

Local Enterprise Zone Annual Reports Calendar Year 2016

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Metrics Aggregated for Census defined places comprising each Enterprise Zone

Enterprise Zone	Unemployment Rate	Per Capita Income	Population Growth Rate
Adams County	9.50	\$21,628	24.79
Central Colorado	8.08	\$22,410	1.96
Denver County	8.69	\$22,854	20.29
East Central	6.76	\$27,354	5.36
Jefferson County	7.05	\$30,308	11.77
Larimer County	7.93	\$26,515	17.95
Mesa County	9.05	\$25,876	7.64
North Metro	8.76	\$25,395	15.51
Northeast	6.42	\$23,198	-0.14
Northwest	5.81	\$30,388	3.23
Pikes Peak	9.56	\$24,995	14.55
Pueblo County	11.92	\$20,353	7.44
Region 10	9.89	\$24,621	0.25
San Luis Valley	9.75	\$20,764	0.02
South Central	10.87	\$21,277	-5.04
South Metro	8.43	\$26,481	14.62
Southeast	11.76	\$17,195	-5.95
Southwest	7.56	\$27,532	6.17
Weld County	7.33	\$23,189	13.60

*US Census American Community Survey 5-year survey data 2011-2015. Published December 2016
 Population Change compares 2015 to 2010.
 County and Place population data sourced from DOLA



Adams County Administrative & Statutory Enterprise Zone

Overview

Adams County is located in the northeastern quadrant of the Denver, Colorado metropolitan area and covers 1,182 square miles. The county encompasses wholly or partially the municipalities of Arvada, Aurora, Bennett, Brighton, Commerce City, Federal Heights, Lochbuie, Northglenn, Thornton, Westminster, and has substantial suburban and rural unincorporated areas.

ACED is a full service economic development agency whose mission is the attraction and retention of primary employers and helping to foster a pro-business climate within Adams County. We are proud to be the Enterprise Zone Administrator for the County and have the overall goal to improve economic conditions within economically distressed areas.

Working toward positive incremental increases in measurable enterprise zone data such as number of certifications, number of new jobs per year, capital investment dollars and contribution dollars is the most direct step ACED can make toward improving economic conditions within the Enterprise Zone. This past year we refined our Enterprise Zone education efforts by closely integrating the ACED business retention and attraction programs that we hope will result in positive, measurable increases within the Enterprise Zone over time.

2016 Observations and Data

As of December 2016, United States Department of Labor has Adams County at 3.8% unemployment. The 2015 American Community Survey reports Adams County at a 11.2% population growth. According to the United State Census Bureau 2015 has a per capita income of \$25,039.

2016 Enterprise Zone Data

In 2016, ACED maintained a website promoting Enterprise Zone program information and current legislative requirements. ACED continued its efforts in educating the public about the program through direct outreach and marketing. Awareness of the new electronic filing requirements is steadily increasing.

Adams County approved approximately 1,167 pre-certifications in 2016 compared to 894 in 2015.

Business Friendly Audits

In 2016, in order to maximize the effectiveness of our services, ACED did an internal "Business Friendly Audit" of each tax form that came through our office for certification. In a "Business Friendly Audit" we review the certification form at a glance and point out any opportunities a business may have missed.

Contribution/Infrastructure Project

There are 15 contribution projects ACED is managing currently. Contribution projects like the Arapahoe House have been instrumental in supporting the efforts of improving these economically distressed areas. In 2016, we were able to increase contribution certifications by nearly 3M from 2015. ACED actively verifies that projects were conducting approved contribution activity. Last year, we signed and processed over \$2.1M in cash/in-kind contribution certifications.

County Resource

As the Adams County EZ Administrator, ACED serves as a county and statewide resource for Enterprise Zone questions, address verifications and certifications. In 2016, ACED received many inquiries for EZ information via phone and e-mail. A response was made to every inquiry and customers were provided an EZ program summary which included presentation opportunities. We continue to partner with all the Adams County economic development organizations that touch multiple businesses on a daily basis and provide ACED with the platform to reach each and every one of them in a condensed timeframe.

Educational Publications

In 2016, ACED updated several existing publications which increased awareness in the business community. The publications include:

- Overview Sheet (one-page overview of the EZ and tax credits)
- Pre-Certification Steps to Comply Sheet
- AdamsLovesBiz (publication to the business community)
- Member newsletter
- ACED's website with updated EZ area

- Links to OEDIT website for complete listing of FYI's and current forms
- Capital Resource Guide (accessible through ACED's website)
- Informational Enterprise Zone e-mail correspondence

Presentations

ACED conducted numerous Business Retention visits at Primary Employer locations in Adams County in 2016. ACED also gave presentations and speeches to a number of organizations, societies and direct to businesses in an effort to increase awareness. These organizations include: Chamber organizations, Small Business Resources panels, local rotary organizations etc. ACED also includes a discussion on the Enterprise Zone during each business retention visits for companies located within the Enterprise Zone.

Partners

ACED continued developing relationships with current investors by providing them educational materials regarding the Enterprise Zone, supporting the tremendous benefit to our target audience and their clients. ACED employed a lobbyist to help monitor Statewide Enterprise Zone issues and keep Adams County businesses up to date on potential Enterprise Zone changes so they can prepare accordingly. We worked with the EDCC and our regional ED partners to better understand how we can help companies grow and prosper within the Zone going forward.

2016 Objectives:

ACED focused on three goals to accomplish for its 2016 Enterprise Zone:

1. ACED completed direct contact with past certification filers to confirm compliance with new Pre-Certification legislation. In addition, ACED continued its outreach initiatives to reach the public in collaboration with our city partners and industry associations to inform about the recent program changes (i.e. tax increases and online log-in requirements).
2. ACED completed the mandated boundary evaluation while working with state and city partners to promote transparency throughout the process. Outreach efforts included contacting businesses that fall out of the zone beginning January 1, 2016.
3. ACED's Business Retention Program continued to market and educate the Adams County business community on the benefits of the Enterprise Zone Program during all 2016 scheduled visits. ACED's performance for 2016 indicate these goals were met.

2017 Objectives:

ACED's 2017 goals for the Enterprise Zone program will focus on three goals:

1. ACED will be promoting Enterprise Zone Tax Credits at The Adams County Site Selection Conference July, 2017.
2. ACED will continue its outreach initiatives through regional collaboration. We will utilize our municipal partners and local industry associations to convey important information about program changes.
3. ACED's Business Retention Program we will continue to promote opportunities for non-profit organizations interested in becoming a future Contribution/Infrastructure projects. That outreach will help organizations located throughout the county the possibility of participating in the EZ program.

Central Colorado Administrative Zone. Part of Central & Southern Statutory Enterprise Zone

Overview

Beginning January 1 2016 the CCEZ became composed of upper Arkansas River basin counties located from the top of the basin near Tennessee and Fremont Passes in Lake County down to the eastern Fremont County line just above Pueblo Reservoir.

Beginning at the top of the basin the counties, and their cities and towns are: Lake (Leadville), Northern Chaffee north of CR 162 near Nathrop (Buena Vista), Custer (Silver Cliff, Westcliffe), and Fremont (Canon City, Florence, Penrose, Brookside, Coal Creek).

Beginning January 1 2016 Park County became part of the re-named CCEZ and includes the Town of Fairplay, and the hamlets of Como, Lake George, Bailey, Florissant, Hartzel and Alma.

Organization

The CCEZ is administered and guided by the Upper Arkansas Area Council of Governments (UAACOG) with a Zone Administrator, the UAACOG Fiscal Office and the UAACOG Board of Directors (one county and municipal member from each of the four counties). The CCEZ Advisory Committee is composed of one County Commissioners' appointed member. The Advisory Committee provides specific direction to the Zone Administrator on the conduct of the program. The UAACOG manages the Park County portion of the zone under an agreement between Park County and the UAACOG.

Business Environment

The economic base of the 5 1/2-county region varies as widely as its elevation: from 5000 to over 14,000 feet. Common economic drivers are: natural resource based seasonal tourism and recreation; predominance and growth in low-wage service industry businesses and employment; construction, health care businesses and employment; re-emerging heavy-metals mining; federal, state and local government employment; correctional industry employment in Chaffee and Fremont Counties; an above state average retired person(s) household population – both year-around and seasonal residents.

Business development challenges include a regional location that lacks proximity to front range markets and transportation networks (less of a challenge for Fremont County), lack of availability of workforce housing, struggling downtown businesses and traffic generators, seasonality of business activity that precludes consistent cash flow that leads to marginal profitability, financing challenges and reduced year-around employment opportunities.

2016 Observations and Data

Observations of trends and change in the CCEZ have focused on an analysis of current compared to recent past data, and comparisons to state averages. With this methodology in mind, generalized trend and change observations follow in the CCEZ 2016 Development Objectives section below: see objective's measures and status of objectives narratives. The 2016 observations do not have direct comparison data because beginning Jan. 1 2016 the previous zone boundaries were re-aligned with the exclusion of southern Chaffee and the addition of Park County.

2016-17 Efforts to Improve Conditions

A summary of CCEZ activities to improve the effectiveness and outreach of the UAEZ and how these efforts apply to improving business and employment development and achieve the goals of the CCEZ are as follows.

New Contribution Projects in 2016

The CCEZ has a balanced number and type of eligible projects on the books, 17 as the Zone enters 2017. Three southern Chaffee County projects were discontinued when this part of the county was eliminated from Zone status as of 01/01/2016. Two historic downtown projects were added in 2016: Tabor Opera house - Leadville and Bell Tower Cultural Center – Florence.

Business Friendly Audits & Information Outreach

As part of CCEZ Administration of the Certification of Location (DR0074) review and certifying process, each submitted form is carefully reviewed and upon seeing a possible missed tax credit opportunity an emailed note to the tax preparer describing the "possible" missed opportunity is sent by the administrator. Throughout the year, the CCEZ mails or emails downloads of specific credit information from OED&IT www.advancecolorado.com/ez and Department of Revenue FYIs and forms. Also, in an average week, the UAEZ Administrator responds to approximately 5 to 10 email and phone inquiries about Zone "areas of inclusion", tax credit benefits, application process, and requests for suggestions on approaches to accessing the E Z tax credits. Also, as the Zone Administrator travels in the Zone he visits newly constructed new business facilities to provide the business owner with Enterprise Zone precertification, tax credit information and highlights most-likely credits to be accessed. Continuing extensive outreach to

inform of the precertification process, electronic filing, and changes to the specific credits continued through 2016 and on into 2017. Press releases on zone exclusion for southern Chaffee and new inclusion for Park County were distributed to Chaffee and Park area newspapers and Chambers in 2016 and 2017.

CCEZ Informational Publications and Presentations

To educate and increase awareness of the CCEZ and the tax credits the CCEZ maintains and distributes by mail, email, press releases, by having links-to in the Zone's seven Chamber of Commerce's, and local government web sites its easy-to-read and download form. This information specifically provides direction to the OED&IT (www.advancecolorado.com/ez) web site for access to the E Z FYI, forms and overall program information series. Additional publications include press releases on the status of "enhanced rural county designation", 2017-18 changes to specific credits and flyers on business resources seminars that the CCEZ co-sponsors and co-presents at throughout the Zone. Each year the Zone teams up with Chambers and EDCs in the Zone to provide well advertised business resource seminars as the CCEZ co-presents with the Southern Colorado Economic Development District, SBDC, SBA, CHFA, COED&IT, area colleges and the UAADC regional BLF program.

Partners and Collaboration

The CCEZ implements essential partnership relationships with the Zone's Chambers and EDCs by the Zone Administrator's continuous collaboration by attending meetings, maintaining contact through the year and in-person assistance with each Chamber's publications and web sites containing updated written E Z tax credit information. In 2016 the CCEZ worked with the Leadville Coalition / Community Partnership Panel (Lake County), 'Cliffs Business District (Custer County), Chaffee County EDC, Lake County EDC and Fremont EDC.

CCEZ 2017 (coming year) Development Objectives

1. Improve per capita income (From BEA date data): Among the 16 enterprise zones in Colorado, the Central Colorado E Zone is near the bottom in per capita income ranking. The CCEZ's per capita income has historically declined or remained flat in comparison to the state and adjoining regions' per capita income (except San Luis Valley). Improvement of per capita income has been and will continue to be one the primary CCEZ development objectives. This objective's measure is to improve the per capita income as compared to the state county rankings. The status of this objective is that overall the five and one half-county zone continues to lag far behind in the State ranking.
2. Improve employment and employment opportunities: The four-county region has historically had a higher rate of unemployment as compared to the State. Higher under-employment and limited seasonal employment is common in the Zone and reduces overall per capita income significantly. The Zone seeks to reduce unemployment, under-employment rates and improve year-around employment opportunities. See the previous "CCEZ Unemployment Rates".
3. Improve the percentage of non-residential assessed valuation: The 5 ½ county region has historically had a low percentage of non-residential assess valuation in comparison to most other Colorado rural counties. This metric has contributed to enhanced rural county designation for Lake, Custer, and Fremont counties.

Denver Administrative & Statutory Enterprise Zone

Overview

Denver's Office of Economic Development (OED) coordinates planning and implementation of initiatives to grow and strengthen Denver's economic and community base through four divisions.

- Economic Mobility
- Business Development
- Housing
- Workforce Development

OED encourages business growth and investment, job opportunities and linkage to surrounding neighborhoods through a variety of programs and initiatives that drive economic activity and development. As an important tool in OED's broader economic development efforts to advance economic prosperity for businesses, neighborhoods and residents, the Denver Enterprise Zone (EZ) serves as a central resource for businesses and non-profits with questions about the EZ tax credits. From OED's broader initiatives to the specific EZs, OED ensures its target neighborhoods are aligned with the Denver (EZ) and include Sun Valley, Westwood, Globeville/ Elyria/ Swansea, Montbello and Five Points where grants have been made to nonprofits to carry out the objectives outlined for Denver's EZ. Additionally, OED's revolving loan fund program provides low-cost loans to businesses located in the target neighborhoods and Denver EZ and offers expanded financial assistance to target corridors within these areas. The Denver EZ wraps the City's northern boundaries and extends to its western boundaries paralleling I-70 and the north I-25 corridor. Newly "graduated" areas such as River North, Lowry, Stapleton and the Highlands have allowed for a shift of OED resources to newly designated corridors along north and south Federal, Morrison Road, East Evans and East Colfax. In 2016, the Contributions Project functions were administered by Mile High United Way (MHUW) but OED supported the non-profit activities in the Denver EZ by direct public service grants, educating taxpayers on the benefits of contributing to EZ certified projects, through sponsorships of non-profit initiatives, and through educating non-profits on the benefits of certifying eligible projects. These functions have been transferred back to OED for 2017.

2016 Observations and Data

	Enterprise Zone	City & County of Denver
Unemployment Rate	4.10%	2.70%
Per Capita Income	\$22,496	\$35,537
Population	111,381	668,825
Pop Growth Rate	1.38%	1.75%

(Source: 2016 ESRI estimates)

2016 Efforts to Improve Conditions

In 2016, OED's Business Development (BD) Division engaged in a variety of strategies and initiatives aimed at growing and sustaining the local business environment. These initiatives are summarized in OED's annual [2016 JumpStart plan](#) with outcomes reported in the corresponding annual report (attached). Efforts were focused on attracting and growing Denver businesses, encouraging and supporting entrepreneurial opportunities, and increased economic access with global markets by fostering further investment and trade. BD worked towards growing Denver's economy through direct and indirect contact with businesses and partners for business growth and job opportunities, with a specific emphasis on target neighborhoods/ designated enterprise zone. In collaboration with OED's Economic Mobility Division and non-profit partners, DB helped advance initiatives and approaches for increasing economic opportunities for all. DB supported job creation, training, and business investments through a range of business support tools, with the Enterprise Zone program being of great importance to encourage opportunities in the Enterprise Zone:

Businesses, site selectors, real estate professionals, small business financing organizations and non-profits were reminded or made aware of the tax credits available through the Enterprise Zone program:

1. Referenced and encouraged the location of new and expanding businesses in the EZ when executing attraction and retention strategies.
2. Conducted multiple outreach efforts to businesses impacted by the 2016 boundary changes and provided technical assistance to over 20 businesses that sought grandfather status.
3. Translated copy, designed and printed for distribution 5,000 multi-lingual business start-up checklist brochures to Contribution Projects and other agencies working with low-moderate income and immigrant/refugee households to encourage entrepreneurship among these populations. These activities occur primarily in the Denver EZ.



4. Presented at The Commons “City Programs to Know” on the Enterprise Zone tax credit program.
5. Maintained bi-weekly presence at The Commons on Champa as a dedicated resource to consult with entrepreneurs about EZ tax credits and benefits.
6. Maintained information about the Denver enterprise zone on OED’s website with links to the state EZ website.

The 2016 grant was used to fund salaries, benefits, marketing and sponsorships related to Enterprise Zone activities and outreach.

Objectives Report 2016

The Denver EZ boundaries were adjusted by the State of Colorado to account for positive changes in per capita income, employment and population data in previously designated areas. Both Stapleton and Lowry, among other areas with significant employers and commercial corridors, were graduated out of the Denver EZ. As a result, a comparison with 2015 data offers no benchmarking or insights. A new baseline has been established for 2016 and will be used going forward to measure performance in subsequent years.

- Record at least 1000 New Business Facility jobs in the EZ
 - Number of New EZ jobs recorded in 2016: 907.28
- Maintain or increase the total number of businesses certified to claim tax credits in the Denver EZ
 - Number of businesses certified in 2016: 344
- Maintain or increase the number of employees trained in the EZ.
 - Number of employees trained in 2016: 6,768

Objectives for 2017

Local Economic Development Goals

OED’s local economic development goals are best articulated in OED’s mission to be a driving force that advances economic prosperity for the City of Denver, its businesses, neighborhoods and residents through purposeful and intentional economic development that:

- a) Broadens the tax base;
- b) Stimulates balanced economic growth through business assistance, neighborhood revitalization and the development of a skilled workforce; and
- c) Focuses on innovation, sustainability and education.

Examples of Strategies/Initiatives Supporting Local Goals

OED’s mission is achieved through multi-year strategies and initiatives documented in its annual JumpStart plans ([2017 JumpStart plan](#)). Appendix A offers an example of these multi-year strategies and initiatives by which OED accomplishes its mission and local economic development goals. OEDIT’s “Project Types and Categories” from the *Enterprise Zone Contribution Tax Credit Overview and Policies* (March 2017) are highlighted in bold and underlined text to illustrate how OED’s initiatives are aligned with OEDIT’s Contribution Projects policies. This document will serve as a guide to facilitate the identification of eligible Contribution Projects to achieve OED’s mission and initiatives.

Performance Metrics

OED is proposing the following measurable goals to evaluate and benchmark the success of its efforts in administering the EZ tax credit program.

1. MEASURABLE GOAL 1: As a percentage of all businesses in the EZ, maintain or increase pre-certifications which is an indicator of awareness of the program. Promotion through the following:
 - OED website
 - Resource fairs
 - Dedicated staffing at The Commons
 - BID Connection
 - Mention in attraction/retention collateral
 - Mention when providing technical assistance
 - Loop EZ video at The Commons
 - Site visits to under-represented industries



2. MEASURABLE GOAL 2: maintain or increase the level of capital investment which is an indicator of enhanced tax base year-over-year.
3. MEASURABLE GOAL 3: maintain or increase job creation year-over-year.

