, Ag Products Utilization & Marketing Program, Rural/Statewide** - The Ag Products Utilization & Marketing Program was a new program created from the merger of the Value-Added Development Board feasibility study program and the CDA Agricultural International Trade Promotion Program. Both of these programs were individually sponsored by the EDC over the last several years. This initiative provides matching funds to assist Colorado companies in the research and development of new uses and markets for agricultural and food products involved in Research & Feasibility Studies or Marketing Promotion Projects. The Department of Agriculture was granted \$100,000 for two years and approximately \$97,000 has been disbursed for various projects through 2009.
- 3. Department of Agriculture, Colorado Proud Marketing 2008, Rural/Statewide** – The Colorado Department of Agriculture developed the “Colorado Proud” program to encourage consumers, restaurants and retailers to buy food and agricultural products that are grown, raised or processed in Colorado. The EDC has provided \$502,000 in grant funding since the beginning of the program. To date, there are more than 1,000 members, and 59% of people are very or somewhat familiar with the Colorado Proud logo. The Colorado Department of Agriculture received a \$150,000 grant from the EDC to support continuation of Colorado Proud marketing activities with \$235,300 raised in matching funds through partner contributions. This project is closed.

Special Projects and Activities Approved in 2008

- 1. Advance Colorado Center, Statewide** - The Advance Colorado Center (ACC) was established by an EDC Grant to the University of Colorado Denver and began operations in the Denver World Trade Center in November 2004. The idea behind the Advance Colorado Center was to enhance Colorado’s entrepreneurial climate and accelerate economic development in the state by providing a common space for the offices of key emerging industry associations. ACC tenants paid their prorated portion of the lease (including offices and common space) and were responsible for recruiting tenants to lease the unoccupied space to the best of their ability. During the final transition stage for this project, the EDC approved an 18-month grant for \$47,040 to pay for the unoccupied portion of ACC space. The contract expired at the end of the year with \$11,903 remaining funds as the ACC tenants

were able to find additional tenants and did not require the entire amount of the grant. This contract has been closed.

2. **ASES Green Jobs Study, Statewide** – The Governor’s Energy Office implemented a study to comprehensively address all of the various facets of the Renewable Energy and Energy Efficiency industries (including training, installation, maintenance and operation, education, etc.) in Colorado. The EDC approved a \$25,000 grant to finance a portion of this study. This study resulted in the first comprehensive review of the Renewable Energy and Energy Efficiency industries. This helped establish a consistent definition for these industries and established a baseline of the current sizes and composition of these industries in 2006. Funds have been disbursed and this contract is closed.
3. **Colorado Center for Space Entrepreneurship (CSE), Statewide** – The EDC approved a \$150,000 grant to assist with the establishment of the CSE. CSE is a non-profit assisting with the formation and development of Entrepreneurial Space Companies along with the workforce that supports them. CSE represents a partnership between the University of Colorado, the Air Force Research laboratory’s Phillips Technology Institute, and SpaceDev Inc. CSE has provided assistance to a student space weather experiment to develop nanosatellites that can improve the prediction of solar storms and their impacts on Earth, mini-jet engine for unpiloted aerial vehicles, and a small instrument package for atmospheric sensing to provide a remote control unmanned aerial system that can measure microweather effects near storms and wildfires. Funding for the project expires in April 2010.
4. **Colorado Institute for Drug, Device and Diagnostic Development (CID4), Statewide** – The Fitzsimons Redevelopment Authority (FRA) received a \$200,000 grant from the EDC for a study/evaluation focused on defining the scope of a new Colorado Institute for Drug, Device and Diagnostic Development (including the creation of a business plan and recommendations for implementing the institute). This information was used to create the Colorado Institute for Drug, Device and Diagnostic Development in 2009. Funds have been disbursed and the contract is closed.
5. **Colorado Springs EDC Community Business Expansion Program, Statewide** – The EDC approved a \$125,000 grant (\$50,000 year 1, \$50,000 year 2, \$25,000 year 3) to assist the Colorado Springs Economic Development Corporation (CSEDC) with the establishment of a new, statewide, business-expansion pilot program. The purpose of the grant is to promote the economic development of the state and encourage the creation and growth of businesses in Colorado. This program will help the CSEDC realize expansion opportunities from employers currently doing business in Colorado and create a program model for business expansion that is replicable statewide. The project was started by CSEDC in November 2008, and will continue into 2009 and 2010. In December 2009, the Colorado Springs EDC presented their strategic plan accomplishments from year 1, and the EDC approved year 2 funding for the program.
6. **Grand Junction Incubator Center Feasibility Study, Grand Junction** – The Grand Junction Incubator Center (Incubator) is a nonprofit corporation that provides business counseling and workshops through the Small Business Development Center, financial support through the Business Loan Fund of Mesa County, hands-on business development

through the Incubator Program and tax credits for investment and job creation through the Enterprise Zone. The Incubator initiated a feasibility study to create a plan for the long-term growth and stability for the Incubator's programs concentrating on taking over the existing business park (where the Incubator is located and currently acts as the property manager) and incorporating minimal updates to the structures on the campus. The Grand Junction Incubator Center was granted \$50,000 to assist with the study. The results of the feasibility study provided the Incubator with the support to pursue ownership of the business park. A joint committee was formed to review all ownership possibilities from both a business and legal standpoint. It is anticipated that the committee will finalize the structure in 2010. This contract is closed.

- 7. Job Growth Incentive Program Study, Statewide** – The Commission approved a \$15,000 grant to work with a consultant to conduct a study on new job growth incentive programs for the state. The study provided research support to determine the estimated impact of a potential job creation incentive program. Funds were disbursed and this contract is closed.

- 8. SportAccord, Statewide** – The EDC approved a \$150,000 grant to support the Metro Denver Sports Commission with the sponsorship of the 2009 SportAccord in March 2009. This international sports convention included 1,500 key decision makers from International Sports Federations, members of the International Olympic Committee, Olympic Committees, Bidding and Host cities, Event Organizing Committees, and Congress and General Assemblies. The statewide event was hosted in Denver and provided the opportunity for all participants to network, build relationships, share knowledge and develop ideas. Funds were disbursed and this contract is closed.