



Colorado

Office of Economic
Development and
International
Trade

ANNUAL REPORT 2013



Colorado

Office of Economic
Development and
International
Trade

LETTER FROM GOV. JOHN HICKENLOOPER & EXECUTIVE DIRECTOR KEN LUND

The Colorado Office of Economic Development and International Trade's (OEDIT) goal is to make Colorado the most globally competitive state in the nation. Over the past two years, we've worked diligently to reach this goal. We began in January 2011 with an Executive Order that created a "bottom-up" tour around the state to collaborate with and listen to more than 5,000 people about how to better Colorado's economy. With that feedback, we created the Colorado Blueprint, the state's economic development plan, and have been implementing its strategies successfully ever since.

By engaging our key industry leaders and regional partners, we've created new alignments with businesses, higher education institutions, local economic developers and more to create a strategy that ensure our economy thrives. Aligning the assets and resources of the state with industries and regions is the fastest and most effective way to drive job growth and economic recovery. The strategy includes creating a business-friendly environment; retaining, growing and recruiting companies; increasing access to capital; creating and marketing a stronger Colorado brand; educating and training the workforce of the future; and cultivating innovation and technology.

We believe these strategies continue to benefit all of Colorado. We now have the fourth fastest job growth rate in the nation, having added 161,000 jobs since January 2010 (as of August 2013), and we are one of only 15 states to surpass pre-recession job numbers, with a total of 2.4 million jobs in the state. Today, Colorado's unemployment rate has dropped from 8.9 percent in 2010 to 7 percent.

Colorado's economic development efforts are attracting attention nationwide: CNBC ranked Colorado the second best state to start a business; Beacon Hill Institute ranked us the third most economically competitive state; Inc. Magazine ranked Colorado the second best state in entrepreneurship and innovation; and Forbes says Colorado has the country's best labor supply.

We are proud to partner with Colorado's elected officials, successfully working with a bipartisan group of legislators to pass legislation that will strengthen our economy and create jobs now and in the future. The Advanced Industries Accelerator Act (H.B. 13-1001) established a grant program to promote commercialization of new technologies and growth among Colorado's small high-tech startups. This funding for advanced industries will help them continue to grow and sustain a long-term innovative ecosystem that creates highly-skilled, well paying jobs and prepares Coloradans to fill them. Additionally, the Advanced Industries Export Accelerator Program will help Colorado's advanced industries reach a global market, increasing profits and jobs here at home.

We are also pioneering innovative ways to support Colorado small businesses with coaching and consultation services at the state's 14 Small Business Development Centers (SBDC) that will help them get their feet off the ground, and we worked hard to assist those impacted by this year's fires and floods.

We look forward to continuing our work in leveraging all of our strategies and programs to strengthen Colorado's position in the global economy, create jobs and help our companies succeed.

Thanks to all of our partners for their commitment to Colorado.



John W. Hickenlooper
Governor, Colorado



Kenneth W. Lund
Executive Director,
Colorado Office of Economic Development
and International Trade

MISSION:

OEDIT's mission is to help create a favorable business environment to ensure that Colorado is a great place to do business, grow a company and create jobs. Under the leadership of Gov. John Hickenlooper, and in collaboration with our partners across the state, we remain relentlessly pro-business while cultivating entrepreneurship and promoting innovation.

Our office includes the divisions of Global Business Development, Colorado Innovation Network (COIN), Colorado Tourism Office, Colorado Film Office and Colorado Creative Industries, all of whom contribute to this mission and help keep Colorado at the forefront of the global economy.

STRATEGIES:

We continue to use the framework established in the Colorado Blueprint to attract, retain and expand business, to create jobs and to foster a more globally competitive Colorado. Our objectives:

1. Build a Business-Friendly Environment
2. Retain, Grow & Recruit Companies
3. Increase Access to Capital
4. Create & Market a Stronger Colorado Brand
5. Educate & Train the Workforce of the Future
6. Cultivate Innovation & Technology

This report will highlight accomplishments by each OEDIT division in working towards these goals.

2013 ECONOMIC DEVELOPMENT WINS

We had great success in recruiting new companies to the state and assisting in the expansion of existing companies in fiscal year 2013. OEDIT successfully worked with partners in the Food and Agriculture key industry network, the Wheat Growers Association and the Governor's Office to recruit the Ardent Mills headquarters to Colorado, creating 250 jobs with an average salary of over \$85,000. Cool Planet – who holds the patent in turning biomass, including pine beetle kill trees, into gasoline – moved its global headquarters to Greenwood Village, while also announcing plans to open its first manufacturing facility in Colorado. The new headquarters and manufacturing facility will create hundreds of high paying jobs over the next three years.