East Central Administrative Zone. Part of North-East-Central Statutory Enterprise Zone

Overview

The East Central Enterprise Zone encompasses most of the Central Plains of Colorado: Lincoln, Elbert, Kit Carson and Cheyenne Counties. The entire geographical area of Lincoln and Kit Carson counties is within the zone. An area just east of the Town of Kit Carson in Cheyenne County is no longer in the zone effective January 1, 2016 but the rest of the county is still within the zone. 90% of Elbert County is within the zone but approximately 90% of Elbert County's population resides outside the zone. Therefore, Elbert County "distress" numbers are skewed substantially whenever using county-wide data. Data specific to only the areas within the zone is very generic.

Agriculture is the base economic driver in each of the four counties, but the 8000 square mile EZ region is very diverse. The population of the region in 1990 was 23,712. The State's Demography Office July 1, 2015 (latest available) population estimate for the region was 40,326, a 1000 person increase from the year before. However, 95% of that growth since 1990 was concentrated in 3% of the region (the very northwest corner of Elbert County experienced high residential growth, with most of that population commuting to jobs in Denver). The other 5% growth was a result of increased or new prison populations in Lincoln and Kit Carson Counties. Two of the four counties had a decrease in population (Kit Carson County would have, but there was no correctional facility in 1990) and eight of the fifteen municipalities also had a net loss of population during that 21-year period...some as much as 25%. Kit Carson County has an agricultural economy based on deep well irrigation. Cheyenne, Lincoln, and Elbert Counties are mostly dry land farming and are more likely to field large cattle ranches than large grain-producing farms. The principal employer in all four counties is public. Local government and schools are the largest employers. While only 7.4% of Elbert County's population is over the age of 65, 16% of the residents in Cheyenne, Lincoln and Kit Carson are 65 or over.

Like many rural plains areas throughout the Midwest, many of the region's towns have main streets filled with vacant storefronts. Retail as it was even ten years ago will never return, but there are realistic opportunities for the region and each of the counties and most of the towns to become more economically viable by capitalizing on the resources that exist. The opportunity for the development of alternative energy (wind farms) continues to be high. There are now wind farms in Kit Carson, Lincoln and Elbert Counties and once Rush Creek II has been completed, there will be a wind facility in Cheyenne County as well.. Commodity prices (wheat and corn) were again close to a historic high in the fall of 2014 but dropped significantly by the fall of 2015 and were at a three decades low by the fall of 2016. Oil and gas prices also continued to decrease in 2016 and exploration/ drilling activities were very limited in all four counties. These low farm commodity prices are the single most impact (negative) on the current economy.

2016 Observations and Data

The original Enterprise Zone Plan was completed for East Central Colorado in 1986. Much has changed during the past decades within the region and a great deal has changed in the national and world economy. Though "boom and bust" cycles have been relatively minimal since there have been no real "booms" other than population growth in Elbert County...thus busts have been hardly recognizable. The impact of the Great Recession beginning in 2008 on East Central Colorado was also muted, but it has impacted the Denver Front Range and particularly urbanization into the East Central service area.

The greatest economic development need within the region is economic stabilization and diversification. Each area within the region needs to capitalize on its assets. Growing from within has a greater chance of success than trying to bring new business and industry to the area, but efforts to attract new jobs from outside the region must also continue. Elbert County has had mushrooming residential growth but one of the lowest non-residential assessed values in the state. Gallagher and TABOR complicate this issue even further. The historically low commodity prices in 2016 have and will continue to have a very negative impact on the region.

Significant opportunities exist for the development of renewable energy sources on Colorado's Central Plains. Wind power will become a reality throughout the region. Farmers or ranchers who own the parcels on which the turbines are placed benefit annually. The counties' tax bases (particularly in Lincoln and Kit Carson) have benefited significantly. Construction jobs related to development of wind farms are substantial but there are far less permanent jobs once the farms are in operation. Creative strategies must be developed to capitalize on this new industry. Lincoln County currently ranks second in the state with installed production capacity of 852 mw from 510 towers. Four NextEra Energy Resources projects have been developed, permitted and constructed during the past six years. In December of 2014, Lincoln County gave initial permit approval to NEREO for the Arriba Wind Farm. Proposed over two phases, this project would have an installed production capacity of 300.1 mw utilizing 176 1.7mw GE turbines over 25,600 acres. However, it has yet to begin construction, NextEra also completed in 2016 a 150 megawatts wind farm



in Kit Carson County utilizing 81 GE 1.7 turbines over 34,000 acres. The 2016 EZ tax credits for the East Central Region reflect this completion. And...Invenergy(Excel) will be constructing in 2017 two projects transcending Elbert, Lincoln and Kit Carson counties. This project will consist of 300 Vestas V110 wind turbines with combined output of 600MW. 34 wind turbines were constructed in 2011 in northwest of Burlington generating a total of 51 megawatts of electricity and at the other end of the region, the Cedar Point wind project (a joint effort between Enbridge and Renewable Energy Systems Americas, Inc.) has 139 turbines capable of generating up to 252 megawatts of electrical power. The towers are located in both Lincoln and Elbert County north and west of Limon. .

Alternatives need to be explored to “re-design” and “reuse” the main streets of many if not most of the towns. Retail as “we knew it” is gone forever. Internet and 1-800 and internet businesses are shipping within 24 hours. As small Mom and Pop stores that have provided basic services for years come up for sale, there are few if any interested buyers. Where that business may still cash flow with the original owner, that owner has limited if any debt. Add debt for any new buyer combined with a limited market, the continued existence of the small hardware and grocery stores in towns under 1000 is doubtful.

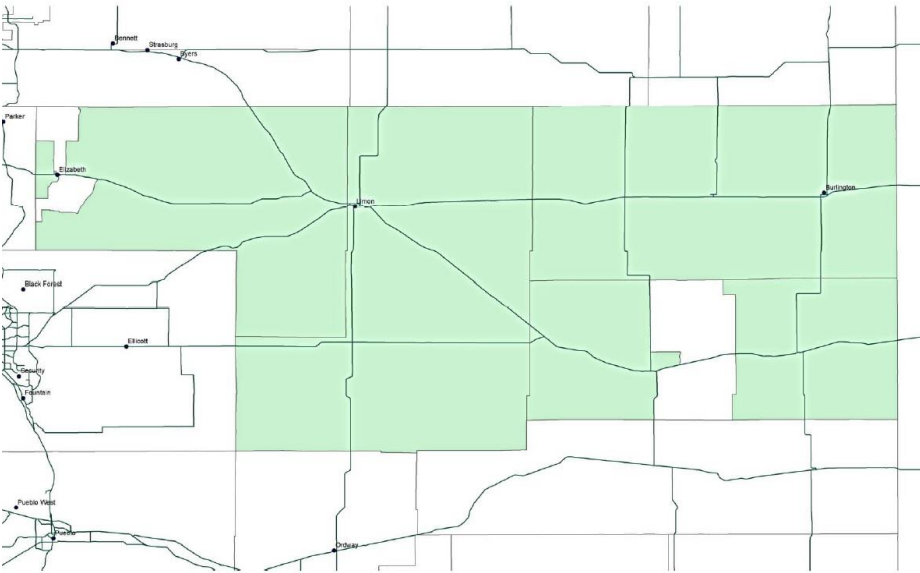
There are gaps in Broadband service in various parts of the Region. These gaps needs to be addressed and projects undertaken to assure the best internet service possible in all of the four counties. Retaining, expanding and attracting new jobs is very dependent on high speed and dependable Broadband.

The residential growth in western Elbert County has offered opportunities (which also continue) for new retail and service businesses. Cooperative measures that can result in a willingness and financing opportunities for neighboring communities to work together to better the economy of the area need to be explored. Some of our littlest towns need to develop ways to become great neighborhoods to the larger community down the road.

Heritage Tourism opportunities exist throughout the region. Strategies need to continue to be developed that will result in bringing more of the hundreds of thousands of persons passing through the area into the community. Denver and Colorado Springs residents need to be further enticed to come visit, “sit a spell” and spend money with existing businesses.

Additional incentives/financing methods need to be developed that target expansion of existing successful businesses. Existing incentives seem to favor assisting competitive new businesses which only spreads the existing wealth around...rather than bringing in new dollars to a community. The largest Helium Production facility in the nation is near Cheyenne Wells... opportunities need to be developed to increase the helium and other gas(s) supplies which would assist in enabling the facility to operate closer to capacity.

East Central Enterprise Zone Boundaries as of January 1, 2016



Partners
ECCOG coordinates with its 501(c) (3) partner, the Prairie Development Corporation on all Economic Development programs including the Enterprise Zone incentives, marketing, etc. The two agencies share the same staff and serve the same geographical region.

Status of 2016 Objectives to Improve Conditions
As the primary non-residential tax base of the four counties in east central Colorado is and will always be agriculture, the primary economic development objective of the East Central Enterprise Zone is to increase and diversify the non-residential tax base especially in the industrial and commercial sectors. To work towards the overall

objective of increasing valuation in the industrial and commercial sectors, the 2016 objectives were:

1. Increase the number and value of the EZ certifications in 2016 over those of 2015

The number of certifications in 2016 was actually less than in 2015. There were minimal decreases in Kit Carson, Cheyenne and Elbert Counties but a 20% decrease in Lincoln County. 374 businesses claimed credits region-wide in 2015. In 2016, that number was 347. The lower number is due principally to the depressed farm economy. When crop/livestock prices are below break-even numbers...farmers/ranchers do not make capital investments.

2. Increase the number of Rehabilitation Credit certifications.

No rehabilitation credits were certified in 2016. The EZ did work with two different businesses (one in Elbert County and one in Cheyenne County) on using the credit. The Elbert County business has now submitted certification for rehab (early 2017)

3. Add at least one additional Enterprise Zone Contribution Project in 2016.

No new EZ Contribution Projects were added in East Central in 2016. The staff was hesitant to promote the availability of that credit as policies governing the projects were being revised/rewritten/reviewed throughout all of 2016 and are still not formally in place. Additional promotion of the availability of this 25% credit will continue in 2017 once the changes in the policies are final.

4. Update agreements between ECCOG and each contribution project. Develop a new promotional piece for any new project designated in 2016. Update as needed the ECCOG and PDC websites and printed EZ materials to include appropriate EZ changes with emphasis on the amended boundaries that took place on January 1, 2016.

Agreements between ECCOG's Enterprise Zone and its 19 projects cannot be updated until the final policies are in place. A new contribution brochure was developed and a new general educational piece on the East Central Enterprise Zone were produced with the principal changes being promotion of the new boundaries that were effective January 1, 2016. These two pieces are distributed by both the contribution projects and by ECCOG.

5. Work with preparers and taxpayers to enable to the greatest extent possible a thorough understanding of the new boundary changes and the legislative mandate for re-designation. Attend training sessions as required by OEDIT.

The two new brochures (outlined in #4) were distributed throughout the region and could also be emailed to interested parties. Both brochures outlined and emphasized the change in boundaries (territory was lost in Cheyenne County and additional EZ eligible area was added in Elbert County). The ECCOG Board meetings continued to have the boundaries and new designation as an agenda item through the first half of 2016. Both Candace Payne and Jo Downey and/or Eileene Andrews participated in EZ most all of the semi state initiated EZ conference calls throughout all of 2016. Jo and Candi both attended the work Buena Vista contribution policy retreat.

6. Work with DOLA and State Demographer to research population numbers during the latest five-year period to determine if the Cheyenne County zone area lost in 2016 can be made eligible. Ask for amendment to zone boundaries if area then qualifies.

Due to the five-year averaging and the relative small numbers in Cheyenne County, the State generated population estimates still do not allow for the "lost" zone area in Cheyenne County to qualify for readmission. Staff will again work with DOLA during 2017 to determine whether the addition of 2016 numbers will change the eligibility of the area that is currently not included.

Objectives for 2017

The 12 East Central Enterprise Zone Economic Development Goals submitted to OEDIT for the "Google" document:

1. Develop broadband to the highest standards
2. Develop affordable workforce housing
3. Work with SBDC to develop and grow business
4. Develop programs/projects that support community and downtown improvement efforts
5. Enhance/develop/improve business resiliency to address natural, manmade or economic disasters
6. Promote and implement the Foreign Trade Zone including portions of the East Central Zone.
7. Increase access to capital
8. Promote eco-tourism, signature community events, and the cultural heritage
9. Support development of alternative energies from agricultural products and by-products
10. Develop partnerships to expand economic opportunities provided by inter-regional transportation corridors
11. Explore options to attract and retain skilled workers in all professions
12. Maintain/expand/develop critical services that directly support business/jobs creation or retention



Three measurable Enterprise Zone Program objectives for 2017 that relate to the above goals are:

1. Assist the six East Central EZ Contribution Projects that are scheduled to end at the end of 2017 (or could be moved back to 2018) resulting in a minimum of three reapplying for designation. Two are heritage tourism projects (Goal #8). The other four are health service projects (Goals #4 and #12).
2. Work with and certify a minimum of two EZ rehabilitation tax credit projects in 2017 (Goal #4 and #2).
3. Work with the State Demographer's office to determine if population growth/loss average for the most recent five years will result in making the portion of Cheyenne County that lost EZ area eligibility in 2016 once again eligible. Submit boundary amendment if numbers support reinstating all of Cheyenne County into the Zone (Goals #7 and #12)



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Jefferson County Administrative & Statutory Enterprise Zone

Overview

Jefferson County Economic Development Corporation (Jeffco EDC) is a 501(c) 6 public-private partnership. Jeffco EDC's mission is to create and preserve the economic vitality of the citizens of Jefferson County through the creation, expansion, and retention of primary jobs. The Jefferson County Enterprise Zone, which was established in 1991, includes parts of unincorporated Jefferson County, and areas of Arvada, Edgewater, Golden, Lakewood, Westminster, and Wheat Ridge. Since the program began in 1991, Jefferson County companies have invested more than \$1 billion in new capital investment and have created over 9,500 new jobs within the zone. The business environment in the zone during 2016 was consistent with the overall state of the economy in Colorado.

Since the redesignation of the Enterprise Zone boundaries, Jefferson County increased its zone by 75% (based on population). Since many existing areas expanded and new areas were incorporated, Jeffco EDC spent a significant amount of time and resources proactively marketing the program to businesses, brokers, site selectors, community partners, elected officials, etc.

Because of the increase in the county's EZ, many more companies are now able to utilize the program for their business retention and expansion needs. Last year alone, Jeffco EDC per-certified over 900 businesses. This is a dramatic increase in activity among businesses in the EZ, and more companies are being educated on the program's resources. It is also an indication that many companies are anticipating making investments, hiring employees, and undergoing economic activity that will improve the conditions of the zones.

Past year Observations and Data

2016 was the first year since the state-wide re-designation of all enterprise zones. We have been contacting more businesses since the re-designation process was completed and anticipate more participation from existing businesses in the zone and businesses that were added as a result of the re-designation.

2016 Observations and Data

- Jefferson County unemployment rate 3%
- Jefferson County per capita income \$54,773
- Jefferson County population growth rate 1.16% (annual average from 5-year aggregate)
- 2010 - 2015 = 5.8%

Jefferson County's unemployment rate decreased from 3.1% to 3% from 2015-2016. The county saw an increase in business activity, as it relates to new jobs and capital investment reported. Businesses were gaining more profits and confidence and the county saw a lot of companies add net new jobs.

NOTE: I plan to provide you the statistics from the ACS specific to the Census geographies that comprise your zone. The ACS data is the 5-year survey average, so you may want to go ahead and refer to BLS/CDLE for unemployment, DOLA for population, and BEA for per capita income at the county level.

Past year Efforts to Improve Conditions

- Generated business attraction leads in targeted industries and promote Enterprise Zone incentives
- Marketed available real estate and highlight properties in EZ
- Continued to host a real estate database of available properties in the county and provide links to EZ resources for properties located in EZ
- Created a redevelopment strategy to help increase commercial real estate inventory that included many sites in the EZ
- Educated brokers, site selectors, developers and other community partners about the EZ program
- Met with many Jeffco businesses that are in the EZ and educated them about program and certification process
- Worked in partnership with municipal partners and county to market program to businesses and prospective businesses
- Continued to produce EZ marketing material for distribution
- Identify companies that are undergoing expansions in EZ and do educational outreach meetings
- Collaborated with workforce development partners on marketing the job training credit



- Identified companies utilizing the federal R&D tax credit and educate them about EZ R&D tax credit
- Monitor real estate activity reports and contact companies eligible for rehab credits
- Regularly presented business activity in the EZ to help advocate the importance of the program and track the number of businesses utilizing it
- Promoted the contribution tax credit and the certified contribution projects in Jefferson County

Contribution Projects

In 2016, Jefferson county Enterprise Zone had one project approved – Jefferson County Symphony Orchestra. This project will help bring tourism to the zone and promote the area, not only locally, but nationally and internationally through performances and a youth competition held annually. Jeffco Symphony Orchestra concerts draw visitors as concert attendees eat, drink, and shop in the Enterprise Zone where the concerts are held. With approximately 20% of attendees coming from out of town, they typically tend to have drinks or dinner, before or after concerts, and/or shop in local stores. All of this additional spending adds to the local EZ economy.

County Resource

Jeffco EDC has an aggressive Business Retention and Expansion program. Staff is constantly meeting with businesses throughout the county; many of them are located in an EZ. Staff educates the companies on the program and even meets with their accountants when necessary. In addition, to existing businesses, Jeffco EDC markets the zone to companies looking to relocate or start their business in an EZ. Staff will market available real estate and the various tax credits available with the program. Since the redesignation in 2015, there has been a 30% increase in the number of pre-certifications and a 20% increase in the number of certifications. We have also had a 50% increase in the number of calls and emails that we have received regarding the enterprise zone.

Marketing the zone

- One-page EZ fact sheet (PDF) for electronic distribution.
- Dedicated EZ section on Jeffco EDC's website with information, maps, links, contacts and information on legislative changes.
- Property search tool on GIS/property website for public to determine if a property is in/out of an EZ boundary.
- Detailed maps on Jefferson County's EZ boundaries.
- Market the zone through a variety of local, state, and national tradeshows and events.

Partners

Working with our municipalities is our strongest partnership in the enterprise zone. We also partner with the county, the American Job Center, the state, and our broker community to market the enterprise zone.

Mailings

The one-page fact sheet was also distributed to each of our municipalities that have the enterprise zone. This fact sheet was mailed or emailed to all the businesses that were in the newly designated enterprise zone. This fact sheet includes contact information and a link to State enterprise zone page, the local EZ website, and the department of revenue.

Objectives Report

1. Increase the number of net new jobs by 10% created in the EZ over the last year through Jeffco EDC's business retention, expansion, and attraction program and increasing overall awareness of the zone and tax credit. **We surpassed this goal, with the number of net new jobs increasing by 285% in the zone.**
2. Increase the total capital investment by 10% in the EZ by increasing awareness of the zone to businesses by focusing on Jeffco EDC's business retention, expansion, and attraction efforts to companies in the zone or looking to relocate or start their business in the zone. **Capital investment did not increase in the zone over the year prior due to a large company expansion in 2015.**
3. Increase the number of employees trained in the EZ over the last year by contacting 25 existing businesses and notifying them of the credit. **Number of employees trained did not increase over prior year, but we doubled the number of companies we spoke with regarding this credit.**



Objectives for Coming Year

1. Increase the number of net new jobs by 10% created in the EZ over the last year through Jeffco EDC's business retention, expansion, and attraction program and increasing overall awareness of the zone and tax credit. This will support our zone goal of economic and community development.
2. Increase the total capital investment by 10% in the EZ by increasing awareness of the zone to businesses by focusing on Jeffco EDC's business retention, expansion, and attraction efforts to companies in the zone or looking to relocate or start their business in the zone.
3. Increase the number of employees trained in the EZ over the last year by contacting 25 existing businesses and notifying them of the credit. This will support our zone goal of workforce development assistance.