Other business development wins for Colorado:

- Visa expanded its existing Global Technology Center in Douglas County, creating hundreds of new jobs over the next five years.
- Redwood Trust opened a new financial services operations center in Douglas County. The expansion will add 550 jobs over the next five years.
- Fidelity Investments established a new regional U.S. site in Denver with the opening of a customer contact center that will have the capacity to employ as many as 500 people.
- Charles Schwab renewed its commitment to Colorado with a \$230 million investment in real estate in Lone Tree.
- OnDeck Capital opened a new Western regional office in Denver, and will expand to over 200 professionals in the next two years.
- Terumo BCT announced plans to expand its global headquarters and manufacturing operations in Lakewood. The company will invest close to \$45 million for the expansion and add up to 250 jobs with average salaries of \$69,000 to its existing 1,900 employment base.
- Trimble opened its new campus in Westminster.
- Universal Sports Network relocated the network's production and broadcast operations from southern California to Denver, creating 44 new jobs.
- DigitalGlobe, Kaiser Permanente and Xerox announced significant expansions to their Colorado operations.

DIVISION OVERVIEW & HIGHLIGHTS

GLOBAL BUSINESS DEVELOPMENT

Global Business Development includes Business Development, International Trade, Key Industry Network, Regional Development, Business Funding & incentives, Minority Business Office, Small Business Development Center Network.

BUSINESS DEVELOPMENT ►

The Business Development (BD) team priority is to create net new jobs in Colorado by attracting, retaining and expanding businesses. Building customer relationships is critical to creating and expanding jobs, and the team works to proactively market Colorado as a great place to do business, increase the pipeline of job growth opportunities, and increase customer satisfaction.

Highlights:

- Approximately 5,000 jobs in multiple industries will be created in the state over the next five years, thanks to the BD team's efforts.
- Worked with various companies that considered leaving the state but ultimately decided to stay. Some of these companies include Madwire Media, DigitalGlobe, Terumo, and Sympoz.
- Worked with out-of-state companies that moved significant operations to Colorado including Fidelity, Redwood Trust, Charles Schwab and Visa.
- Streamlined processes to simplify the incentive application and encourage better collaboration with the state's local and regional partners.
- Traveled around the state to train local economic developers to use the Colorado InSite tool, which allows for the marketing and promotion of buildings, sites and assets universally across the state.
- Met with companies to better understand their capital investment needs and the shortfalls companies have experienced in Colorado. The team is developing a strategy to better support companies looking for capital investment.
- Worked with companies to attract top talent from a variety of sectors and industries. Colorado has become the number one state for inbound migration of 25 to 34 year-olds, and the team highlighted this in recruitment efforts.
- Successfully leveraged Colorado's business friendly climate to bring new jobs to the state. Colorado is outperforming the nation for adding new jobs and has the 4th fastest job growth in the nation. CNBC ranked Colorado the 2nd best state to start a business in 2013 and Inc. Magazine ranked Colorado the 2nd best state in entrepreneurship and innovation.
- Worked with the Key Industry Network team to develop the state's Health & Wellness strategy as part of the Governor's effort to make Colorado the healthiest state.
- Strategically building relationships with site selectors across the country in order to increase the number of potential relocations and expansions in Colorado.
- Conducted proactive business development trips to several cities including Los Angeles, San Francisco, Palo Alto, Chicago and Seattle. The trips focused on current companies doing business in Colorado as well as potential targeted relocation opportunities. Trips included legislators on certain trips to show bipartisan support for economic growth in Colorado.

COLORADO RANKINGS

1st State in nation for
inbound migration
of 25 to 34 year-
olds

- Brookings Institute, 2012

INTERNATIONAL TRADE ►

By supporting Colorado exports and attracting foreign direct investment, the International Division helps create and retain jobs in our state, assists Colorado companies to expand and diversify their markets, and builds Colorado's identity as an international business center.

Highlights

- State product and commodity exports hit a record high in 2012 to reach \$8.2 billion, an increase of 11 percent over 2011. Brookings Institute estimates that Colorado service exports were over \$11.5 billion in 2012. Using the U.S. Dept. of Commerce's formula for jobs related to export, where one job is attributed to every \$165,000 in export sales, 119,393 jobs in Colorado depend on exports.
- The team served over 284 export clients this year that directly attributed over \$62 million in export sales to OEDIT services.
- Led 12 international business development trips to global cities including Governor-led mission to Alberta, Canada and Panama City, Panama. One technology-focused mission to Sweden and Denmark resulted in each participant signing local partnership agreements, and aggregated export sales of participants is close to \$5 million thus far.
- Export development stipends were given to over 30 Colorado small businesses that have reported actual export sales of \$20.5 million.
- Played a significant role in attracting three new nonstop international routes. New routes that started servicing Denver in FY13 are Mexico City, Mexico on Volaris, Ft. McMurray, Alberta, Canada on United, and Tokyo, Japan on United.
- The team was awarded a second U.S. Small Business Administration State Trade and Export Promotion (STEP) grant that reached 175 Colorado companies that have reported \$7.5 million in export sales in the first three quarters of the grant cycle.
- Supported H.B. 13-1193, the Advanced Industries Export Accelerator Program which begins December 1, 2013. The program will have three components to help grow Colorado exports: export development grants, global consultant network, and industry specific training.

COLORADO RANKINGS

2nd Top state for
high tech
business

- TechAmerica, 2012

KEY INDUSTRY NETWORK ►

OEDIT continues to convene and engage business leaders and stakeholders in creating actionable objectives and plans around each of the state's 14 key industries to grow business and create jobs in each industry. This fiscal year, OEDIT worked with three key industries to create industry-specific strategic plans: **Energy and Natural Resources, Health and Wellness, Infrastructure Engineering** and **Transportation Logistics**

In order to address cross-cutting issues among industries, the team aligned industries with similar metrics or issues. These industry groups include **Advanced Industries** (Advanced Manufacturing, Aerospace, Bioscience, Electronics, Energy and Natural Resources and Infrastructure Engineering), **Lifestyle Industries** (Creative Industries, Food and Agriculture, Health and Wellness, Tourism and Outdoor Recreation) and **Access to Markets** (Defense and Homeland Security, Financial Services, Transportation and Logistics) Industries. This year, the team focused on advanced industries and successfully worked with the General Assembly to pass two bills to support economic growth and job creation specific to the seven identified advanced industries of Colorado.

Highlights:

- Successfully launched the remaining Key Industry Networks: **Health and Wellness, Energy and Natural Resources, Infrastructure Engineering** and **Transportation and Logistics**. Strategic plans for each industry will be unveiled December, 2013.
- Partnered with the Brookings Institution and McKinsey & Co. to develop growth strategies for the **Aerospace**

industry and publish the report “Launch! Taking Colorado’s Space Economy to the Next Level” which gained national exposure for Colorado and the aerospace industry.

- Hosted a national town hall in October 2012 on the Obama Administration’s National Network for Manufacturing Innovation (NNMI), including top-level representatives of the National Institute of Standards and Technology, NASA, U.S. Dept. of Energy and the U.S. Dept. of Defense and industry champions for Colorado’s **Advanced Manufacturing** Key Industry.
- Collaborated with **Food and Agriculture** Key Industry partners including the Colorado Wheat Administrative Committee, Colorado State University and the Governor’s Office to launch a campaign that successfully resulted in the recruitment of Ardent Mills headquarters site in Colorado
- Co-hosted cabinet level officials and executives at the first annual Colorado Economic Development Forum. Attendees discussed ways to better align P-20 education with current and future workforce needs across all key industries.
- In partnership with the Colorado Workforce and Development Council, co-hosted the first annual Colorado SECTORS Summit in January 2013, which focused on opportunities to increase collaboration on a regional level around supporting key industries, including local education and training resources.
- Worked with the Colorado Technology Association to create an Industry Collaboration Office, which will focus on the execution of key industry strategies for **Technology and Information** and **Electronics**.
- Supported the Advanced Industries Accelerator Programs (H.B. 13-1001, H.B. 13-1193) which were created in 2013 to promote growth and sustainability across Colorado advanced industries including **Advanced Manufacturing, Aerospace, Bioscience, Electronics, Energy and Natural Resources** and **Infrastructure Engineering**. These programs will help to drive innovation, accelerate commercialization, encourage public-private partnerships, increase access to early stage capital, promote exports and create a strong ecosystem that increases the state’s global competitiveness.
- Partnered with CSU to further develop the **Food and Agriculture** key industry through the development of a value chain, which illustrates connections amongst more than 125 separate markets and industry sub-sectors.
- Launched the industry-funded Colorado Advanced Manufacturing Alliance (CAMA) as an outcome of the **Advanced Manufacturing** key industry process; CAMA worked with the General Assembly to pass H.B. 13-1165, which provides funding to create career pathways for Advanced Manufacturing.
- Provided marketing and/or financial support for the following: Colorado Bioscience Industry Association’s investor and partnering conference, the National Space Symposium, Western Slope **Tourism and Outdoor Recreation** delegation for Outdoor Retailer Summer and Winter Markets in Utah.
- Represented Colorado’s **Advanced Manufacturing** strategy to the Obama Administration during National Network for Manufacturing Innovation (NNMI) town hall event in Alabama.
- Colorado’s progress on **Advanced Manufacturing** was featured in the National Governor Association’s Policy Academy report “Making Our Future: What States Are Doing to Encourage Growth in Manufacturing through Innovation.”
- Engaged federal delegation in supporting NNMI proposals and **Aerospace** initiatives on a national level.
- Received funding to hire an Aerospace Champion that will bring together diverse partners across **Aerospace** and **Defense & Homeland Security** industries to accelerate growth and sustainability of each industry.
- Launched workforce and STEM sub-committee of the Education Leadership Council with executives from key industry steering committees, which directly informed the creation of Governor’s STEM Action Plan.