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Larimer County Administrative & Statutory Enterprise Zone

Overview

Larimer County Enterprise Zone: The Larimer County Enterprise Zone, which was established in 1993, is composed of portions of the following municipalities:

- City of Fort Collins
- City of Loveland
- Town of Berthoud
- Town of Wellington
- Town of Estes Park

The Larimer County Enterprise Zone is administered by the Larimer County Economic Development Director with support from the Economic Development Department and Workforce Center Staff.

A detailed interactive map of the Enterprise Zone can be accessed on the web at:
<http://www.advancecolorado.com/funding-incentives/incentives/enterprise-zone-tax-credits/ez-map-2016>

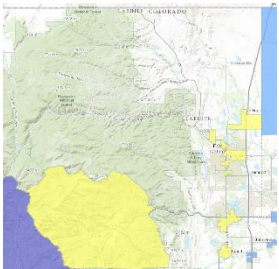
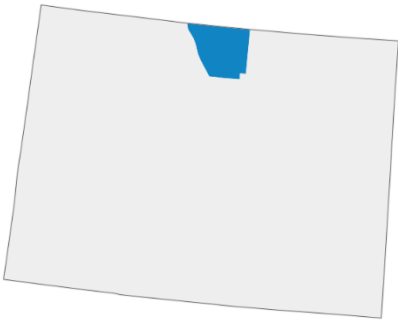
In 1993 the Larimer County Enterprise Zone was established in four separate geographies within the County. The establishment of the Enterprise Zones was based on the original criteria set forth the State. As part of the boundary reassessment in 2015, the Enterprise Zone was assessed based the most recent statistics available from the US Census on:

- Unemployment Rate
- Per Capita Income
- Population Growth Rate

As a result of the boundary reassessment, the Larimer County Enterprise Zone was expanded to cover the Estes Valley and the Town of Estes Park. While the above mentioned criteria gives a broad baseline for comparison across regions of the state and identifies whether or not a place qualifies for Enterprise Zone Status, it does not tell the whole economic story of Larimer County or the specific Enterprise Zone areas. In order to get a better picture of the current economic conditions in Larimer County, the following data is being presented.

Past Year Observations and Data

Population	
339,997	11.0%
2016 Population	Population Growth for the Last 5 Years
6.1% of State	State Growth 8.0%
Jobs (2016)	
159,898	
Average Earnings (2016)	
\$54,241	
Unemployed (10/2016)	
4,957	
Completions (2015)	
7,703	
GRP (2016)	
\$14,779,393,480	
Exports (2016)	
\$19,593,324,983	
Imports (2016)	
\$19,821,779,859	

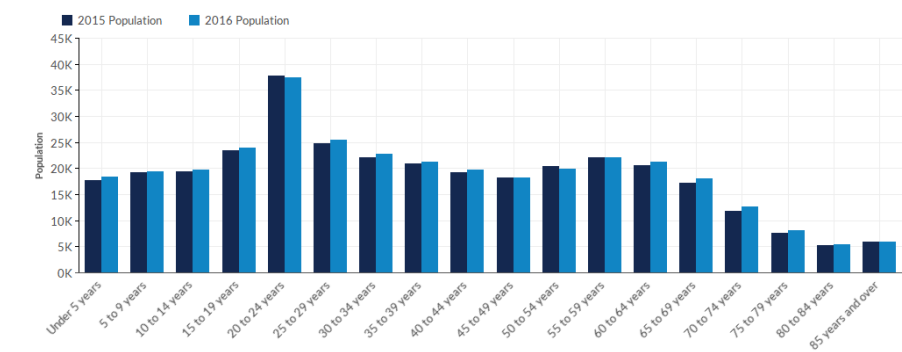


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Like the State of Colorado, the population of Larimer County continues to grow. Over the last five years Larimer County has had a population growth rate of 11.0%, three percentage points above the state growth rate. The 2016 Population is nearly 340,000, reflecting over 6% of the state population.

Illustrated in the table below is the age breakdown of the current population. While Larimer County population is heavily influenced by the presence of Colorado State University, which drives a high 20-24 age population, the forecasts from Colorado State Demographer indicate that we will see more population in the over 55 age group in the coming years and decades. Of course, pockets of the Enterprise Zone mirror these statistics, while other areas- Estes Park, for example, reflect a much different age demographic.

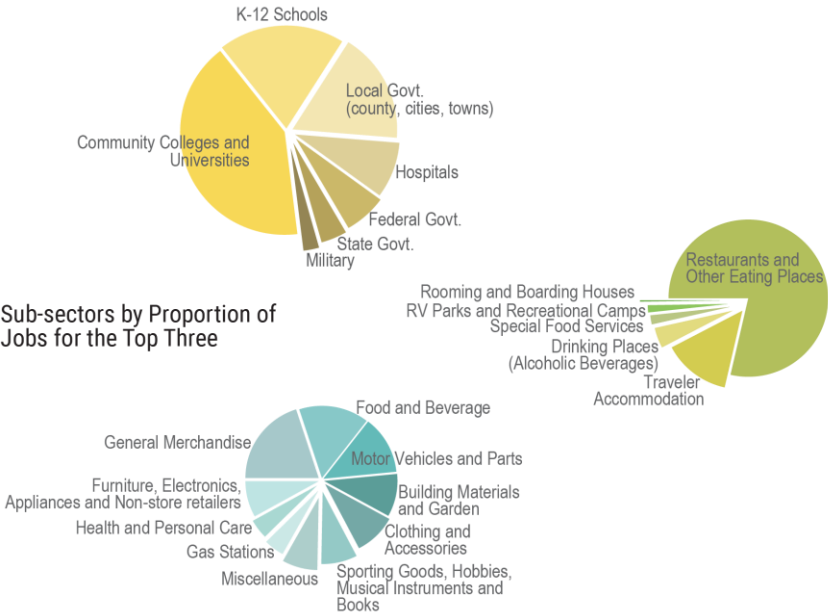
Population by Age Cohort

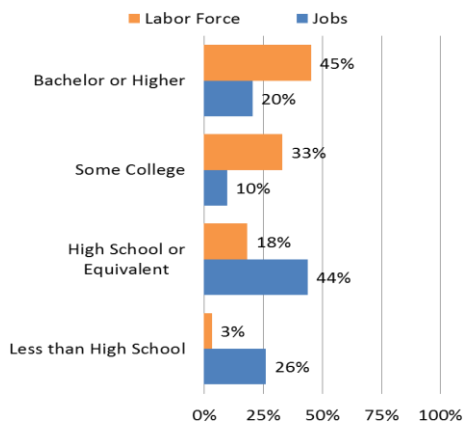


When we look at jobs by industry we see that Larimer County has a relatively diversified economy, making it more resilient in challenging economic times. However, upon further examination of the data, we see the three largest portions of the jobs in government, retail trade, and food service.

Industry Summary for 21 Industries

159,898	1.9%	\$54,241
Jobs (2016)	% Change (2015-2016)	Avg. Earnings Per Job (2016)
0% above National average	Nation: 0.9%	Nation: \$64,008





For a county that has 47% of its population with a bachelor's degree, there are much fewer jobs that require that level of educational attainment. According to a 2016 labor study of Larimer County by TIP Strategies, "The comparison of the educational requirements of the region's job base and the educational attainment of the population (25 years and older) reveals a mismatch... This type of mismatch is an indicator of underemployment and shows that a significant segment of the county's labor force is under-utilized".

Further illustrating the mismatch between the labor that exists in the county and jobs that are here is the fact that Larimer County is now an exporter of labor. According to the TIP Strategies Labor Study referenced above, "The primary consequences of this [mismatch] include a reduction in daytime population and longer commuting distances, which had implications on tax revenues, quality of life, and the environment".

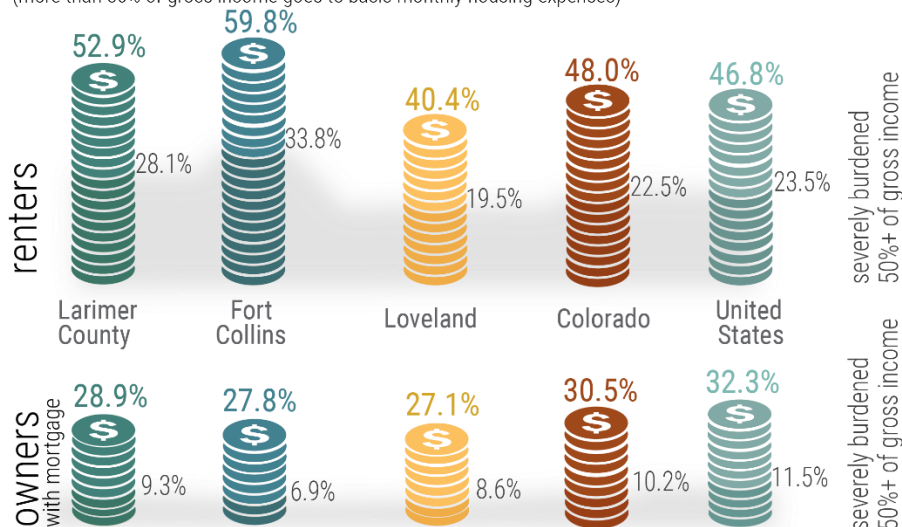


The occupations and earnings data reveal even more about Larimer County, and indicate an opportunity to help create more high paying jobs in the county- which is a primary goal of the Enterprise Zone program in Larimer County.

The average earnings in Larimer County are \$54,241, lagging the US, but relatively strong compared to markets harder hit by the most recent recession and subsequent recovery. The major challenge that many Larimer County residents are facing is the high cost of housing, which has significantly outpaced wage growth, and has contributed to some of the uncertainty in the regional economy.

Rates of Households that are Housing Cost-burdened

(more than 30% of gross income goes to basic monthly housing expenses)



U.S. Census Bureau, 2015 American Community Survey 1-Year Estimates tables B25074 and B25070

The unemployment situation only tells part of the story. There are certainly high unemployment rates in certain industries, but when one looks at what occupations that do not have the workers, we see some of the major economic drivers, such as manufacturing, construction and healthcare. Lower wage occupations like food service and retail have some of the highest rates.

While Colorado's industries track very close the nation in terms of industry earnings, Larimer County trails both the nation and the State. However cost of living- and in particular, the cost of housing- remains just as high as the Metro area.

One of the goals of the Enterprise Zone program in Larimer County is to impact the number of firms that are growing in the Enterprise Zone. Much of zone in Larimer County is located in commercial and industrial areas and major connectors between commercial centers. Some of the areas in the zone are in desperate need of new business investment, i.e. new firms locating to those areas, and in other cases the commercial corridors need revitalization, as they have become economically stagnant. There is significant redevelopment opportunity in much of the zone throughout Larimer County.

There is a healthy level of business activity in Larimer County. However, in order to accommodate the burgeoning population, the shifting demographics, and underemployment challenge, Larimer County needs new firms that can support living wage jobs in the Enterprise Zone

Past Year Observations and Data

In early 2016 Larimer County hired an Economic Development Director and created a new Economic Development Department. The role of the new department is to support regional economic development efforts,, augment municipal retention and expansion programs, drive appropriate rural development, and coordinate the actors and institutions that address economic development in Larimer County. Part of the Director's role is to administer and support the Enterprise Zone program. As such, the incumbent works hand-in-glove with the regional and municipal economic development organizations to promote the Enterprise Zone program. As a result there is a greater understanding and awareness of the Enterprise Zone program. Not only is the Enterprise Zone program being shared directly with businesses, but it is also significantly promoted on the Larimer County website, the Larimer County Workforce Center website, and shared on other websites for economic development entities within Larimer County.

Educational Outreach

In addition to a strong on-line presence and some targeted marketing, the Enterprise Zone Administrator has worked hard to have a physical presence in the communities that have an Enterprise Zone. This was especially important, as changes to the program and boundaries were being implemented. The Administrator held and continues to hold several public community meetings around the County to inform people of the changes. Information was also posted on the Larimer County website and was shared through face to face meetings with several large regional employers in the zone. This outreach was critical to helping the general population understand the changes being made to the zone.

The Administrator also worked with several large CPA firms to support the tax professionals in the county by ensuring that they have information about the program and that they are advising their clients to take advantage of the program should they qualify for it.

Economic Development Partnerships

The regional economic development staff regularly share information regarding the Enterprise Zone program with retention and expansion projects, and market the program to businesses that are considering a relocation to Larimer County. We have been told that it is a significant tool for economic developers and community developers in Larimer County. As such, we recognize the importance of job creation and wealth generation as Larimer County continues to serve tens of thousands of unemployed individuals, and thousands of people and families on Food Stamps and TANF. The numbers of people that are served through the Larimer County Workforce Center continue to indicate that there are still many residents in Larimer County that are economically distressed.

Contribution Projects:

The County's Enterprise Zone Administrator was instructed to ensure that the administration of the Enterprise Zone and activities carried out within it resulted in more resources, including financial, for the working poor. Since 1994, the Larimer County Enterprise Zone has emphasized the Contribution Credit as a way to achieve the County's mandate, resulting in economic development projects, community development projects, job training projects, health and human service projects, and tourism oriented projects that add to the economic base of the Enterprise Zone, as well as to the city or town in which the sub-zone exists.

Larimer County non-profit organizations that are located in or serve a population with the zones get significant benefit from the Enterprise Zone program via the contribution tax credit. We regularly meet with projects to discuss how they are marketing the program, and we plan to convene all of the projects in 2016 to host a seminar on best practices and marketing the Enterprise Zone program.

Objectives Report

The goals for the Enterprise Zone, which were established in the late 1990's were 1) the achievement of self-sufficient wages for individuals working in the Enterprise Zone; 2) a relative increase in the number of establishments in the Zone; 3) an increase in the number of people employed in the Enterprise Zone:

- The average wages for individuals who work in each industry in Larimer County can now be determined using the Occupational Employment Statistics from the Bureau of Labor Statistics which provides a more up-to-date estimate (currently this is Q4 2015). The average annual wage for the United States in 2015 was \$56,246. It was \$57,356 for the State of Colorado and was \$51,272 for Larimer County. Larimer County continues to fall below the national and state averages for annual average wage.
- The number of establishments that operate in the Enterprise Zone is estimated based on the U S Census data sets by Metropolitan Statistical Area. The most recent data available through EMSI shows us that there are 11,448 establishments in Larimer County, up from 11,247 in 2015. This represents a net increase of 201 establishments. We would like to see this trend continue, as one of our goals is to foster growth in the number of firms operating in Larimer County- especially in the Enterprise Zone.
- AS of December 21, 2015, the Fort Collins _ Loveland MSA had a civilian labor force of 182,000 people. Among this labor force, 3.0% were unemployed. This is the lowest unemployment rate among the laborshed, state, and US. The region's laborshed has a workforce of 330,000 and an unemployment rate of 3.3%. While these data points offer a sanguine picture of the laborshed, there continue to exist pockets of relatively high unemployment and severe underemployment.

Like most areas of the State, we continue to see relatively strong growth. However business growth (in terms of number of firms) is flat, number of people employed is down, and wages remain below state and national averages. There is still indeed a need to foster economic growth through the Enterprise Zone program.

Moving forward, the Larimer County Enterprise Zone Administrator will continue to monitor number of firms within the Fort Collins-Loveland MSA, the number of people employed and the wages within the MSA.

1. Engage the Manufacturing and Health Sector Partnerships to ensure that all participants that are located in the zone are pre-certifying for 2016. As our manufacturing and health sectors continue to grow, helping these employers grow in Larimer County is a key outcome of the Sector Partnership Initiative. We would also like to see these individual firms grow within the Enterprise Zone.
2. Decrease the unemployment rate and underemployment rate within the Enterprise Zones in Larimer County. This effort will be undertaken with a newly formed consortium of economic development, workforce development and social sector professionals and is tied to the Talent 2.0 initiative.
3. Increase the average wage in the County- with a particular attention to the lowest two quartiles. We want to support subsidized employment and training offering through the workforce system and the Job Training Tax Credit. The goal is to increase the earning potential of the people and families in the lower portions of the socio-economic strata and support their upward mobility, movement off of public assistance, and move toward providing critical labor support to key industries in Larimer County.



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Mesa County Administrative & Statutory Enterprise Zone

Overview

Mesa County is located nearly dead center between Denver and Salt Lake City, butting up against Colorado’s western border. The county’s Enterprise Zone encompasses most of the county. Mesa County is heavily agricultural, and very dependent on energy development (oil and gas). The recession which started in 2008 has had a devastating and long-lasting impact on our county, which is significantly behind the eastern part of the state with regard to recovery. The recession has resulted in the loss of 10,000 jobs and 24,000 individuals outmigrating from the county, which has less than 150,000 residents to begin with. Food assistance requests rose 94%, Colorado Works caseloads increased by 198%, tourism dropped by more than 5,000 visitors from instate, and 5,000 from out of state. Natural gas drilling permits in 2009 were 49, in 2016 there were 3. Construction jobs dropped by 40%. Part time jobs increased from 19% of all jobs in the county to 49% of all jobs, and Mesa County’s average weekly wage still continues to lag well behind state averages (\$843 for Mesa County vs. \$1,082 for State*). Sales tax revenue in 2008 was \$45,104,156; in 2016 it was \$30,736,766, a drop of nearly \$15 million.

*Bureau of Labor Statistics

Parts of Mesa County are listed by the state as Medically Underserved due to the high percentage of low to moderate income residents. The county continues to struggle to provide resources for these individuals and their families so they are able to live and work in the county. A high percentage of retail and tourism jobs, which may be part time and are lower on the pay scale provide employment, leave gaps in living wage potential for a large segment of the county.

Mesa County is actively working to bring in more higher-paying jobs in the manufacturing, technology and memdical sectors, but must still focus on agriculture, tourism, and energy, as those make up the bulk of the existing business in the county.

Past year Observations and Data

In this section please include information on any identified trends or observations from the year and the most current statistics. Please specifically include 1) the unemployment rate, 2) the per capita income, and 3) the population growth rate of your EZ. Use the most relevant area data available (county, MSA, county sub-division).

Unemployment rates Mesa County*: 2015 = 5.40% 2016 = 4.50% State 2016 = 2.7
Per capital income Mesa County**: Mesa County \$26,700; Colorado \$31,109
Population Growth Rate***: Mesa County .5% (2014 = 148,450/2015 = 149,249; Colorado 5.8%

*Data Source: Mesa County Workforce Center
** State of Colorado/2016 remapping data
*** DOLA site

Business Tax Credits in:	2015	2016
Capital Investment:	\$25,565,781	\$13,459,996
Investment Tax Credits	\$540,339	\$276,768
Jobs Created	165	120
Jobs Credit	\$175,103	\$132,182
Health Insurance Credit	\$27,000	\$29,479
Research & Development Credit	\$8,366	\$721
Jobs Training Credit	\$55,616	\$70,730

2016 Efforts to Improve Conditions

In order to help drive the economy, Mesa County and ED partners:

- opted to participate in the Jump Start program
- are investigating Foreign Trade Zones
- are in the process of implementing the North Avenue Commercial Catalyst Pilot Program to renovate this major traffic & business artery
- continue with renovations to Horizon Drive which is a major exit from I-70 and access to our airport
- investing in infrastructure upgrades and installations to help boost the economy
- performing studies that will be instrumental in installation of county-wide/improved internet



We started 2016 with 19 Contribution Projects and added 6 additional projects during the year. These contribution projects provide services to the community that allow workers to keep their jobs and families intact during the stressful periods, house the homeless, provide critical medical facilities, promote economic development, are strong tourism draws, provide education in critical fields for bringing in targeted businesses, provide job training, and contribute to a high quality of life that is a significant draw to businesses considering whether to move to our area and create new jobs. We consider all these types of projects critical to Mesa County's recovery and on-going economic development. Projects approved in 2016 included 4 event/attractions to bring in additional tourists, and 2 for training of homeless and/or underemployed which directly created or retained jobs in the county.

The Mesa County Enterprise Zone Administrator (MCEZA) acts as a resource, fielding questions from businesses, tax advisors, non-profits, and donors on how the EZ works, where to go to pre-certify and certify, how to complete forms, etc. During 2016, the MCEZA processed 1,197 pre-certifications and 111 certifications, issued 2,415 certificates to contribution projects, and conducted 19 contribution project staff training sessions. The MCEZA uses in-person meetings, e-mail, phone calls, print media, and presentations to inform the public about the program and to answer questions. In 2016, the MCEZA responded to more than 600 e-mail requests for information, and hundreds of phone calls.

The MCEZA provides print media in the form of a large fold out map which shows the area of the zone, as well as listing the types of tax credits available and where to access the information. In addition we have a condensed rack card. Both these pieces are provided to the local Chambers of Commerce, the Grand Junction Economic Partnership, the Business Incubator Center, and all city/county entities. At the end of each year a postcard is mailed to all new owners of commercial, industrial, and agricultural property within the MCEZ advising them of the program and where to go for resources. With the inception of the new 2016 MCEZ map, there were several TV and print interviews. The MCEZA makes presentations to local entities, including Chambers of Commerce, County Commissioners, service groups and others, as well as the Business Incubator Center staff and board members.

The county EZ was remapped January 1, 2016 which resulted in many more businesses being within the Mesa County EZ. This allowed those businesses to utilize the EZ program for the first time ever. In addition to being a significant help to those businesses with regard to their tax burden, it required a significant amount of the MCEZA's time to explain the program and how the business owners and their tax advisors could access the resources to determine which tax credits they might qualify for. All business entities/tax advisors who contact the MCEZA receive an e-mail recap of the discussion, as well as links to all needed sites.

Contribution projects receive monthly e-mails and attend a mandatory annual meeting. New projects, or those with new staff, are required to attend mandatory training sessions. In addition, we are proactive in providing direct counseling and support to contribution projects to help them maximize the benefits provided to their donors while staying in compliance for what their project was approved to do.

The Mesa County Enterprise Zone Committee (MCEZC) attend frequent meetings as a group with the MCEZA to discuss the zone, review potential boundary amendments, program fees, review reports on statistics, and approve Contribution Projects that will move forward in the process. The MCEZC is comprised of:

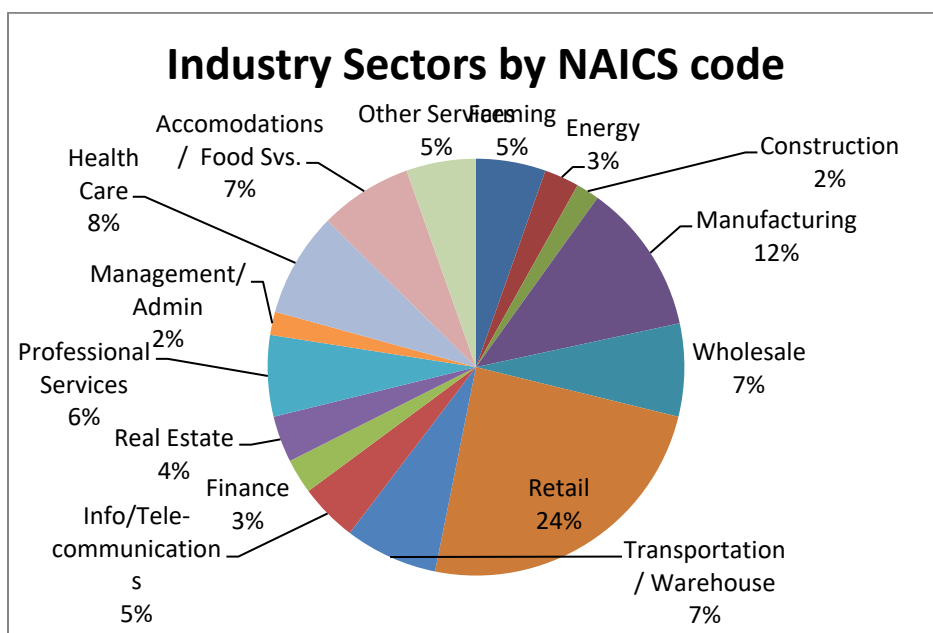
- | | |
|---------------------------------------|--------------------------------|
| • Town of Collbran | • Palisade Chamber of Commerce |
| • Town of DeBeque | • Town of Palisade |
| • Downtown Development Authority (GJ) | • Business Incubator Center |
| • Grand Junction Economic Partnership | • Mesa County |
| • Fruita Chamber of Commerce | • City of Grand Junction |
| • City of Fruita | • Human Services Council |
| • Grand Junction Chamber of Commerce | • |

All projects/amendments approved by the MCEZC are presented to the Mesa County Commissioners for approval before being submitted to the state Economic Development Commission. During 2016, the MCEZA spoke with several businesses which were considering expanding or moving to Mesa County who wanted to know their options regarding Enterprise Zone Tax Credits. These businesses included Schauenburg, Encana, Merritt & Associates (vacant building), Whitewater Building Materials, Pen Investments (vacant building), CabParts, and United Parcel Service, many of which were new to the Mesa County EZ after remapping and only learned they were eligible from the postcards sent by the MCEZA.

2016 Objectives Report

Category: Utilization of the incentives

1. **Objective:** Expand the scope of the Enterprise Zone Program by increasing the number of Business Tax credit forms filed by 5% through increased outreach and education to businesses and tax advisors.
 - a. Increased from 747 in 2015 to 1,308 in 2016
2. **Objective:** Increase the number of job training credit forms filed by 5% through increased outreach and education to businesses and tax advisors.
 - a. Job training credits reduced from \$175,103 in 2015 to \$132,183 in 2016. This is likely due to the continued poor economy of Mesa County and business' uncertainty about revenue.
3. **Objective:** Raise the number of net job creations reported through the Business Tax forms by 3% through increased outreach and education to businesses and tax advisors.
 - a. Jobs created dropped from 165 in 2015 to 120 in 2016. Again, likely due to the continued poor economy in Mesa County and decreasing revenues.
4. **Objective:** Track and report the industry sectors represented by the filing companies to ensure that it tracks changes in the Mesa County economy.



5. **Objective:** Add at least three new contribution projects.
 - a. Added 7 projects in 2016 (1 was a prior project)
6. **Objective:** Make at least three presentations about the Enterprise Zone to relevant constituents each year.
 - a. Made 22 presentations to groups/informational reviews at events in 2016

Objectives for 2017

The overall goals of the Mesa County Enterprise Zone are:

1. Promote economic growth by expanding existing, and bringing in new, businesses within core industries of technology, manufacturing, tourism, medical hub, service industries, and natural resources.
2. Promote recreation and tourism-related events and venues to bring more outside dollars into the county and to attract new business.
3. Educate to provide a trained workforce in tech, medical, and manufacturing industries to attract new businesses and investment in existing business.
4. Provide facilities, property, and programs that draw and retain highly-skilled workers, including (but not limited to) high-speed internet, social amenities, and enrichment programs.
5. Workforce housing and homeless housing with programs to get them into the workforce.



To obtain these goals, our measureable objectives for 2017 are:

- Increase the number of Investment Tax credits claimed by 5% through expanded marketing and education of program to businesses within the zone.
- Increase the number of job training credit claimed by 5% by expanded marketing and education of program to businesses within the zone.
- Increase the number of net jobs created 3% through expanded marketing and education of businesses within the zone.
- Track and report the industry sectors represented by the filing companies to help track changes and gaps in Mesa County's businesses & economy.
- Add at least two new qualified contribution projects.
- Make at least 5 group presentations about the Enterprise Zone to relevant constituents.



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North Metro Administrative & Statutory Enterprise Zone

Overview

The North Metro Enterprise Zone, established in 2016, is comprised of portions of the Cities of Longmont and Lafayette, and the City & County of Broomfield. The Longmont Economic Development Partnership (EDP) serves as the North Metro Enterprise Zone administrator.

The Longmont EDP is a non-profit, public/private economic development partnership that includes local government, industry, and private sector partners. The mission of the Longmont EDP is to lead a comprehensive, collaborative economic development strategy to promote and strengthen our community's economic health. They do this by:

- Strengthening Longmont's competitive position;
- Marketing Longmont as the ideal location for new quality job creation and business investment opportunities;
- Serving as the gateway to Longmont for all businesses;
- Facilitating infrastructure investments that build capacity;
- Supporting the creation and retention of quality jobs;
- Advancing opportunities for entrepreneurship and innovation; and
- Advocating on behalf of all Longmont businesses.

Past year Observations and Data

According to data from the Bureau of Labor Statistics (BLS), the unemployment rate for the City & County of Broomfield dropped from 2.8% to 2.5% from year end 2015 to year end 2016 based on the most current preliminary projections. The cities of Lafayette and Longmont saw a change in unemployment from 2.7% to 2.0% and from 3.3% to 2.7% respectively. Boulder County as a whole saw a change in unemployment rate from year end 2015 to year end 2016 from 2.6% to 2.2%.

According to DOLA, Boulder County Population in 2015 was 319,177, and increase of about 1.8% over the previous year, and marking the 10th straight year of population growth for the county. Broomfield County population in 2015 was 64,788, an increase of 5.1% from the previous year. Broomfield has recognized population growth in every year since becoming a county in 2001.

Bureau of Economic Adjustment data shows that per capita personal income in Boulder County increased from \$58,917 to \$60,220, or 2.2%, from 2014 to 2015, while Broomfield County per capital income decreased slightly over the same period from \$73,686 to \$73,107, or .08%.

Past year Efforts to Improve Conditions

With 2016 being the first year of the North Metro Enterprise Zone, the Longmont EDP and our partners in Lafayette and Broomfield put significant effort into promoting the availability and benefits of the EZ program in our communities, including:

- Branding the North Metro EZ and creating common messaging and collateral across all three communities.
- Providing educational presentations for businesses located within the EZ, as well as local tax preparers and attorneys who might have clients within the EZ, in each of our respective communities.
- Making ourselves available to meet with individual businesses to review the benefits and process. Approximately 75 of these meetings were held throughout the year across the three communities located within the North Metro EZ.
- Designation of five EZ contribution projects – Longmont EDP (economic development/job creation); TinkerMill (innovation & entrepreneurship); OUR Center (homelessness assistance); PEARL Group (job training); and City of Lafayette (EZ marketing efforts).
- Direct mail campaigns (post cards) and digital marketing (e-mail) campaigns to encourage pre-certification, as well as to encourage contributions to our contribution projects.
- Utilizing our existing industry survey process and City Leadership program as opportunities to inform businesses located within the EZ of the benefits, and pre-certification process.
- Updated online property search tool, and property brochures to include EZ designation information where appropriate.

Premium Powder Coating, a powder coating manufacturing company and new business to Longmont, made their decision to purchase a new building in the city in part based on its location within the EZ and the associated benefits. They purchased a 61,100 square foot building where they now employ 21 people.

Objectives Report

The first year objectives for the North Metro Enterprise Zone, and year end results, include:

OBJECTIVE: Target all business and property owners in the designated area to inform them about the tax credits available to them through Enterprise Zone designation, and to provide training on pre-certification and how to capitalize on all available EZ credits.

Metrics and results include:

- Metric: 30% pre-certification rate of established businesses within the EZ area; Result: Approximately 29% of established businesses within the EZ area pre-certified in 2016.
- Metric: Increase capital investment in the area; Result: Not yet known, as most of our EZ businesses are still in the certification process for the first year of the EZ.
- Metric: Increase total number of jobs created in the EZ area; Result: Not yet known, as most of our EZ businesses are still in the certification process for the first year of the EZ.
- Metric: Increase the number of employees trained in the EZ area; Result: Not yet known, as most of our EZ businesses are still in the certification process for the first year of the EZ.

Because 2016 was the first year of the North Metro Enterprise Zone, first year data collected based on certifications will be used as a baseline to set more specific performance metrics in these areas in the future.

OBJECTIVE: Develop and execute a marketing strategy for the North Metro Enterprise Zone program, both as an internal retention/expansion tool, as well as an external attraction tool. **RESULT:** Created branding and a template for marketing the EZ that could be used by all communities within the North Metro EZ, conducted multiple direct mail and digital marketing campaigns both internally and externally, as well as promoted the North Metro EZ in all economic development collateral materials in all three communities.

OBJECTIVE: Increase awareness among brokers and property owners who own buildings in the EZ with potential to utilize the Vacant Building Rehabilitation Tax Credit. Create a list of buildings in the EZ that the Vacant Building Rehab credit is available for, and directly work with those properties' owners and brokers on utilizing the credit in marketing these properties for investment and redevelopment. **RESULT:** Ongoing – working with DDD, and City redevelopment staff to identify opportunities to utilize this credit, an have communicated the availability of the credit to all eligible property owners, but it has not yet been used.

OBJECTIVE: Identify at least one potential Enterprise Zone contribution project and work with appropriate economic development and other partners to pursue this designation. **RESULT:** Identified and successfully pursued EZ Contribution Project designation for five projects/organizations serving the North Metro EZ.

Objectives for Coming Year

1. Target 20 manufacturers and inform them about the Investment Tax Credit.
2. Increase the total number of jobs created in the EZ over last year.
3. Increase awareness among brokers and property owners who own buildings in the EZ with potential to utilize the Vacant Building Rehabilitation Tax Credit. Create a list of buildings in the EZ that the Vacant Building Rehab credit is available for, and directly work with those properties' owners and brokers on utilizing the credit in marketing these properties for investment and redevelopment.
4. Support small business development initiatives within the EZ designation area.
5. Build minority participation in the business community through support of these efforts within the EZ designation area.
6. Align education and training with industry needs to support workforce development, and the expansion of new and expanding primary job creating businesses.
7. Develop social amenities in and around the EZ designation area that help retain and attract workers in support of primary industry employers in the Enterprise Zone.
8. Ensure a competitive supply of housing for workers of all levels in and around the EZ designation area.
9. Cultivate and a culture of innovation and entrepreneurship in the EZ designation area.

10. Encourage redevelopment and beautification of targeted areas within the EZ designation area.
11. Invest in capital improvements in public buildings and facilities, transportation, parks and recreation, telecommunications, and water according to economic development priorities.
12. Improve access to, affordability, and delivery of healthcare as a tool to attract and retain primary industry employers, and a diverse labor force.



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Northeast Administrative Zone. Part of North-East-Central Statutory Enterprise Zone

Overview

The region, located in the Northeastern corner of Colorado is a 9,300 square mile geographic area that includes Logan, Morgan, Phillips, Sedgwick, Washington and Yuma counties. The region has 22 incorporated municipalities.

The region is made up of 21 school districts of varying sizes in the six counties. The public school system in the region is regarded highly and the area schools all have high graduation rates.

Opportunities in higher education can be found at a junior college and a community college that serve constituents throughout the region. Morgan Community College (MCC), with a campus in Fort Morgan, and Northeastern Junior College (NJC), located in Sterling.

The region has a state correctional facility located in Logan County, as well a smaller facilities in Washington County.

Airports are also an important feature of the region. Denver International Airport is located just an hour drive from the west end of the region. The region also has 8 municipal airports that service small aircraft to commercial jets.

The highway infrastructure is a major asset for the region. Interstate 76 runs east to west through the region, and there is access of I-25, I-70 and I-80 within 70 miles of the region. There are also several major state highways running through the region including Highway 34, 385, 14, 61, 71 and 6, the Heartland Express (which is part of the Ports-to-Plains highway system).

The Region also has significant railroad access including main lines with Burlington Northern Sante Fe, Union Pacific and Amtrak (Fort Morgan also maintains an active station). The availability of rail transportation is better than many regions in the state.

Local transportation is provided by the County Express and Prairie Express bus systems. The County Express is a regional, six county service providing rides on a demand-response basis. The Prairie Express is a fixed route system in the City of Sterling that provides access to all major employers, medical facilities, retail centers and educational institutions. Prairie Express offers route deviations for places off the regular route for a small additional charge.

2016 Observations and Data

Enterprise Zone	Unemployment Rate	Per Capita Income	Population Growth Rate
East Central	6.76	\$ 27,354	5.36

2016 Efforts to Improve Conditions

Listed below are the EDC Designated Projects in the Region by County for the calendar year ending 2015. Making the benefits of the E.Z. known to individuals and projects through various means, at times as simple as keeping elected officials informed, which in turn branches out to various other committees, groups and individuals.

Contribution Projects

Region I Enterprise Zone Contribution Project Activity for FY 2016 by County

	Contributions	
	Cash \$	In-kind
Logan County Total =	\$22,350.00	61,710.00
Morgan County Total =	\$211,993.37	
Phillips County Total =	\$47,018.08	
Sedgwick County Total =	\$13,250.00	
Washington County Total =	\$ 0.00	
Yuma County Total =	\$46,475.00	\$69,591.23
2016 Contributions Regional Total	\$340,870.66	\$69,591.23

NECALG has a brochure that describes the EZ contribution credit and lists all of the Projects approved in the NECALG Region. An example of the tax advantages of a contribution through the Enterprise Zone is included.

Brochures have been made available on demand, and as a routine service, reminders are emailed to area accountants as changes are implemented or deadlines approach...such as with pre-certifications. As much as possible, reference to the State website www.chooscolorado.com is given for self-clarification of EZ rules and processes.

In the past, postcards and other media (brochures mentioned above) were created and distributed. However, in the recent past, as materials were depleted, hardcopy and mail out information had been minimized or eliminated in favor of direct email dissemination of information.

Presentations

Upon request and if time allows, staff respond to requests to provide information direction in form of a verbal presentation. .

Partners

As previously noted, the NECALG collaborates with local County economic development offices throughout the Region, NECO. Early in 2013, NECALG along with this group and other stakeholders, completed a "Comprehensive Economic Development Strategy" (CEDS) submitted to the Economic Development Administration as part of an on-going process to be designated an Economic Development District. Designation as an Economic Development District was awarded in 2014. While at present the EDD remains unfunded, the partnership of business, education, government, and private entities helps to strengthen Regional ties and promote business growth in the area.

Objectives

For 2016, the Objectives NECALG strived to achieve were as follows:

1. Continue to educate the public regarding the EZ and the benefits therein.
2. Design new brochures and electronic media.
3. Work with local professionals to ensure EZ credits are shared with clients in business planning.

Overall, NECALG continued disseminating information to local accountants, and increasingly to private individuals learning of and taking part in the EZ credits. Held back on creation of new media regarding the EZ as changes continued from web-site change to modification of the Contribution Project scope and methodology. Still working to educate the importance of Pre-Certifying, while responding to multitude of questions generated in working with and through the new Salesforce platform. While there is still a litany of questions and a learning curve for users of the system (and us as well), kudos to the State staff who have worked diligently making the system more user friendly and appropriate for this Project.