COLORADO RANKINGS

2nd Best state for
business
- *Forbes*, 2013

REGIONAL DEVELOPMENT ►

The mission of Regional Development is to have active outreach with each of Colorado's 14 regions to support and build their Colorado Blueprint strategic plans, in turn helping them to generate tangible outcomes. This work will ensure that each region and community is investment and business-ready. OEDIT works to ensure each region has access to state resources to support their economic development efforts and economic prosperity.

Highlights:

- Supported new job growth throughout the regions. Job growth numbers are up 2.7 percent through second quarter 2013.
- Partnered with Office of Information and Technology and Department of Local Affairs on statewide broadband plan; identified six regions of focus for 2013-2014.
- Regional efforts helped with business growth and expansions across Colorado.
- Ensured that the Colorado InSite tool is being utilized and that sites/buildings are populated by each county and community. This helps create a level playing field for all Colorado communities for expansion and attraction.
- Supported the addition of new economic development organizations in two counties in Colorado.
- Continued to support and develop key industries networks within each region.
- Shared key industry reports with regions; Food & Agriculture report has been presented and built upon in most regions.
- Assisted regions in accomplishing deliverables identified under the Colorado Blueprint on their regional business plan.
- Supported a Foreign Trade Zone application for the Eastern Plains.
- Worked with many counties/communities on infrastructure plans to improve their economic development opportunities.
- Aligned with CDOT on their strategic planning efforts to include regional partnership participants.
- Introduced the STEM initiative to each of the regions to get them involved and to ensure their feedback is a part of the statewide STEM plan.
- Supported second annual Denver Post Pedal The Plains Bicycle Tour across eastern Colorado, attracting more than 1,500 participants with close to \$500k economic impact in those rural communities. *Post FY 2013
- Rolled out the new **Rural Economic Development Initiative (REDI)** program, which is managed within Regional Development in partnership with Department of Local Affairs. The program creates jobs, drives capital investment and increases wages to help eligible rural communities develop plans and undertake projects to create resiliency and diversity in the local community. This includes grants for infrastructure, facility improvements and training for businesses and local governments.

COLORADO RANKINGS

2nd Best state to
start a business
- CNBC, 2013

BUSINESS FUNDING & INCENTIVES ►

The Business Funding and Incentives (BF&I) team works closely with the Global Business Development division and the Colorado Economic Development Commission (EDC) to provide the funding and performance-based incentives needed to create and retain jobs. BF&I manages and has oversight for 15 funding and incentive tools, including debt and equity financing, cash incentives, grants and tax credits that support economic development activities in Colorado. Additionally, BF&I also assists businesses by referring them to potential financing options offered by other sources of local, state, federal and private funding.

Highlights:

- **Job Growth Incentive Tax Credit** program provides a state income tax credit to businesses undertaking job creation projects that would not occur in Colorado without this program. From July 1, 2012-June 30, 2013, 16 projects received approval for up to \$46 million in tax credits associated with the future creation of 4,784 jobs.