For 2017 NECALG will work to:

1. Educate local governments to the economic benefits of EZ for development of community facilities and/or infrastructure development
2. Make contact and explore support to entities working with the homelessness in the Region and explore possible employment training and housing solutions.
3. Work with local business to educate the nuances of purchases that might be eligible for investment credits to they may help their customers to pre-certify first. Not only helping the customer, but may encourage additional business.



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Northwest Administrative & Statutory Enterprise Zone

Overview

Associated Governments of Northwest Colorado (AGNC) is the council of governments designated for Region 11 including the counties of Garfield, Mesa, Moffat, Rio Blanco, and Routt. The Northwest Enterprise Zone (NWEZ) is comprised of Garfield, Moffat, Rio Blanco, Routt, Jackson, Grand and Clear Creek Counties. The counties that make up the NWEZ are rural communities that have economies heavily dependent on agriculture, tourism, and extraction of natural resources for energy production. For the past several years there has been a decline in the energy production field resulting in population decline and economic distress in these rural areas. Our communities have realized the need to diversify their economies and have been working toward that goal. Other key industries, based on GDP include health & wellness, transportation and logistics, infrastructure engineering and financial services.

Past year Observations and Data

Capital Investments for 2015 were \$78,428,746 which was 58.7% lower than 2014 and Investment Tax Credits were similarly reduced in 2015 with total credits of \$1,505,208 a 66.9% reduction. Capital Investments continue to decline and lag the state/national economic recovery due to commodity prices, industry restructuring, population declines and impacts from federal land management policies and regulations. BLM resource management plans regarding the Greater Sage Grouse in NW Colorado severely limit economic growth opportunities in NW Colorado in the agriculture, tourism and natural resource development categories. AGNC has embarked on a project to develop local scale habitat mapping that will accomplish conservation of the species as well as allow for economic growth in the region.

As of December 2016, the unemployment rate was down from December 2015 in all seven counties. Clear Creek had an unemployment rate of 2.5% compared to 3.0% in 2015; Garfield at 2.9% compared to 3.5%; Grand at 2.0% compared to 2.4%; Jackson at 1.8% compared to 3.2%; Moffat at 3.4% compared to 4.2%; Rio Blanco at 4.5% compared to 5.1%; and Routt at 2.1% compared to 2.4%. This brings the seven-county average unemployment rate to 2.7%.

As of the end of 2015 the NWEZ saw the per capita income was up from 2014 in all seven counties: Clear Creek up from 49,805 in 2014 to 51,710 in 2015; Garfield up from 49,114 in 2014 to 50,556 in 2015; Grand up from 39,099 in 2014 to 40,963 in 2015; Jackson up from 39,626 in 2014 to 43,880 in 2015; Moffat up from 38,628 in 2014 to 38,875 in 2015; Rio Blanco up from 41,085 in 2014 to 41,723 in 2015; and Routt up from 65,216 in 2014 to 65,734 in 2015.

Populations for some of the counties went up, while others lost some population. The trend on the loss of population seemed to stem from energy companies moving out and many who lost their jobs from this outmigration also moved to find work. At the end of 2015 Clear Creek's population was up to 9328 from 9157 in 2014; Garfield's up to 58,082 from 57,484 in 2014; Grand's up to 14,615 from 14,465 in 2014; Moffat's up to 12,923 from 12,890 in 2014; and Routt's up to 24,103 from 23,852 in 2014. The counties losing population were Jackson, down to 1352 from 1386 in 2014, and Rio Blanco, down to 6459 from 6623 in 2014.

Past year Efforts to Improve Conditions

Contribution Projects

In 2016, the NWEZ had 18 new projects approved; almost double the total number of contribution projects in the NWEZ the year before. This includes 14 new projects in Routt County, 2 in Clear Creek County, 1 in Moffat County and 1 in Garfield County. Seven of these new projects are capital campaigns aimed at job creation through expansion and increased tourism. Two of these projects are direct economic development organizations. Others are aimed at homelessness and job training. The amount of contributions were also up in 2016 with a total of \$1,210,379.99 in cash donations and \$259,853.64 in in-kind donations, bringing the total tax credit amount to \$334,371.36.

County Resource

As the host for the Northwest Enterprise Zone program, AGNC serves as the local expert for local governments, businesses, accounting professionals, as well as economic and business development organizations. The NWEZ Administrator and the AGNC Executive Director make numerous presentations to various audiences throughout the seven-county region and provide timely information via phone and email. As the program becomes more widely known, inquiries about the program have become more frequent. The NWEZ Administrator serves as a resource for CPA's in answering questions related to the enterprise zone and those inquiries have also grown in number as the NWEZ is more visible through the meetings provided in the counties. The outreach programs conducted by AGNC have resulted in a number of contacts from counties and businesses outside the NWEZ. In addition,



we are proactive in providing direct support to contribution projects to help them maximize the benefits provided to their donors while staying in compliance for what their project was approved to do.

Educational Publications

The NWEZ provided publications that serve to inform businesses and individuals in the region of the EZ credits, oftentimes in collaboration with economic development organizations which results in more cost-effective distribution of literature.

These publications include:

Enterprise Zone Brochures developed in conjunction with Rio Blanco and Moffat County ED organizations.

Newspaper ads developed in conjunction with the Craig Moffat County Economic Development Partnership.

Links to the State Enterprise Zone page and list of helpful resources are included on our website www.agnc.org.

Local government organizations have worked with NWEZ to include enterprise zone information and links on their local websites, as well as contact information for the NWEZ Administrator.

Presentations

Presentations were made throughout the region during 2016 even though agency staffing was limited. Local government officials, businesses, accounting professionals, business organizations, education and economic development representatives were invited to all presentations. In addition to enterprise zone information, the meeting presentations included information about the Colorado Jump Start Program. Presentations were made in the following locations:

- Craig Economic Development
- AGNC Board Meeting/ Quarterly Reports
- Garfield County Economic Development Partners
- Jackson County Commissioners
- Routt County Economic Development/Chamber of Commerce
- Meeker Chamber of Commerce
- Jackson County Businesses and County Commissioners
- Grand County Commissioners/Chamber of Commerce
- Meeker Chamber of Commerce
- Rangely Chamber of Commerce

Partners

AGNC worked collaboratively with economic partners throughout the NWEZ including Craig/Moffat Economic Development Partners, Steamboat Springs Chamber Resort Association, local governments of all 7 counties in the zone, especially our 4 member counties, as well as Mesa, Gilpin/Central City, and Colorado Northwestern Community College to raise awareness of enterprise zone benefits and opportunities.

Winning Story

Steamboat Springs, historically, has not been included in the enterprise zone program while the rest of Routt County was included. While it has been generally believed that ski resorts may not be considered a fit for enterprise zone designation, the City of Steamboat Springs downtown is removed from the actual ski area and was dealing with distress issues typical of other areas already in the enterprise zone. Steamboat Springs recently lost 200+ jobs when Kiewit purchased TIC, a \$2 billion/year global industrial construction firm, and moved it to the Front Range. These TIC positions were largely cream-of-the-crop jobs that paid considerably higher than median wage for the area. This was particularly significant in light of the fact that more than one-third of the jobs in Steamboat are in low-paying industry sectors such as Food Service & Accommodations and Retail Trade. The high cost of living in Steamboat Springs makes it particularly challenging for workers in these industries to remain at or above Routt County self-sufficiency levels. Loss of the TIC jobs negatively impacts county median family income, household income and per-capita income. As median income levels fall, it is more difficult for those in the community to keep up with cost-of-living increases, making workforce recruitment and retention a challenge. Per-capita income is further impacted by the declining domestic demand for coal, which is negatively impacting coal production in Routt County. Coal-mining jobs, which pay 130% higher than the average job in Routt County, are down by 36% at Twenty mile coal mine (Colorado's leading coal-producer) over the last five years. Additionally, access to broadband infrastructure is limited and makes attracting and retaining businesses, as well as workforce and visitors, more difficult. During the re-designation for 2016, the NWEZ Administrator demonstrated the need Steamboat Springs inclusion in the enterprise zone. Since the re-designation in 2016, we have seen Steamboat Springs utilize this program more than any other municipality within the NWEZ. Out of 1,145 pre-certifications in the NWEZ during 2016, 442 were from Steamboat Springs. There



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were 12 new contribution projects, located in Steamboat Springs, approved in 2016. Those new contribution projects brought in cash donations totaling \$982,340.49 and in-kind donations totaling \$144,205.53, accounting for \$263,340.34 in tax credits given. The City of Steamboat Springs has proven they can use the enterprise zone in their community and the community has leveraged this designation to their benefit – enhancing the economy of the community and Routt County.

Objectives Report:

1. Target community leaders in all NWEZ counties and tell them about the benefits of the Enterprise Zone Tax Credits for businesses as well as contribution projects.
 - **RESULT:** In 2016, at least one meeting was conducted in 6 of the 7 counties within the NWEZ in collaboration with the economic development partners in the county, businesses, accounting professionals and non-profit organizations. The meetings outlined benefits of the enterprise zone, particularly noted that the benefits are for all industries and focused on the fact that the zone appears to be underutilized for agricultural businesses. A notable increase in pre-certifications in Clear Creek (61 in 2016 from 10 in 2015), Moffat (173 in 2016 from 65 in 2015) and Routt (580 in 2016 from 54 in 2015) Counties.
2. Maximize the availability of the enterprise zone tool to distressed areas in NW Colorado through monitoring and adjustment of NWEZ boundaries.
 - **RESULT:** The communities of Meeker and Rangely were excluded from the NWEZ through the re-designation process even though they continued to lose workforce as energy producers addressed falling prices and demand throughout 2015. AGNC followed up with OEDIT to research and review the criteria for inclusion within the NWEZ and had developed a plan to request a boundary adjustment to include these communities and restore this important tool for addressing economic distress in the two communities.
3. Increase the number of contribution projects that support community economic development plans and address the community building component for livability and attraction of businesses and workforce. Add a minimum of three contribution projects in 2016 that address these economic development components.
 - **RESULT:** The NWEZ grew contribution projects by 18 during 2016. A large number of the projects were located within the City of Steamboat Springs which had not been within the enterprise zone previously. One of the largest economic drivers in Steamboat Springs is tourism so a number of the projects focused on programs that would increase visitation to the region and were cited as attractions for retention and attraction of workforce to the region as well. Several of the projects will also serve to rehabilitate some buildings in the downtown area which has struggled over the past several years. Other workforce development projects were also approved in the community as well. Other projects in the region address economic development efforts, job training, workforce development and affordable housing. Several of the contribution projects approved noted that the vitality of their project has been documented as a factor in business and workforce relocation and retention in Routt County.

Objectives for Coming Year

1. Promote the rural culture, identity and character of communities which will attract/retain businesses and workforce through support for contribution projects and development of businesses unique to the region.
2. Invest in and improve infrastructure, including broadband, by encouraging the development of creative access points in all communities that will attract/retain business and workforce.
3. Support the rehabilitation of vacant buildings and put them into commercial use.
4. Encourage the creation of cluster industries where appropriate throughout the region, i.e. expand the firefighting industry through enhancement of the Firefighting Center of Excellence in Rifle.
5. Support the expansion of regional air service and related industries including maintenance and pilot education as provided through Colorado Northwestern Community College.



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Pikes Peak Administrative & Statutory Enterprise Zone

Overview

Effective January 1, 2016, the boundaries of the Pikes Peak Enterprise Zone, formerly known as the El Paso County Enterprise Zone, were re-designated pursuant to Colorado Revised Statutes, 39-30-103(2)(c)(I). The name change to Pikes Peak Enterprise (“PPEZ”) is reflective of the fact that parts of both El Paso and Teller Counties are now included within its boundaries. In Teller County, which previously had not been included in an Enterprise Zone, the municipalities of Woodland Park, Victor and Cripple Creek were added as well as the unincorporated areas of Florissant and Divide. For El Paso County, portions of Calhan, Colorado Springs, Fountain, Manitou Springs, Monument, Palmer Lake, and Ramah are included along with the following unincorporated areas of El Paso County: eastern El Paso County, the Security/Widefield area, Cimarron Hills and the Tri-Lakes area. Common to all these areas are both their commercial/industrial nature and economic distress.

As historical background, the El Paso County Enterprise Zone was designated in 1990 and initially included: the older commercial and industrial sections of Colorado Springs and Fountain, adjoining areas of unincorporated El Paso County along the I-25 corridor, the area surrounding the Colorado Springs Airport, and Calhan and Ramah in rural eastern El Paso County. Subsequent amendments to the Zone boundaries added business and industrial areas in Palmer Lake, Monument and Manitou Springs and all of rural El Paso County east of Meridian Road. In 1998, the northern portions of the Zone, including the areas in Palmer Lake and Monument, were terminated. Periodically, smaller areas were added to encourage business expansions or community development projects. During the boundary re-designation process in 2015, eligible areas were evaluated using the required distress criteria and, working with the various municipalities, the current boundaries were established effective for 2016; no changes have since occurred.

El Paso County acts as the lead agency for the PPEZ and its Economic Development Manager serves as the Pikes Peak Enterprise Zone Administrator with significant staff support provided by the county’s Economic Development Senior Analyst and Budget and Finance Divisions. The county works with all of the included municipalities and economic development organizations throughout the region to encourage businesses to expand and locate in the Zone and to create an environment that fosters job creation and retention.

In its Enterprise Zone Plan, the following goals were identified

- Create primary jobs by encouraging Zone employers to invest in their businesses
- Encourage economic redevelopment in distressed areas
- Increase job training programs to up-skill workers
- Increase visitors to and spending in the Zone
- Encourage a healthy workforce
- Decrease homelessness/improve conditions for the homeless
- Increase affordable housing

Additional goals include

- Increase tourism
- Encourage defense-related industry
- Attract sports/wellness/health events, businesses and attractions
- Increase jobs in the information and communication technologies sector
- Expand resources to foster entrepreneurship and small business development

Past Year Observations and Data

According to the Local Area Unemployment Statistics Program of the State of Colorado, the unemployment rate in both El Paso and Teller counties was 3.2%, as of December, 2016, compared to 2.7% for the State of Colorado, marking a 20% improvement in El Paso County. While still higher than the statewide average, the unemployment rate gap is considerably lower than in previous years.

In a March, 2016 estimate from the U.S. Bureau of Economic Analysis, 2015 per capita income in El Paso County was \$43,385 and \$45,219 in Teller County, representing a healthy increase of \$1,740 annually in El Paso County and an increase of \$2,295 in Teller County. While both counties reflect higher increases than the preceding year, El Paso County’s per capita personal income is less than 86%, and Teller County’s less than 89%, of that of the state as a whole. According to Colorado Department of Local Affairs, El Paso County’s population was estimated to have increased to 674,471, an increase of slightly over 11,000 over the prior year,



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thereby maintaining its position as the most populous county in the state. Teller County's population was estimated to have increased to 45,219, an increase of less than 10 over the previous year.

Past Year Efforts to Improve Conditions

Marketing

Continued marketing of the Enterprise Zone to businesses was provided not only by El Paso County Economic Development but also by similar departments of the participating municipalities and partner agencies such as Colorado Springs Downtown Partnership, the Colorado Springs Chamber and EDC, The Greater Woodland Park Chamber of Commerce, the Small Business Development Center, and the Procurement Technical Assistance Center. El Paso County's website dedicates pages to the Enterprise Zone Contribution Projects as well as business credit information and links back to the state's website allowing businesses to easily complete annual pre-certification and certification applications. Recognizing that tourism plays a significant role in the economy of the region, on-going support from El Paso County of the Colorado Springs Convention & Visitors Bureau to market to visitors was supplemented by sponsorship of the Cultural Office of the Pikes Peak Region and the Colorado Springs Sports Corporation.

Contribution Projects

Five eligible contribution projects were added to the El Paso County Enterprise Zone in 2016: Pikes Peak Hospice Inpatient Unit at Penrose Hospital which is vital to complete the health care continuum of care needed in the community; Tri-Lakes Cares to offer emergency and self-sufficiency and relief program services to its clients residing in the zone; Victor Downtown Revitalization and Marketing for the newly added PPEZ area; Norris-Penrose Event Center Capital Project to remodel and repurpose the current event center to bring more visitors to the Zone; and Mount Carmel Center of Excellence which will provide programs and services to troops separating from local military installations to successfully transition to civilian life and jobs. Those that do not meet the statutory requirements or policies of the Economic Development Commission are discouraged from applying.

Partners

The Zone benefits from partnerships with all included municipalities, Colorado Springs (CS) Chamber and EDC, CS Downtown Partnership/Downtown Development Authority, Small Business Development Center, Pikes Peak Regional Development Corporation, Procurement Technical Assistance Center, CS Utilities, and Teller County.

Presentations

Economic Development Manager, DeAnne McCann, educated prospective businesses interested in locating their new business or relocating existing companies to El Paso County and encouraged site selections within the Enterprise Zone. Economic Development staff took part in educating local business owners the benefits of the Enterprise Zone during the Colorado Springs Chamber and EDC Business Expo. On an on-going basis, Economic Development staff continues to educate businesses about EZ benefits at one-on-one meetings, prospect meetings, phone conversations, as well as public meetings.

Winning Story

While 248 business certifications were approved in 2016, a start-up market research company represents a "win" for the PPEZ. Utilizing the Vacant Building Rehabilitation Credit, the firm re-located to the Enterprise Zone and has created a research facility that "features three spacious research suites with private client lounges. Our flexible space inspires creativity and is great for any research approach: focus groups, IDIs, usability testing, automotive research, co-creation, mock juries and more. Our facility capabilities include: custom recruiting, experienced moderation, full HD audio and video recording, video streaming, and customizable interview room set-up." Not only did the company's employment quadruple over the previous year, the impact on the area, slightly north of downtown Colorado Springs, has been positive with three buildings in the same or contiguous blocks submitting building plans with the building department.

Objectives Report

2016 Goals

1. Strategically review terminated Enterprise Zone areas to determine which businesses that are impacted by boundary termination might be eligible for grandfathering and then assist them in making application. Success will be measured by at least 50% of those making application being approved for grandfathering.
 - Outreach was made to several businesses within the area of Garden of the Gods corridor that were impacted by the boundary termination. Three manufacturing businesses requested grandfathering and were approved.
2. Target eligible contribution projects that will impact the newly-designated areas of the Pikes Peak Enterprise Zone. The measure of this objective will be at least 30% of new projects will be located in previously-ineligible areas.



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- Three of the five new contribution projects (60%) within the newly-designated areas of the Zone were received and approved by the EDC: Tri-Lakes Cares serving Monument and Palmer Lake; Victor Downtown Revitalization and Marketing in the City of Victor; and Norris-Penrose Event Center Capital Project in southwest Colorado Springs, just west of downtown.
3. To combat veteran homelessness and assist those separating from the military in transitioning to civilian life, market the Enterprise Zone contribution project process to military/veteran service providers. Successful outreach to those organizations will be measured by the addition of three contribution projects being approved.
 - One new Contribution Project, Mount Carmel Center of Excellence, was approved by the Economic Development Commission in May of 2016. The Center of Excellence provides programs and services to troops separating from local military installations to successfully transition to civilian life utilizing Peer Navigators to assist in resume preparation, job searches, developing interview skills and coordination of networking events with local business community. Work continues with a permanent supportive housing project for homeless veterans and a proposal may be submitted.