- **Strategic Cash Fund** program supports and encourages new business development, business expansions and relocations that have generated new jobs throughout the state (Strategic Incentives). In some cases, the Strategic Cash Fund also supports initiatives led by nonprofit entities pertaining to key industries or regional development (Strategic Projects). Four Strategic Projects received approval from July 1, 2012-June 30, 2013 for up to \$3.4 million in cash incentives associated with the future creation of 921 jobs.
- **Enterprise Zone Tax Credits** program provides state income tax incentives to encourage businesses to locate and expand in designated economically distressed urban and rural areas of the state. The program created 7,212 jobs associated with the enterprise zone's job tax credit, \$3.9 billion in capital investment associated with the enterprise zone's investment tax credit, and 70,345 employees were trained with the enterprise zone's job training tax credit during fiscal year 2012-2013.
- **Regional Tourism Act** program gives local governments the opportunity to apply for approval of a large scale Regional Tourism Projects that are of an extraordinary and unique nature and are anticipated to result in a substantial increase in out-of-state tourism. In the fiscal year July 1, 2012 to June 30, 2013, one applicant - the City of Colorado Springs - applied to the RTA program. This application is under review, with a decision scheduled for December 2013.
- The **Bioscience Discovery Evaluation Grant** program supports development of Colorado's bioscience industry. Grants are made to researchers at qualified Colorado research institutions and early-stage companies commercializing in these technologies. Since the program started in 2007, 202 grants totaling more than \$27 million have been awarded. These grants have been matched with \$38.9 million and brought an additional \$418.6 million in follow-on-capital to commercial development of these technologies. Forty-five companies have been started based on grant work, and 381 direct-jobs have been created.
- **Colorado First** supported 29 companies in fiscal year 2013. Based on self-reported information by grant recipients and compiled by the Colorado Community College System administration, the grants provided training for 1,848 new hires with an average annual post-training wage of \$45,747. This represents a nine percent wage increase for trained employees during the year in which training occurred. The companies also reported the creation of 2,095 new jobs. The State's \$1,653,918 investment in customized training leveraged \$8,257,946 in company contributions to support net new employee trainings, almost five times the state's cost.
- **Existing Industry Customized Job Training** grant supported 40 companies in fiscal year 2013. Based on self-reported information by grant recipients and compiled by the Colorado Community College System administration, the funds were used to train 2,629 Coloradans and 314 new jobs were reported created in Colorado. Colorado's investment of \$1,846,453 leveraged \$4,033,202 in company matching training funds, more than twice the state's contribution. Post-training wages for trained employees were \$46,174, representing a two percent wage increase during the year in which training occurred.
- The **Aviation Development Zone Act of 2005** was amended to include maintenance and repair, completion, and modification of aircraft for income tax years commencing on or after January 1, 2013. This expansion of the existing aviation development zone income tax credit beyond the previous "manufacturers only" limitation will encourage aviation maintenance and repair, completion, and modification businesses to operate in Colorado. Currently, airlines can have an incentive to fly their planes to other states for maintenance and repair since tax credits weren't afforded to these activities. At this time, nine aviation development zones are in place and one company received \$21,480 in credits for fiscal year 2013.
- **State Small Business Credit Initiative (SSBCI)** is a U.S. Treasury program that provides funds to states to help improve access to capital for businesses by offering collateral support and loan loss reserve funds to banks making business loans. In calendar year 2012, SSBCI, in the form of the Colorado Cash Collateral Support (CCS) program, provided \$541,025 in cash collateral which spurred more than \$3M in private sector bank loans to 13 Colorado businesses.
- The Colorado **Procurement Technical Assistance Centers (PTAC)** is a nonprofit organization that receives funding from the State of Colorado both from State funds and a federal grant that the state receives and subcontracts to the PTAC. The PTAC provides free specialized and professional technical assistance to individuals and businesses that are seeking to pursue and successfully perform under contracting and

COLORADO RANKINGS

2nd Best state in
entrepreneurship
and innovation
- Inc. Magazine, 2013

subcontracting opportunities with DOD, other federal agencies, and/or state and local governments. During the fiscal year July 1, 2012 - June 30, 2013, PTAC had an active client base of 2,687 entities that received 2,448 government contract awards worth more than \$1.2 billion.

MINORITY BUSINESS OFFICE ►

The Minority Business Office (MBO) serves as an advocate on behalf of minority and women-owned businesses, advancing them into the mainstream Colorado economy. The vision of the office is to be the premier and trusted advocate and referral resource for minority and women-owned businesses in Colorado.

Highlights:

- Convened the annual Colorado Buyer's and Seller's Procurement Assistance Fair which connected over 100 vendors, minority small business owners, and federal, state and local government entities.
- Conducted a six-month strategic planning process that culminated in the MBO Strategic Business Plan, which included the hiring of a new Director and integration strategy into Colorado's key industry program.
- Continued to be a liaison between the vision of the Colorado Blueprint and the Minority Business community through partnerships with chambers, associations, and economic development organizations.
- Served more than 100 minority and women-owned businesses across the state as a hub of information for questions related to access to capital, opportunities and resources.

COLORADO RANKINGS

1st Best state for
labor supply
- Forbes, 2012

SMALL BUSINESS DEVELOPMENT CENTER NETWORK ►

The Colorado Small Business Development Center (SBDC) Network helps small businesses statewide achieve their goals by providing free, confidential consulting and no or low-cost training programs. The SBDC combines information and resources from federal, state and local governments with those of the educational system and private sector to meet the specialized and complex needs of the small business community. Regulatory, management, financial and marketing experts work in partnership to provide entrepreneurs with crucial information that can mean the difference between success and failure. There are 14 full-time centers and more than 70 part-time satellite offices throughout Colorado.

Highlights:

- Managed a disaster program directed towards businesses affected by wildfires and floods that occurred this year throughout the state. The SBDC partnered with the SBA Disaster Assistance Center to host Business Recovery Centers (BRCs) across the state. These centers are specifically designed to provide key financial and consulting services to businesses impacted by the disasters.
- Created the Connect2DOT program, a strategic partnership with the Colorado Department of Transportation (CDOT) that helps small businesses in the transportation industry become more competitive in bidding and contracting with CDOT and local transportation industries. The program also assisted with connecting businesses interested in accessing emergency maintenance contract opportunities with CDOT due to the flood waters that affected the state www.connect2DOT.org.
- Begin to create implementation structure for new Economic Gardening program, which is targeted towards second stage growth companies with 6-99 employees and over \$500,000 in revenue. The program utilizes corporate level market research and geographic information system databases, along with search engine optimization tools and strategic planning consultations, to elevate these targeted companies to the next stage of growth.
- Jobs created: 1,745
- Jobs retained: 2,342
- Started business: 385

- Capital formation: \$83,974,057
- Sales increase: \$44,928,789
- Increased contracts: \$32,422,704
- Client count: 6,411
- Training attendance: 12,505
- Training count: 1,052

COLORADO CREATIVE INDUSTRIES

Colorado Creative Industries' (CCI) mission is to promote, support and expand the creative industries to drive Colorado's economy, grow jobs and enhance our quality of life. CCI strives to create a strong brand identity, a Top 10 reputation, and create significant and sustained investment in the creative sector where creative entrepreneurs and enterprises will flourish.

Highlights:

- Funding from CCI engaged 42,612 artists and 918,488 of Colorado's children and youth, and more than 6.4 million individuals were engaged in activities, concerts and performances funded by the Division.
- Through grants and partnerships, CCI supported 188 arts and cultural heritage organizations, municipalities and educational institutions through a total investment of \$1,243,417 in 31 Colorado counties.
- Gov. Hickenlooper signed a creative industry-related statute in 2013. H.B. 13-1208 provides CCI with the authority to allocate funding for arts "infrastructure" in creative districts.
- CCI's 2014 budget was increased by \$800,000 and Colorado now ranks 42nd in per capita legislative appropriation funding nationally, up from 44th in 2013.
- Five new Creative Districts were certified in 2013. In addition to last year's certified districts of Salida and Denver's Art District on Santa Fe, the five new districts are located in Telluride, Pueblo, Trinidad, Ridgway and the North Fork Valley. The certified districts receive access to grant funding, tailored technical assistance, networking and training programs, and access to advocacy tools.
- Engaged the National Assembly of State Arts Agencies to conduct a comparative analysis of state cultural district initiatives to assist the CCI with benchmarking its own policies and programs with others nationwide. CCI will use the findings to evaluate our state's Creative Districts Program and to identify successful strategies for strengthening existing and new efforts in Colorado communities.
- Success through Arts (StART) Schools is an educational initiative of CCI, and a study of the program published case studies of 13 model programs receiving support through the initiative. The study found that:
 - o Five of the StART Schools reported gains in students' standardized test scores since launching and implementing their arts programs.
 - o Student engagement improved, especially where the arts curriculum and instruction was more focused on student interests and on developing 21st Century skills.
 - o All 13 of the StART Schools used their focus on the arts and/or arts integration to attract new students. One school saw its neighborhood enrollment figures increase by 20 percent over the past three years of program implementation.
- Completed the largest ever project in the history of Colorado's 1% for Public Art program, completing installation of \$1.7 million in public art for the Ralph L. Carr Judicial Center.
- Completed a searchable online resource for the state's public art collection of over 400 pieces, which is accessed through the website at www.coloradocreativeindustries.com.