2017 Goals

1. Goal #1
 - Strategically partner with Teller County and its approved municipalities to further educate businesses within the Enterprise Zone regarding available EZ Credits. Success will be measured by at least a 20% increase in the number of pre-certification applications being submitted for businesses in Teller County
2. Goal #2
 - Increase the number of Capital Campaign Contribution Projects for Community Facilities, Workforce Housing, Tourism Facilities or Infrastructure throughout PPEZ. These projects will improve the quality of life for current and new residents, bring additional outside tourist dollars to the areas, and bring outside investments into the PPEZ when completed. Success will be measured by adding at least three Capital Campaign Contribution Projects.
3. Goal #3
 - Increase the number of employees trained in the EZ over last year by contacting 20 existing businesses and notifying them of the Job Training Tax Credit. This tax credit especially has the ability to influence business decisions, once a business decision maker realizes that airfare, hotel and the cost of the class are included in this 12% tax credit. This works towards the overarching goal of developing a skilled workforce in the EZ.



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Pueblo County Administrative & Statutory Enterprise Zone

Overview

The Pueblo County Economic Development and Geographic Information Systems Department (EDGIS) oversees the enterprise zone program for Pueblo County. Pueblo County has worked with the Economic Development Commission to define boundaries of the enterprise zone within Pueblo County where development efforts are best directed. The enterprise zone areas include industrial parks, the downtown area of the City of Pueblo, college and university property, and a large agricultural area.

In 2016 the Pueblo Enterprise Zone began assessing a 1.5% fee for Enterprise Zone Projects. Using these funds the Pueblo Enterprise Zone Administrator began a marketing that included press releases, social media, and print media. In 2016 the total fees assessed for Pueblo County EZ were \$14,283.

Past year Observations and Data

Pueblo County Statistics 1) Unemployment rate 4.1% in December 2016 reduced by 0.6% from January 2016, 2) Per capita income \$24,531, 3) Annual Average Percent Change in Population from 2010-2015 is 0.5%.

Past year Efforts to Improve Conditions

The Enterprise Zone Administrator works with the Pueblo Economic Development Corporation (PEDCO) and other partners to promote the Pueblo Enterprise zone in a variety of ways, including attending trade shows, creating display ads, giving presentations, promoting on web site design and social media.

During 2016, two contribution projects were added resulting in a total of 24 projects being recertified. These projects help support the work of not-for-profits that are contributing towards the economic development work in the community. In 2016 we continued to streamline many existing EZ processes to enhance the program for Contribution Projects by creating standardized reporting sheets and clear guidelines regarding donations.

Objectives Report

1. **Goal:** Increase the awareness of the enterprise zone to local business and thus increase the number of certifications in 2017 by 5%.
 - a. **Result:** 109 certifications were issued in 2016. This is an increase of 45% from the 75 certified in 2015.
2. **Goal:** Increase the total number of jobs created in the enterprise zone by 1% over the previous year.
 - a. **Result:** There was a net increase of 125 EZ-certified jobs (self-declared by companies who submitted EZ certifications) within the Pueblo Enterprise Zone in 2016. Employment increased in companies submitting EZ certifications from 5,884 employees (2015) to 6,009 employees in the Enterprise Zone in 2016. An increase of 2.1%.
3. **Goal:** Stabilize or grow overall “baseline” capital investment by 2% in the zone as measured by an increase in the investment tax credit capital from previous year.
 - a. **Result:** Total capital investment in the zone was significantly lower than the \$78,311,320 which was recorded in 2015. The 2016 investment tax credit capital was \$35,211,637, a 55% decrease from 2015. Pueblo did experience significant investment from the cannabis industry during the 2016 reporting period. Since this industry is ineligible this investment is not reported for the EZ.
4. **Goal:** Grow investment in contribution projects by 5% to spur economic growth by encouraging investment in public/community capital projects.
 - a. **Result:** In total, cash and in-kind donations to EZ Contribution Projects totaled \$3,959,264 (3,418,299 cash and 540,965 in-kind), a 58% increase from 2015’s contributions of \$2,503,532. One capital project that was begun and completed in 2016 with donations of \$2.4M is responsible for the large increase in 2016. The contributions for 2017 will revert to amounts resembling 2015. In 2016, we worked to actively promote the merits of several Contribution Project capital initiatives in the Pueblo EZ, encouraging donors to maximize their investments and take advantage of State EZ credits. Increased outreach and education to Contribution Projects has been determined to be a key factor to growing this as well as creating specialized marketing materials for Contribution Projects.
5. **Goal:** Increase the number of full-time employees of EZ credit-claiming businesses in the Pueblo County EZ by 5%, measured against the number of full-time employees of credit-claiming businesses in the EZ in 2015.



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- a. **Result:** The number of full-time employees of companies claiming EZ credits in the Pueblo County EZ declined in 2016. FTEs of credit-claiming businesses dropped from 5,246 in 2015 to 3,057 in 2016, a loss of 42%. Although the number of certifications has increased by 45% there are fewer businesses claiming this credit. These numbers also reflect a decreasing trend similar to the Investment Tax Credit Capital, which was reported in Goal #3.

Objectives for Coming Year

Expand existing industry and small business opportunities
Support and expand creative industry countywide, with specific emphasis within downtown Pueblo, to encourage urban revitalization
Increase primary jobs and economic activity with an emphasis on advanced manufacturing
Increase primary jobs and economic activity with an emphasis on transportation & logistics industry
Increase primary jobs and economic activity with an emphasis on cannabis grow industry, research and development, manufacturing, and similar value-added products & services
Promote Pueblo County as a regional health care destination and expand healthcare offerings to residents and regional markets
Expand the market reach and profitability of agricultural products and services
Grow Colorado State University Pueblo and Pueblo Community College to become regional leaders in higher education, partnering to provide a skilled, educated workforce, in alignment with regional economic development goals
Support existing, expand existing, and develop new renewable energy business, renewable generation, and associated industry
Increase tourism spending and continue to enhance tourism offerings in Pueblo County
Prevent wealth loss from Pueblo County by supporting and enhancing human services organizations that provide bridges out of poverty, workforce skills and childcare for working families
Support development of affordable workforce housing



Region 10 Administrative & Statutory Enterprise Zone

Overview

24 Month Unemployment Rate		
County*	2015	2016
Delta	6.3	5.4
Gunnison	3.5	2.6
Hinsdale	3.3	2.7
Montrose	5.9	4.6
Ouray	5.0	4.0
San Miguel	4.2	3.5
Region 10		3.4
Colorado		3.0

**County Information from StatsAmerica
Regional/State from CDLE*

Region 10's Enterprise Zone covers 6 counties in Western Colorado, including Delta, Gunnison, Hinsdale, Montrose, Ouray and San Miguel. The total population of the region is just under 100,000, with the majority of the population (approximately 70%) reside in the two counties of Delta and Montrose. Four of these counties, Delta, Hinsdale, Montrose and Ouray, have been designated Enhanced Rural Enterprise Zones. The EZ criteria for these counties establish the basis for the other goals and strategies of the Region 10 Rural Enterprise Zone. Excluded from the Enterprise Zone is the eastern portion of San Miguel County, which includes the Telluride/Mountain Village area. Although this area is excluded from the Enterprise Zone, it continues to be an important component of the economic support of the region.

As the local Economic Development District and serving as the regional council of governments, Region 10 also provides other services to the region. With EDA support, Region 10 developed the Comprehensive Economic Development Strategy and also assists with the Colorado Blueprint for the Region. The Business Loan Fund provides financial services to local small & start up businesses and liaises with the local SBDC, and the Small Business Resource Center aims to support and educate new, or expanding, small businesses in the region, calling on local expertise and collaboration with local business developers. The Gunnison Valley Transportation Planning Region represents the local counties with CDOT to plan for future transportation and transit needs, and the 3 Rivers Regional Transit Co-coordinating Council is collaborating on future regional transit needs. Community Living Services and the Area Agency on Aging provides nutrition, transportation, home care and dental & hearing services for seniors and disabled. We also own the Enterprise Center in Montrose which provides at cost accommodation and facilities to emerging businesses and non-profit entities, greatly advantageous to the local business community.

2016 Observations and Data

The top employers in our region are in the Recreation, Health, Manufacturing and Mining areas. Key industries are Food & Ag, Health, Tourism & Recreation, Energy, and Manufacturing.

Businesses continue to utilize the program to make investments into the local economy, investing over \$26 million into the regional economy, and creating 116 new jobs that qualified for tax credits; most of the investment and jobs created were in rural enhanced counties (particularly Montrose and Delta), creating additional incentives for job creation. This EZ incentive remains an important tool in the recruitment and business expansion efforts in our region. The data below shows some of the investment by county for FY 2016 (July 2015-June 2016).

The Contribution Projects Program continues to be a valid and important program supporting Economic Development projects in the region, with over \$2 million in donations to projects. The region had several new projects come on board, hoping to improve their position through tax credit supported donations.

The data below show the change in unemployment rates* for the region. Although there was improvement in the rates overall, within the more heavily populated counties (Montrose and Delta) the rates remain much higher than the state-wide average. Not significant layoffs experienced in Delta due to shut-down and mining reductions have created losses of over 1000 direct jobs, not including secondary related jobs. Although the rate of unemployment has decreased, many of these jobs tend to be in lesser paying industries, such as tourism and personal care, while many of the jobs lost have been in higher paying industries, such as construction and mining.



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The region saw a .1% (200 people) increase in population between 2010 and 2015. Hinsdale had the largest percentage decline while Gunnison, Ouray and San Miguel saw modest gains. Delta experiences the largest total declines of approximately 1,000 people, primarily due to the loss of coal-related jobs. Overall net migration patterns correlate with job trends within the region. Delta and Ouray counties have some of the highest median ages in the State. By contrast, Gunnison has one of the lowest median ages of Colorado counties despite an unusually low proportion of children, due principally to the relatively large population of post-secondary students in the county.

County	Census 2010	July 2015	% Change
Delta	30,952	29,950	-3.24%
Gunnison	15,324	16,145	5.36%
Hinsdale	843	767	-9.02%
Montrose	41,276	40,911	-0.88%
Ouray	4,436	4,658	5.01%
San Miguel	7,359	7,895	7.28%
Colorado	5,029,196	5,456,584	8.50%

Per capita income* increased some over the last two years, but for the larger population areas, remain significantly below the state average, and dropped in Delta County, again due to the loss of higher paying mining jobs.

Per Capita Personal Income		
County	2012	2015
Delta	\$ 32,916	\$ 31,685
Gunnison	\$ 35,786	\$ 42,452
Hinsdale	\$ 43,580	\$ 44,647
Montrose	\$ 31,613	\$ 34,559
Ouray	\$ 43,267	\$ 52,906
San Miguel	\$ 45,257	\$ 73,572

*2015 information from statsamerica.org

Efforts to Improve Conditions

- Region 10 continues to work to improve understanding and access to the Enterprise Zone, including the items below:
- Presentations at local and regional events, groups and expos.
- Assistance with contribution project applications and training.
- Coordination with development organizations and governments in recruiting efforts to Enterprise Zone areas.
- Inclusion in Region 10 and other organizational newsletters
- Printing and distribution of materials that give Enterprise Zone information
- Website presence and updates regarding Enterprise Zone information and activities.

As mentioned, Region 10 also works in a number of areas to improve economic development, including hosting the Business Loan Fund and providing business counseling. Region 10 has also been involved in regional broadband infrastructure improvement to improve economic conditions in the region. Lack of access to affordable and sufficient internet is a key economic barrier in rural areas of the state.

Enterprise Zone Business Tax Credits		
County	Investment	Tax Credits
Delta County	\$ 5,017,872	\$ 226,391
Gunnison County	\$ 2,756,361	\$ 48,643
Hinsdale County	\$ 183,401	\$ 3,478
Montrose County	\$ 16,658,788	\$ 484,163
Ouray County	\$ 470,516	\$ 47,731
San Miguel County	\$ 732,708	\$ 16,360
Unassigned	\$ 252,298	\$ 7,569
Total	\$26,071,944.00	\$834,335.00

In 2016, Region 10 and the Telluride Foundation was approved by the Economic Development Commission as the first project of this kind to utilize tax credits for broadband infrastructure contributions. This important step forward will improve overall economic conditions in our region.



Objectives Report

In 2015, Region10 established the following objectives, with the progress listed below each objective:

1. Objective #1: The unemployment rate for each county should be equal or less than the state unemployment rate.
 - While the overall unemployment rate was not equal or less than the state, there was significant improvement in all counties, with the exception of Delta County.
2. Objective #2: Continue use of Enterprise Contribution projects, with a 3% increase in overall donations.
 - Contributions increased by approximately 19%.
3. Objective #3: Increase use of the enterprise zone over last year by a minimum of 2%, as measured by investments through promotions & educational outreach, as well as individual business consultations.
 - Overall investments increased by about 4%.

Objectives for the Coming Year

Over the next year, Region 10 plans to work to continue to improve economic conditions, particularly in the stated areas of focus for the region:

1. Increase support, education, and financial capital available for small business development.
2. Promote environment and support to increase Advanced Manufacturing.
3. Support Creative Industries as a means of regional economic development.
4. Identify and promote innovative models such as capital funds, accelerators/incubators, etc.
5. Support and promote strong and diversified tourism to provide regional means for economic development.
6. Increase value added tourism through regional opportunities and promote uniqueness of regional Agriculture, Heritage and Cultural Tourism opportunities.
7. Develop a strong integrated multi-modal regional transit system, increasing public access and utilization of public and alternate transit models.
8. Support and maintain quality air service for the region.
9. Diversify and broaden Agriculture Industry, increasing related revenues.
10. Integrate job development with business creation and multi-generational education to create a skilled and talented workforce, including support for workforce organization, business educational opportunities, and veterans' workforce initiatives.
11. Promote the environmentally and economically responsible development of natural resources within the region.
12. Recognizing business and economic development cannot be accomplished or sustained without vibrant, healthy communities, support activities and projects which address these needs on a regional basis.
13. Increased regional broadband support to businesses to consider relocation/expansion into rural areas.
14. The community will have access to health and wellness opportunities
15. Assist local communities in creating atmosphere to support retention and relocation, including housing, main street models, downtown improvement, etc.

Region 10 board and staff, as well as regional employers, economic developers and qualified non-profits continue to be grateful for the availability of the Enterprise Zone credits to increase employment and improve economic conditions within the region, and make every effort to utilize the program in the best and most effective way possible.

San Luis Valley Administrative Zone. Part of Central & Southern Statutory Enterprise Zone

Overview

The San Luis Valley, in south central Colorado, consists of six counties - Alamosa, Conejos, Costilla, Mineral, Rio Grande, and Saguache. It is an area of approx. 8,000 sq. miles with about 46,000 residents. The valley is surrounded by the Sangre de Cristo and San Juan mountains, which creates a natural geographic boundary. The counties retain their individuality but are economically dependent on each other.

2016 Observations and Data

Residential home values in the South Fork area of Rio Grande County are slowly beginning to recover from the Great Recession. Most of these homes are considered second homes. The depressed prices have adversely affected local government revenues putting significant pressure on dwindling budget reserves.

Slumping silver prices have stalled exploration of silver and other minerals in the historic Creede mining district. However, the Rio Grande Silver project, owned by Hecla Mining Company, is still considered a viable project and the company to pursue further exploration in anticipation of a recovery in silver prices.

Unemployment in the Valley continues to trend above the state average of 3.3%, with the exception of Mineral County. All counties in the region saw a drop in unemployment between August 2015 and August 2016. Rates for 2016 ranged from 1.7% in Mineral County, the region's least populous, to 5.9% in Saguache County.

Renewable energy continues to be a bright spot in the region's economy. Five utility-scale solar plants, all located in Alamosa County, produce 136.7 Megawatts of electricity, enough to power 22,418 home. Three additional solar plants have been permitted by Alamosa County but construction has yet to begin. These proposed plants would generate an additional 155 Megawatts of electricity.

Agriculture is the driving force in the Valley's economy, accounting for over 30% of the region's base economy. The primary crops produced are potatoes, alfalfa, barley, as well as cattle. In 2015 alone, the estimated production value of the Valley's top three crops – potatoes, alfalfa and barley – was over \$357 million. All three crops are heavily reliant on groundwater irrigation, which depends on an annual recharge from rivers and streams fed by mountain snow. However, drought conditions in the last decade have reduced the recharge, resulting in serious depletions of the aquifer.

To alleviate and correct the depletions, Colorado Division of Water Resources promulgated a rule governing the withdrawal of groundwater in the San Luis Valley. The new rule is likely to affect crop production in the region and could mean the following thousands of acres of irrigated cropland, or changing crop production.

SLVDRG, through the San Luis Valley Council of Governments, just completed an economic impact analysis of the effects of reduced crop production due to reduced irrigated on the region's economy. The analysis produced an input/output model that can be used to estimate the economic effects to the regional and county economies of changes in crop production.

Proximity Malt, LLC is building a new regional craft malting plant in Rio Grande County intended to serve craft brewers and specialty malt users. Construction on the new plant is underway at the site of a former starch plant and malt production will begin in early 2017. The malting plant will employ 27 people. The San Luis Valley is a major producer of malt barley for Molson-Coors.

Agricultural commodities were lower this fall with alfalfa falling to around \$150/T and cattle declining after peaking at record highs in previous years. Potatoes, the region's number one crop in value, were barely higher than in 2015. Barley prices were significantly lower in 2016 than 2015.

Population density is sparse, 5.61 persons per square mile (as of 2010), with 46,027 people calling the San Luis Valley home. This represents a decline of 0.35% since the 2000 census. Only two counties have shown any growth, Alamosa and Saguache, while Conejos, Costilla, Rio Grande, and Mineral counties have declined. Mineral County recorded the largest loss in population over the past decade of 14.32%.



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Per Capita Personal Income for 2010 in the Valley was \$29,267, about 70% of the state's PCPI of \$42,107. Over 15% of families in the county live under the poverty level. Around 47% of the San Luis Valley population is Hispanic and nearly 30% speak Spanish at home. Over half of the land mass is owned by the federal government and the State of Colorado.

Presentations

The majority of the administrator's time is spent educating local businesses, CPA's and attorneys, government officials, and economic development leaders about the Enterprise Zone program and how it benefits their clients, community, and counties. We provide handouts about the successes of the program and informational kits, which include the FYI's and forms. We teach classes at both the SBDC Leading Edge class and Adams State University's Entrepreneurship Class. We also talk directly to many businesses concerning the value of the Enterprise Zone through the Business Loan Fund.

Partners

We work with many partners around the Valley, which gives us an opportunity to talk about the Enterprise Zone and its many benefits to their businesses, nonprofit associations, and local government entities. These partners include:

- San Luis Valley Council of Governments
- San Luis Valley Board of County Commissioners
- Alamosa County Economic Development/Alamosa Chamber of Commerce
- Monte Vista Community Development Corporation
- Upper Rio Grande Economic Development Corporation
- Saguache County Sustainable Environment and Economic Development (ScSEED)
- Saguache County Business Association
- Costilla County Economic Development
- Creede Chamber of Commerce (Mineral County)
- San Luis Valley Heritage Tourism Council
- Colorado Potato Administrative Committee
- Sangre de Cristo National Heritage Area

Objectives

1. Increased use of Enterprise Zone Tax Credits by businesses and agricultural producers as measured by the number of credits received. 383 certificates were processed, on par with that in 2015, which were 380 and represented consistent usage of Enterprise Zone Tax Credit program. The average credit was \$3,139 in 2016, compared to \$3,381 for 2015, a slight decrease. The total of all Investment Credits are up from \$58M in 2015 to \$68M in 2016.
2. Increase in number of Enterprise Zone contributions received by E Zone Projects. The number of contributions received in 2015 was static compared to those received in 2016. Local projects received donations of \$1.936M in 2016.