COLORADO RANKINGS

2nd Population 25+
with bachelor's
degree or higher
- US Census Bureau, 2012

- Hosted the 2nd Annual Creative Industries Summit in Pueblo, with over 300 attendees from 62 different Colorado cities and towns. The Summit provides professional development and networking to Colorado creatives and is a unique opportunity to learn from one another and strengthen the statewide creative community.

COLORADO OFFICE OF FILM, TELEVISION & MEDIA

The Office of Film, Television & Media attracts and facilitates content creation in the state in order generate economic growth in all of its communities. The office administers a 20 percent performance-based incentive to spur content creation in Colorado, and connects filmmakers, animators, gamers and photographers to the resources they need, such as location assistance, crew referrals and inter-governmental cooperation.

Highlights:

- The creative workforce benefited greatly from the increased business resulting from the incentive program. Feature films, commercials, and television series hired and retained crew, creating 415 new full-time jobs.
- Added \$15,429,199 in economic activity through production.
- Awarded \$1,672,737 in incentives. For every state dollar spent on incentives, \$9.22 is returned.
- Implemented Reel Scout, a platform for location resources, crew listings, project, crew, and customer service tracking.
- The expected state and local tax revenue from the program is \$1,849,961, which would produce a net income of \$177,224 for the office's incentives.
- The following projects were incentivized this year:
 - Universal Sports headquarters relocation to Centennial
 - High Noon Entertainment's "Prospectors" - currently the #1 show on The Weather Channel
 - Discovery Channel – Five post production projects to be shown on The Discovery Channel, Animal Planet, Destination America, and TLC
 - Dear Eleanor – feature film directed by Kevin Connolly, expected to premiere at the Toronto Film Festival in 2014
 - The Frame – a local independent feature by a Colorado director/producer duo
 - Coors Commercial – three 30 second spots for the iconic Colorado beer brand
 - Clean Guys Comedy Show – filmed at the Buell Theatre in Denver, this comedy special aired nationwide across hundreds of movie theater screens
 - Colorado Experience – a historic television series aired on Rocky Mountain PBS
- Incentive program increased Colorado's reputation as a place for creative content production. Dozens of calls were fielded through the office every week, ranging from incentive questions, location assistance, crew referrals, and those wanting a relationship with the Colorado film community.
- Partnered with BF&I, SBDC, Department of Local Affairs, the Denver Film Society, and Downtown Colorado, Inc. to assist small rural theaters convert to digital theater projectors. In June 2013, film distributors stopped distributing traditional celluloid prints and moved to a digital format, which requires a \$60,000-\$70,000 digital cinema projector (DCP). Theaters that do not convert to DCPs will no longer be able to show newly released films, and theaters that cannot afford to purchase the new projectors will likely close, threatening the arts and culture of the community. The team is providing grants, state economic development funds, and business consulting to these theaters so that they can stay in business.

COLORADO RANKINGS

4th Ranking for
number of
federally-funded
laboratories
- CO-LABS, 2013

COLORADO TOURISM OFFICE

The Colorado Tourism Office (CTO) works closely with the Creative and Film divisions to promote Colorado in order to create jobs and generate wealth for Colorado. The second year of the CTO's "Come to Life" themed marketing campaign and "ALIVE" brand platform generated record marketing performance on a number of levels including:

- Record travel expenditures: total direct travel spending in Colorado in 2012 reached \$16.7 billion, with 60 percent of that spending coming from the commercial lodging sector (hotels, motels, rented condos, bed & breakfasts), followed by 21 percent from food & beverage services, and 19 percent from lodging expenses (including campgrounds). This spending figure represented an increase of 5.7 percent over 2011.
- The local tourism industry generated \$918 million in local and state tax revenues in the 2012 calendar year. This represented approximately \$189 of tax revenue per person in the state.
- Visitor spending also benefited Colorado's local economy by spurring job creation. The tourism industry directly supported 144,600 jobs with earnings of more than \$4.3 billion in 2012.
- The 2012 marketing campaign generated more than 1.3 million incremental trips to the state and \$1.4 billion in visitor spending. Every marketing dollar invested returned \$228 in visitor spending and approximately \$18 in state and local taxes.
- In terms of visitation, Colorado welcomed more than 60 million visitors for the first time in the state's history. And in a nod to Colorado's effective advertising campaign, the number of visitors coming to Colorado on marketable leisure trips totaled an all-time high of 14.6 million, a two percent increase from 2011.
- Overnight trips reached a record 29.5 million trips, an increase of two percent over 2011. Colorado maintained its lead among states in the competitive overnight ski travel market, garnering approximately 20 percent of all overnight ski trips in 2012.
- Business trips increased two percent, continuing the rebound in this sector that began in 2009.

COLORADO RANKINGS

5th Best domestic airport in the world (DIA)
- Skytrax, 2013

Other CTO Highlights:

- Complementing the record performance detailed above, the US Travel Association's recently-released Impact of Travel on State Economies reported that Colorado had the highest percentage increase in visitor expenditures for all states with visitor expenditures above \$15 billion, including Florida, California, Hawaii, New York and others.
- The CTO's Strategic Plan for Heritage and AgriTourism was introduced with great success in industry meetings across the state, creating the platform for increased involvement and development for rural tourism efforts.
- The CTO introduced a new subscription-based lifestyle magazine in out-of-state markets entitled ALIVE. A test to assess new ways of engaging visitors, the seasonal publication (Winter and Summer issues have been introduced) already has 50,000 subscribers nationally.
- The CTO joined the Adventure Travel Trade Association (ATTA) in an effort to better define and develop in-bound adventure travel package efforts and weave together the great resource of adventure outfitters and operators in Colorado.

COLORADO INNOVATION NETWORK

The Colorado Innovation Network (COIN) is a catalyst for economic prosperity through innovation by partnering with government, business and civil society to foster collaboration around global ideas, talent, capital and the entrepreneurial spirit. Cultivating innovation and ideas is key to creating new jobs and growing a more competitive and resilient economy in Colorado. COIN connects innovation leaders, entrepreneurs and inventors by developing forums and solutions through which they can further their ability to foster innovation and enhance their own networks. COIN continued to build this network in 2013.

Highlights:

- Proclaimed August 26-30, 2013, as Colorado Innovation Week in conjunction with the COIN Summit and surrounding innovation events. The week enhanced the spotlight on Colorado's thriving innovation ecosystem, generating national coverage across all media channels during the month of August. **Post FY 2013*
- Executed successful 2nd Annual COIN Summit, where over 35 speakers and 250 delegates collaborated on inspiring innovation topics from education to global impact.
- Launched the "Glorious Failure: In Search of Success Innovation Challenge", which was designed to showcase and accelerate innovators with high-growth potential ventures who are willing to share their lessons learned from obstacles and adversity. The message of embracing responsible risk is important in supporting Colorado entrepreneurs. Four finalists pitched at the COIN Summit. This year's overall winner was selected by the COIN Summit delegation and received \$50,000 cash and \$25,000 other in-kind prizes. The winner was Rach.io, a local company that creates smart irrigation systems for homeowners.
- Released the **2013 Colorado Innovation Report** in collaboration with Colorado State University, a follow-up and deeper dive into the metrics of the inaugural 2012 Innovation Index.
- Partnered with Google on successful Google for Entrepreneurs Day on August 27, which brought together 400 Colorado entrepreneurs to discuss resources available on a global scale.
- Announced new Chief Innovation Officer, Mark Sirangelo, Corporate VP of Sierra Nevada Corporations Space Systems (*post FY 2013*).

COLORADO RANKINGS

2%+ Colorado is adding jobs at a faster rate than the national average

- Goss Institute, 2013

Please visit www.advancecolorado.com/annualreports for a complete listing and more detailed reports.



Colorado Office of Economic Development and International Trade
1625 Broadway, Suite 2700 | Denver, Colorado 80202 USA

Phone: 303.892.3840 | FAX: 303.892.3848

www.advancecolorado.com/annualreports