With process and guideline enhancements recommended by the State of Colorado Economic Development Commission, the SLVDRG is anticipating an increased push for more focused, strategic investments within Enterprise Zone Projects in 2017.

PROJECT NAME	CASH	INKIND	Credit
Adams State College Job Training	\$493,014.18		\$123,253.55
Alamosa Downtown Development	\$5,000.00		\$1,250.00
Alamosa Senior Center	\$54,560.00	\$3,600.00	\$14,090.00
Blanca Downtown Revitalization	\$1,200.00		\$300.00
Conejos County Hospital	\$9,785.00		\$2,446.25
Creede Repertory Theatre	\$134,879.26		\$33,719.82
Del Norte Commercial Redevelopment	\$1,660.00		\$415.00
La Puente Homeless Services	\$326,998.79	\$1,048.98	\$81,880.82
Mineral County Public Health	\$2,130.00		\$532.50
Monte Vista Downtown Revitalization	\$23,550.00		\$5,887.50
Rio Grande County Museum	\$1,000.00		\$250.00
Rio Grande Hospital	\$589,372.33	\$6,963.00	\$148,213.46
S.E.E.D. Park	\$500.00		\$125.00
San Luis Valley Development Resources	\$11,532.90		\$2,883.23
San Luis Valley Food & Farm	\$29,923.66		\$7,480.92
San Luis Valley Housing Coalition	\$20,952.83	\$6,381.94	\$6,035.95
San Luis Valley Regional Medical Center	\$119,184.55	\$8,500.00	\$30,858.64
Sangre de Cristo Nat'l Heritage	\$300.00		\$75.00
SBDC	\$9,600.00		\$2,400.00
SLV Development Resources Group	\$5,100.00		\$1,275.00
SLV Foods Coalition	\$100.00		\$25.00
SLV Housing Coalition	\$200.00		\$75.00
Society Hall	\$9,700.00		\$2,425.00
Trinidad State Junior College	\$25,000.00		\$6,250.00
Tu Casa	\$20,880.04		\$5,220.01
Valley Wide Health Systems	\$14,633.70		\$3,658.43
Grand Total	\$1,910,297.24	\$26,493.92	\$477,367.63

3. Provide a minimum of 18 educational visits to discuss and promote the Enterprise Zone and its benefits to businesses and nonprofit projects. We have been very successful providing education to CPA's and many organizations including the Upper Rio Grande Economic Development, SLV Council of Governments, Town of La Jara, Town of Saguache, Town of Moffat, Town of Creede, Town of South Fork, Town of Del Norte, Town of Crestone, City of Alamosa, City of Monte Vista, Alamosa County Economic Development Corporation, two Leading Edge classes given through the Small Business Development Center, Valley Community Fund, Alamosa Rotary, Kiwanis, and Optimist Clubs.

These have proven to be good objectives to measure the success of the program against and we plan to continue using them.

The SLVDRG Enterprise Zone also considers the following historical goals to improve per capita income; reduce the rate of unemployment (and under-employment); increase the percentage of non-residential assessed valuation; and the stimulation of population growth in all six counties.

Additional specific objectives leading toward economic growth for the region include

- Promoting the expansion of public infrastructure within the zone
- Support of homeless assistance programs and services to encourage entry into the labor force
- Sustaining economic growth of the zone through proactive programs and activities
- Promoting eco-tourism and the cultural heritage
- Create and Market a Stronger San Luis Valley Brand
- Educate and Train the Workforce of the Future
- Enhance and promote agricultural products, food system development and food innovation
- Revitalize and Support vibrant downtown districts
- Support community amenity and facility development (ie: healthcare, tourism, culture arts, higher education, etc.)
- Development of trail systems and community parks & event venues; enhance the ability of EZ contribution projects. to improve the quality of life of residents
- Encourage business retention, expansion and attraction in distressed areas
- Infrastructure improvements and prioritization of projects including expansion of access to broadband



South Central Administrative Zone. Part of Southeast Central Statutory Enterprise Zone

Overview

South Central Enterprise Zone is housed within the South Central Council of Governments organization as a non-profit 501(c) (3) private corporation for the Huerfano and Las Animas region. The SC COG Board is comprised of representatives from three city and two county governments. There are four other cities or towns not represented on the SC COG Board.

Founded in 1975, South Central Council of Governments (SCCOG) represents a collaboration between area government and agencies to enhance community services and increase available funding levels to raise local standards of living.

SCCOG works with local entities in the Huerfano and Las Animas counties in numerous ways, including assisting with grant application to both state and local agencies and setting up community-need programs, such as meals for senior citizens, transit services, day care services, and housing rehabilitation. SCCOG also serves as the South Central Enterprise Zone Administrator.

South Central Enterprise Zone consists of Las Animas, Huerfano and Otero counties. In 2007, the coalbed methane field of the Raton Basin produced 124 billion cubic feet of gas, making it the 17th largest source of natural gas in the United States. South Central Enterprise Zone and Las Animas County have seen a significant decrease in methane gas drilling since 2008 - following oil and gas regulations resulting in a halt to new well permit drilling.

Past year Observations and Data

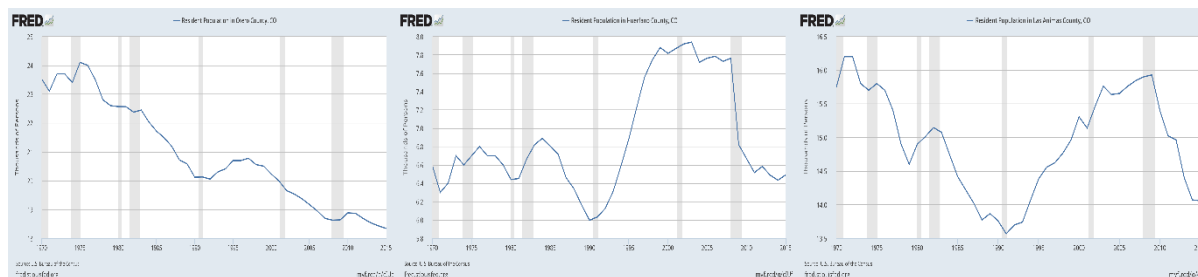
1. Population Trends

Population Trends							
	2011	2012	2013	2014	2015	5 year change	%
Otero	18,886	18,668	18,703	18,488	18,288	598	-3.2%
Huerfano	6,474	6,549	6,519	6,462	6,492	+18	+0.3%
Las Animas	14,991	14,913	14,446	14,052	14,058	-933	-6.2%
SC Central	40,351	40,130	39,668	39,002	38,838	1,513	-3.7%

(Source: US. Bureau of Labor Statistics)

Otero County population shows a steady trending down from 2011 - 2015, from 18,886 to 18,288 for a composite decrease of 3.2% over the last five years. Huerfano County made a slight upturn in its population trend from 2011 - 2015 from a population of 6,474 to 6,492 for a composite increase of 0.3% over the last five years. Las Animas County population continues to show a five-year trend down from 2011 - 2015, from 14,991 to 14,058, though there was a slight increase from 2014 (14,052) to 2015 (14,058). Las Animas County population showed a composite decrease of 6.2% for the five year period of 933 people. The three largest population declines in Colorado's 64 counties include Otero and Huerfano counties within the South Central Enterprise Zone. In 2016, Las Animas County again joined Otero and Huerfano Counties as Enterprise Zone Enhancement regions.

The charts below highlight the longer-term trends in population fluctuation in the South Central Enterprise Zone. Each chart depicts a variation of the regional boom and bust cycle often seen in areas where the economy is so dependent on natural resources such as oil and gas production.



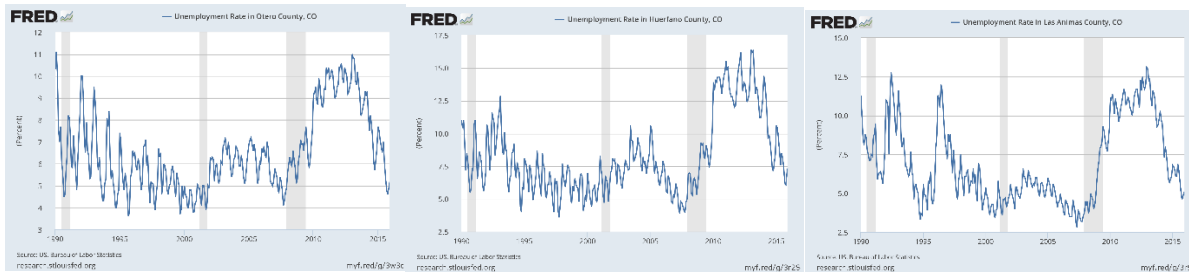
(Source: US. Bureau of Labor Statistics)

2. Unemployment Rates

Unemployment Rates (%)						
	2012	2,013	2014	2015	2016	5 year change
Otero	10.4	11.0	9.3	7.7	4.8	-5.6
Huerfano	15.0	16.4	14.4	10.6	7.4	-7.6
Las Animas	11.5	13.0	10.3	6.8	4.9	-6.6
Colorado	(Source: US. Bureau of Labor Statistics January rates in each year)					

Unemployment rates for Otero have decreased from 10.4% in January 2012 to 4.8% in January 2016. Las Animas County Unemployment rates decreased from 11.5% in January 2012 to 4.9% in January 2016. Huerfano County Unemployment also decreased from 15.0% in January 2012 to 7.4% in January 2016. All three counties' unemployment rates are less than half what they were 5 years ago.

The charts below highlight the longer-term trends in unemployment fluctuation in the South Central Enterprise Zone. Each chart further depicts the impact of the regional boom and bust cycle often seen in areas where the economy is so dependent on natural resources such as oil and gas production.



(Source: US. Bureau of Labor Statistics)

Huerfano County has highest unemployment rate in the state for a second year in a row, Otero County moved from fifth highest to tenth highest, and Las Animas County moved from tenth highest to ninth highest unemployment in the state. Colorado's Unemployment rate in January 2016 was 3.2%, (not seasonally adjusted) which is down 0.1% from 2015.

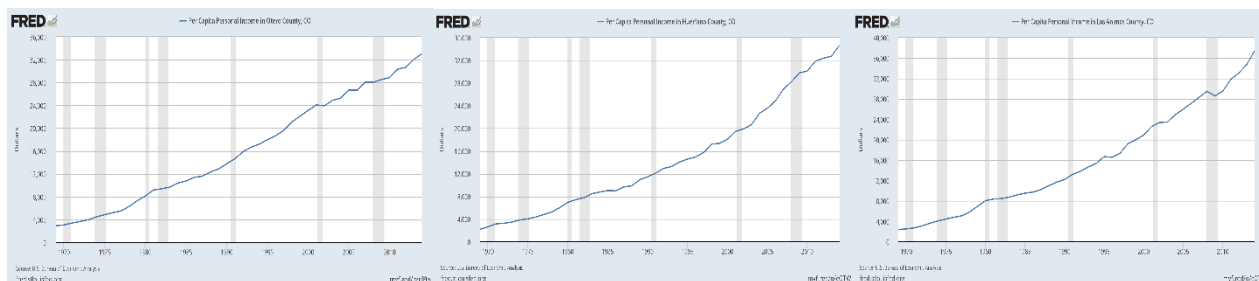
3. Per capita Personal Income

Per capita Personal Income							
	2009	2010	2011	2012	2013	2014	% of CO 2013 PCPI (\$ 50,410)
Otero	\$28,544	\$28,881	\$30,346	\$30,673	\$32,079	\$33,091	65.6%
Huerfano	\$29,803	\$30,130	\$31,855	\$32,388	\$32,733	\$34,598	68.6%
Las Animas	\$28,589	\$29,519	\$31,822	\$33,040	\$34,703	\$37,365	74.1%
(Source: US. Bureau of Labor Statistics)							

Otero County had a 14.6% increase in per capita personal income between 2010 and 2014; Huerfano County had a 14.8% increase and Las Animas County had a 26.6% increase. But, during the same time period, the overall increase in the State of Colorado's per capita personal income was 20.4% (from \$41,877 to \$50,410).



The charts below highlight the longer-term trends in per capita personal income in the South Central Enterprise Zone.



2016 Efforts to Improve Conditions

South Central continues to work with representatives from Huerfano and Las Animas Counties and staff and elected officials from municipalities in the counties to strengthen the capacity of the communities to work together in developing and implementing an economic development plans that strategically build on the current and emerging economic strengths of the region. In 2016 efforts continued positively as representatives from across the region were brought together at several meetings to continue the discussion on CNG fueling options and Broadband needs in the region. Results of these ongoing efforts include the opening of a new CNG fueling station in Trinidad, and initiation of a regional Broadband study that encompasses the southern portion of Pueblo County, Huerfano and Las Animas Counties in Colorado and ties to the efforts in Colfax County, NM.

Business and Community Outreach

Agriculture, natural resources, and tourism are major driving forces throughout the region; which also shares abundant wildlife, outdoor recreation opportunities, climate, and culture. Interstate trade is common to the region, and the primary infrastructure that ties the counties together being the interstate and secondary road system. Regional cooperation resulting from the SET initiative encourages systematic change and coordinated regional economic development. South Central continues to partner across the region to strengthen the capacity to work together in developing and implementing an economic development blueprint that strategically builds on the current and emerging economic strengths of the region. The broadband service industry has been targeted as both critical to the area and as presenting opportunity for economic development across the South Central Enterprise Zone.

Furthermore, the development and enhancement of state of the art connectivity and communications will expand markets for regional businesses across all sectors while affording better access to opportunities for higher education via the Internet. The energy sector presents continuing opportunities for economic development across all three counties, and the overall Raton Basin. In addition to CNG fueling stations, efforts will focus on business growth and development across the energy spectrum (natural gas, wind, solar, coal, geothermal, etc.).

Health and wellness are emerging as an industry sector in most of the South Central enterprise zone, due in part to the increase in the population of seniors and semi-retired individuals as well as those coming to the area and choosing to remain. This has created a need for more services for this population. In response to trends toward an aging population in the region, healthcare services has been targeted as an industry presenting opportunities for economic development, and increasing job opportunities. Efforts have been made to attract more health professionals to the area through EZ credits and Contribution EZ projects.

Growing and enhancing tourism and capitalizing on the region's abundant wildlife, outdoor recreation opportunities, climate, history, culture and agriculture will be emphasized. Finally, manufacturing and distribution are targets, leveraging the region's interstate and secondary road system, rail system and airports.

Throughout the year, South Central reaches out to newly opened businesses and provides one to one information for certifications and tax investment credits and jobs credits. South Central has also been working proactively with South Central counties and municipalities to incorporate EZ Tax Credits into comprehensive incentive packages targeted at bringing new business into the area.

Continued Enterprise Zone outreach focuses on educating central business district community leaders about EZ resources that are available to assist in improving downtown viability and re-purpose existing spaces. Throughout the region, grassroots citizen efforts to renovate town centers, when supported by local and state government, are creating economic and community opportunity. South Central EZ meets on a regular basis with the planning and economic development staff from the City of Trinidad as well as



reaching out to newly opened businesses and provides information for certifications, tax investment credits, and jobs credits. South Central EZ continues to partner with local initiatives such as the El Corazón de Trinidad Creative District, the Space to Create project, and the growing number of its affiliated businesses to leverage the creative district designation into an economic development driver. This is one of several partnerships that continues to lead to increased activity in Las Animas for vacant building rehabilitation tax credit.

South Central EZ continues to partner with the Walsenburg Downtown Revitalization Committee (WDRC) to develop the downtown area for locally-owned businesses to provide their own unique services and products by making it possible for them to purchase available downtown property, open their doors for business, and live on the premises if they desire. South Central EZ also continues to encourage La Junta to link EZ tax credits with proposed incentives for building owners to promote saving and reusing existing buildings.

South Central Enterprise Zone is often asked by small business to check on pre-certification submittals. We had previously routinely provided the original signed copy of the certification to the business owner and a copy to the tax preparer. We encourage the business owner to retain these forms with their copy of the tax return as our experience is that the business will often change tax preparers and they then seek historical certification information from our office.

The online system has increased required communication with tax preparers both in and out of state. Search capabilities for the online SIPA system and manual searches for previous certifications increased as the Pre-certification online system has been improved and updated and the subsequent alignment of Certifications continue to confuse some of the owners and tax preparers.

We have implemented a document retrieval system for enterprise zone activity of all previous records and grouped them by Company name to facilitate review of prior year certifications. With the inception of the online system approving pre-certification and certification, we note an increased need to re-educate tax preparers of the need to retain initial pre-certification approvals for use with same year Certification for tax credit(s).

Contribution Projects

As a result of increased outreach, South Central has been much more active and we are seeing more questions and certification activity in the region. A concerted effort has been made during 2016 to inform communities in Huerfano County about the Enterprise Zone Contribution Project program. Private sector donations to contribution projects have increased significantly in spite of or perhaps because of the economic downturn. For many of the very small communities that do not have multiple large donors or “war chests” of funds and incentives to facilitate economic development efforts, the Enterprise Zone Contribution Project program can serve as the only incentive to encourage private public partnerships in economic development efforts.

We have noted very good success with the contributions for existing contribution projects in the region. In Las Animas County, we added the Trinidad History Museum and San Rafael Hospital. In the Huerfano County La Veta area, we added TwoPeaks Fitness, Spanish Peaks Cycling Assoc., and Francisco Crossing. In Otero County, we added Friends of Rocky Ford Museum and the Southeast Health Group. Towards the end of 2015, the Trinidad area saw two large contributions made (one cash contribution to the Trinidad Las Animas Economic Development EZ Contribution Project and one in-kind contribution to the City of Trinidad EZ Contribution Project) in support of two major projects being initiated in the area. Both projects are in their beginning stages and have resulted in a strengthening of private / public efforts on larger scale economic development efforts in the area.

County Resource

South Central responds to email, fax, and phone requests for easing the effort to provide information to EZ inquiries. Out of state CPA's and tax preparers are also provided the www.advancetcolorado.com link. Certifications have increased as we did much more outreach from responding to questions regarding the online system. Contribution certifications in 2016 continue to be reported and we had significant increase from the 2015 number reported throughout the period.

South Central EZ personnel conducted a meeting with all Contribution Projects in February of 2016 to explain changes in the program, such as a new 1% administration fee and newly required MOU's for EZ Contribution Projects. We have had several additional meetings with new members of existing Contribution Projects as those projects experience personnel turnover. We also had multiple individual meeting with organizations wishing to discuss the program and possibly submit applications. South Central EZ implemented a 1% administration fee to process the requirements of the Contribution Project certifications, which has helped offset some of the added burden of time and material for paper copies, mailings, and trainings. We also entered into an IGA with

the Otero County Commissioners, who elected to cover the newly implemented administration fee for Contribution Projects in their county.

Educational Publications

Publications that South Central distributes help increase awareness and knowledge of the EZ. These publications include:
Enterprise Zone handouts and power point.
Enterprise Zone workshop sessions in each county
Enterprise Zone informational folders of information packets.
Interviews with regional newspapers discussing the enterprise zone tax credit programs.

Presentations

South Central Staff have given information sessions to company boards and to non-profit boards of director for opportunities, and to county and city elected officials across the region. Following outreach to the City of Trinidad, Las Animas County seat, we provided the City Planning Office and Economic Development Director with EZ Tax Credit information. We also met with area real estate businesses and provided EZ Tax Credit information to their commercial property realtors. One of the results of active outreach in the Trinidad area was a 9% reduction in downtown vacancy. Another result included increased private investment in three major Trinidad projects (La Puerta, Galleria, and Phil Long Toyota) with all three new businesses continuing to operate in the City. \$160 million is projected in new private investment in the Trinidad downtown area in the next few years.

Partners

South Central COG is active in partnering with, workforce centers, planning departments, and Chamber of Commerce. South Central COG is also a large employer in Huerfano and Las Animas having 253 current employees in the bi-county area. South Central COG is expanding outreach efforts and has created a mobile display to take to job fairs and local information forums.

South Central Enterprise Zone partners with multiple organizations in its outreach and the marketing of the enterprise zone tax credits, including but not limited to: Las Animas, Huerfano, and Otero Counties; the Cities of Trinidad, Walsenburg, and La Junta; the Trinidad Chamber of Commerce; Raton Basin Regional Economic Development; the El Corazón de Trinidad Creative District; Huerfano County's Town of La Veta; Walsenburg Downtown Revitalization Committee; Otero County Economic Development; the Trinidad Tourism Board; the Trinidad Urban Renewal Authority; Southern Colorado Repertory Theater - Las Animas County; Mount Carmel Health, Wellness, and Community Center - Las Animas County; Inspiration Field - Otero County; and Trinidad State Junior College; just to name a few.

Consistent with Governor Hickenlooper's economic development efforts such as Bottom Up and, TBD, South Central Enterprise Zone continues to make significant progress in partnering within Huerfano, Las Animas, and Colfax Counties via an Intergovernmental Agreement following a USDA Stronger Economies Together Initiative. The Counties worked together to develop a regional strategic plan having applied for and met the requirements of a Stronger Economies Together (SET) grant from Rural Development. They are currently in an implementation phase for the Strategic Plan. One of the goals of the Raton Basin Regional Economic Development Strategic Plan was to encourage the use of alternate forms of fuel for travel. In 2015, a CNG fueling station was opened by Sparq Natural Gas, LLC, in Trinidad.

Objectives and Progress Report

1. Increase the number of buildings that utilize the Rehabilitation Credit over last year.
 - a. In 2016 the pre-certification applications for Rehabilitation Tax Credits for Vacant Buildings increased from one in 2015 to three.
2. Increase the number of contribution projects in all three counties with a special focus on Huerfano County.
 - a. In 2016 the number of EZ Contribution projects in Las Animas County increased by 2; Otero County by 2 and in Huerfano County it went from 0 to 3.
3. Work in partnership with county and municipal economic development directors to prioritize and target industries and businesses; and contact 20 businesses from those lists to inform them about the various Enterprise Zone Tax Credit opportunities and area incentive packages.
 - a. In 2016 through partnership with county and municipal economic development and planning directors, information to over two dozen businesses was provided about the various Enterprise Zone Tax Credit opportunities and area incentive packages



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Objectives for Coming Year

Identify select 3 measurable goals for the coming year.

1. Increase the number of buildings that utilize the Rehabilitation Credit over last year. This supports the area economic development goals of revitalizing and supporting vibrant downtown districts.
2. Increase the number of contribution projects in all three counties with a special focus on additional municipalities such as Walsenburg in Huerfano County. This will support the area economic development goals of revitalizing and supporting vibrant downtown districts and promoting regional historic/cultural and recreational tourism.
3. Work in partnership with county and municipal economic development directors and IT directors to link potential EZ Credits with regional efforts to implement the recommendations from the newly completed regional Broadband study. This will support the area economic development goals of expanding region wide broadband.
4. Continue to compile the economic development plans from both counties and area municipalities and ensure their priorities and goals are reflected in an updated South Central Enterprise Zone economic development plan's priorities and goals.

South Metro Administrative & Statutory Enterprise Zone

Overview

The South Metro Enterprise Zone is comprised of four jurisdictions with varied economic goals and initiatives, however, common to all cities is the need for continuation of the Enterprise Zone benefits to attract investment, retain businesses, and grow employment opportunities. The Cities of Sheridan, Littleton, Englewood, and the Town of Parker, the four jurisdictions comprising the South Metro Enterprise Zone, recognize the important role the Enterprise Zone continues to play in the overall success of the region by enhancing quality of life and the economic climate.

During 2016, the number of businesses claiming tax credits through the Enterprise Zone numbered 73. These businesses reported a net increase of 204 (FTE) jobs in the Zone. The level of investment in the Zone increased 24.4% percent over 2015 investment levels to \$43.2 million. The average full-time salaries in the zone increased 13.1% to \$39,905.

Throughout 2016, the level of business investment in the South Metro Enterprise Zone increased. The annual report reflects development activity meeting a variety of economic development goals, in spite of the changing economic conditions. The tax benefits provided by the Enterprise Zone acted to stabilize and offset some of the potential economic uncertainty as evidenced elsewhere in the State of Colorado. The benefits of the Enterprise Zone are believed to stabilize tax revenues, which fund local services to residents and the business community.

The South Metro Enterprise Zone has three contribution projects: Family Tree House of Hope, Habitat for Humanity Sheridan Square Development, and Craig Hospital Foundation. During 2016, four contribution certifications for the Family Tree House of Hope, totaling \$1,700 of cash donations, were processed through the South Metro Enterprise Zone. One hundred eighty-eight (188) certifications for the Craig Hospital Foundation were processed with cash donations totaling \$714,594 and in-kind donations totaling \$550,883. Ninety-seven (97) certifications for the Habitat for Humanity Sheridan Square Development were processed with cash donations totaling \$554,886 and in-kind donations totaling \$110,303.

2016 Observations and Data

Current demographic figures for the South Metro Enterprise Zone are currently unavailable for the statistics requested by the State of Colorado – 1) Change in the unemployment rate in the Zone. 2) Change in per capita income in the Zone. 3) Change of population in the Zone. The boundaries of the South Metro Enterprise Zone include all of Englewood and Sheridan and designated portions of Littleton and the Town of Parker.

The following Economic Indicators, collected from 2015 and 2016 Enterprise Zone certification forms, reflect the economic condition in the South Metro Enterprise Zone:

	<u>2015</u>	<u>2016</u>
Number of businesses filing Zone tax credits:	62	73
Number of jobs created in the Zone:	128	204
Health Insurance Tax Credit:		\$48,000
Number of Employees Trained:	3,287	2,025
Job Training Tax Credit:	\$150,374	\$115,797
Average Annual Compensation:		
Full Time	\$35,287	\$39,905
Part Time	\$7,490	\$12,229
Temporary	\$2,234	\$28,0230
Contractual	\$2,435	\$50,333



Analysis of Capital Investment:

Rehab Expenses:	\$0	\$198,608
Rehab Tax Credit:	\$0	\$49,652
Investment Tax Credit Claimed:	\$537,099	\$645,140
ITC Capital Investment:	\$17,903,269	\$21,504,650
Total Capital Investment in the Zone:	\$34,711,651	\$43,183,990
R&D Expenditures:	\$131,055	\$199,007
R&D Tax Credit:	\$1,551	\$493

2016 Efforts to Improve Conditions

The South Metro Enterprise Zone conducted several significant outreach activities, with a focus on new and expanding businesses. Enterprise Zone marketing activities continue to involve advertisements to market zone benefits to businesses through publications, which are distributed locally and regionally. Advertisements were placed in the Colorado Real Estate Journal. This publication is circulated to businesses located within the Enterprise Zone boundaries. Marketing was also accomplished through various City of Englewood business events and the City of Englewood website.

The Zone Administrator attended several events to market the benefits of the Enterprise Zone. These events were developed to enhance awareness of the benefits of the program through outreach to both businesses and the brokerage community.

Objectives

The ultimate objective of the Enterprise Zone is to create sustainable economic vitality. The achievement of the specific goals is tied to sustainability over a period of time. This report is provided to discuss the progress of specific goals for the South Metro Enterprise Zone for 2016.

1. Goal #1: Aggregate job expansion for Enterprise Zone beneficiaries to exceed 25 net new jobs over the previous year's total. During 2016, the number of businesses claiming tax credits through the Enterprise Zone numbered 73. These businesses reported a net increase of 204 (FTE) jobs in the Zone. Average full-time salaries in the zone increased 13.1% to \$39,905. Increasing full-time jobs is a goal for enhancing the economic condition within the zone. The South Metro Enterprise Zone met the goal of expanding the number of jobs over the previous year.
2. Goal #2: Annual growth in new investment in equipment to exceed 10 percent over the previous year's total. The level of investment in the zone increased 24.4% percent over 2015 investment levels to \$43.2 million. This goal was met.
3. Goal #3: Annual growth in Gross Sales Tax Revenue to exceed 5 percent over the previous year's revenue. The following shows the change in gross sales tax revenue for the four municipalities comprising the South Metro Enterprise Zone:
 - Sheridan reported the following information for 2016:
 - Sheridan sales and use tax receipts increased 5% in 2016 over 2015.
 - Gross Sales Tax Revenue for 2016: \$3,133,58 2015: \$2,991,592
 - River Point saw a 6% increase in PIF sales in 2016 over 2015
 - Englewood sales and use tax receipts decreased 1.56% in 2016 over 2015.
 - Retail sales tax decreased 1.59% in 2016 as compared to 2015.
 - Use tax (excluding building use tax) for Englewood decreased 1.35% in 2016 as compared to 2015.
 - Littleton reported the following information for 2016:
 - Retail Sales Tax \$26,451,331
 - General Use Tax: \$1,704,018
 - Building Use Tax: \$2,988,466
 - Issued 464 new business licenses
 - Town of Parker reported the following information for 2016:
 - Building Use Tax: \$3,901,885
 - Issued 482 new business licenses



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Without complete data from each municipality, it cannot be determined whether this goal was met. The Cities of Sheridan, Littleton, Parker, and Englewood reported that the benefits of the zone provide a positive impact in stabilizing the local economy by serving as a business retention and attraction tool.

Contribution Projects Update:

Family Tree – House of Hope

For forty years, Family Tree has provided innovative, life-changing services designed to end child abuse, domestic violence, and homelessness. As the only organization in Metro Denver actively working to address the interconnectedness among these issues, Family Tree is changing how individuals, families, and communities see, respond to, and overcome these challenges. Last year, Family Tree provided services to 25,820 people, in an effort to empower them to discover their own strengths to create lasting, positive change. Additionally, Family Tree provided over 19,000 nights of safe shelter to families and individuals that might otherwise be homeless.

Housing and Family Stabilization:

- House of Hope provided emergency residential services to 186 individuals, and 42% of families exiting moved into safe, stable housing.
- 93% of House of Hope clients maintained or increased their income upon exit.
- Within the Homelessness Program, 88 households were enrolled in the program; 80 families exited our housing programs and 68 (85%) moved into permanent housing.

Family Tree remains committed to providing the necessary support to individuals and families in the Denver metro area.

Craig Hospital Foundation

Craig Hospital is a 92-bed, not-for-profit, free-standing long term rehabilitation hospital with a mission to advocate for and provide exceptional patient and family centered care for those affected by spinal cord (SCI) and brain injury (TBI). Craig Hospital is the third largest employer in the city of Englewood, employing over 850 people. Over the five years FY2012–FY2016, the total impact on Arapahoe County related to operations and ongoing capital improvements is expected to total \$329.7 million.

Given that roughly half of Craig Hospital patients come from out of state, there is an additional contribution from nonresident patient families and visitors. Total out-of-state visitor spending for lodging, food, transportation, and other expenses in Colorado due to Craig Hospital is \$620,237 per year.

Each year, this world-renowned hospital helps 500+ inpatients and 1,400+ outpatients with medical care, rehabilitation, neurosurgical rehabilitative care, and long-term follow up services. On average, patients come to Craig with more acute injury levels than other similar institutions yet over 91% of Craig patients are able to return to work, home or school, as compared with 69% of patients from other institutions.

Craig patients also return to the community at a higher level of function. It is the joint goal of Craig Hospital and the Enterprise Zone Administrator to provide the highest quality care at Craig so that each year we can return over 1,900 individuals to independence by: 1) increasing their health and well-being; 2) decreasing costs to state-funded medical programs; 3) allowing them to contribute economically to their communities; 4) decreasing their dependence on public benefits; and, 5) allowing their family members to have the time and resources to work more and therefore also contribute more to the local economy.

Craig also works to ensure that as many patients as possible can return to school or work following injury. In addition to giving all patients the professional care and skills that are needed for rehabilitation, each year more than 250 of our patients are given specialized assistance by our Community Reintegration staff who provide them with guidance, information and resources about returning to work or school.

Habitat for Humanity Metro Denver - Sheridan Square Development

Located on a 4.35-acre former elementary school site in the city of Sheridan, Sheridan Square plans include the construction of 63 energy-efficient homes, and the development of a brand new park for all Sheridan residents. These homes will take the collective work of more than 40,000 volunteers, and will provide stable and affordable housing for approximately 130 adults and 225 children. Sheridan Square will forever transform the City of Sheridan. Its 63 new homes will add 6% more owner-occupied housing units to the city, creating long-term and stable homeownership within this community. Habitat home buyers will earn 35-80% of the Area Median Income and will qualify for an affordable home loan through Habitat for Humanity. Additionally, the community park will be an amenity that gives everyone a safe place to enjoy the fresh Rocky Mountain air.



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Habitat for Humanity of Metro Denver broke ground on this development in July 2016. Since the ground breaking, the site has seen heavy infrastructure work to prepare the site, which included the removal of trees and brush, leveling of the site, and preparation for roads and utilities. As of January 2017 the development already has 6 homes underway and the organization expects to complete more than 30 homes at Sheridan Square in calendar year 2017.

Habitat Metro Denver is financed through limited government grants, earned income from mortgages and ReStores, and donations. The South Metro Enterprise Zone program helps encourage donation revenues.

Local Economic Development Initiatives

The South Metro Enterprise Zone is comprised of four municipalities with varied economic goals and initiatives, however, common to all cities is reflected with the need for continuation of the Enterprise Zone benefits to attract and retain businesses. The following sections describe the economic conditions, local economic development initiatives and business development goals for the individual jurisdictions comprising the South Metro Enterprise Zone.

City of Littleton

The City of Littleton reported the following activity for 2016:

- Commercial Additions: \$3,292,221
- New Commercial Construction: \$53,353,781
- Commercial Remodel: \$26,975,439

City of Sheridan

The City of Sheridan reported the following activity for 2016:

- Additions: 10 permits / \$969,890.00
- New Construction: 10 Permits / \$3,512,146.00
- Tenant Improvement: 12 Permits / \$1,100,959.94
- Tenant Finish: 3 Permits / \$198,900.00

Town of Parker

The Town of Parker reported the following activity for 2016:

- Commercial Additions: 0 /0 permits
- New Commercial Construction: 27 permits / \$ 50,979,177
- Commercial Remodel 752 of permits / \$ 23,883,237

City of Englewood

Economic Development

Englewood’s economic development efforts are being reoriented to provide for a more approachable, user-friendly experience for current businesses, as well as employers and businesses that may consider an Englewood location in the future. It is based on specific, varied and measurable programs and partnerships that can be easily interpreted by all users. A significant portion of the economic development program shifts funding and the staff work program toward attracting additional employers to the community. Elements of the new economic development program include:

- **South Metro Enterprise Zone** - The enterprise zone encompasses all of Englewood and the benefits of a business locating within the zone are integral to Englewood’s economic development program.
- **Primary Employer Incentives** - This program rebates use taxes or permit fees associated with the build-out of space to accommodate primary employers.
- **Business Initiation Grant** - The Business Initiation Grant enables start-up businesses to receive a “leg-up” at the most critical time for the business.
- **Business Acceleration Grant** - The Business Acceleration Grant enables businesses that have been established in Englewood at least two years to receive grant funding to expand or improve their operations.
- **Englewood Focused Business Training Programs** –Englewood is partnering with the Aurora South Metro Small Business Development Center (SBDC) to provide business training programs and individual business consulting in Englewood for Englewood businesses.

- **Small Business Training Grants (Program Scholarships)** - For business entrepreneurs who want to grow their capacity and potential for success in Englewood, the program offers scholarships for a training course offered by one of the program's partners.
- **Alliance for Commerce in Englewood (ACE)** - The focus of ACE has been shifted from monthly 1.5 hour meetings to having ACE members spend that period of time each month contacting and meeting with an Englewood business through a business outreach and visitation program.
- **Colorado Brownfields Revolving Loan Fund** – Englewood is a member of a consortium of cities that administer a loan program to foster redevelopment of environmentally challenging sites.
- **Commercial/Industrial Site Selection** - The economic development program has a subscription to the CoStar site selection service and a secondary service with Xceligent to provide comprehensive “site tours” of available properties.

Development Projects

Englewood is uniquely positioned in the metro area in that it is located 20 minutes from downtown Denver and 20 minutes from the Denver Tech Center. It is also served by two stations in the regional light rail network. Unlike other suburban locations, Englewood has a distinctive history and character that may prove attractive to small and mid-size employers who wish to take advantage of a location in Englewood. The majority of recent development activity in Englewood has been multi-family housing. These opportunities will impact the local economy and are a potential source of revenue for the General Fund and the Public Improvement Fund.

McLellan Reservoir – The Englewood/McLellan Reservoir Foundation (EMRF) oversees the development and leasing of properties located in Douglas County on behalf of the City of Englewood. The development sites are located adjacent to the four corners of the C470 and Lucent Boulevard intersection and comprise approximately 160 acres. Any development of the site must protect the McLellan Reservoir water resources and quality. Although these properties are located outside the incorporated boundaries of the City of Englewood, they represent a revenue opportunity for the City. In 2008, RTD purchased approximately 11 acres of EMRF property and is committed to locating the Lucent Light Rail Station at that site as part of FasTracks--Douglas County supports a transit oriented development at this location. There are currently five lease agreements signed, which represents approximately 73.42 acres of land. A ballot issue was approved in November 2015 that allows sale of EMRF property after an initial lease term on at least 20 years, subject to City Council approval.

General Iron Works - This site represents the single largest potential redevelopment site within the boundaries of Englewood. Currently two residential projects are underway on this property. The Foundry apartments is under construction for a 70 unit affordable housing development. Boulevard Builders is initiating a second project consisting of approximately 160 housing units comprised of townhomes, single family homes and condominiums – all of these units are for sale.

Oxford Station TOD - Littleton Capital Partners purchased the former Martin Plastics site and is finalizing construction of a mixed-use project on the 5-acre site. The project involves the development of a residential project adjacent to the Oxford Light Rail Station comprised of 252 multi-family residential units and rehabbing a 7,000 square foot structure into commercial/flex space.

Broadway + Acoma Lofts – Construction is underway on a mixed-use project comprising 110 residential units and 23,500 square feet of commercial space, along with 170-180 parking spaces. Construction of the \$20 million project is anticipated to take 18 months and conclude near the end of 2017.

Chick-fil-A (3085 South Broadway) – The new restaurant opened February 2017. A typical Chick-fil-A store generates approximately \$3.0 million in sales, which equates to approximately \$105,000 in tax revenue to the City of Englewood.

William's Jewelers – Construction documents are being finalized for a new construction project at the northwest corner of South Broadway and Bellevue Avenue. The project will consist of a new 12,200 square foot building for William's Jewelers and a separate 1,500 square foot retail building for an additional tenant.

Englewood Medical Office Building – Preliminary plans are under review for a 105,000 square foot 5-story medical office building, with ground floor retail at 500 East Hampden. The project is anticipated to break ground following a 6-month planning phase and will take 18 months to construct.

Commercial Building Permits	2015	2016
Additions	8 permits/\$35.6 million	4 permits/\$10.3 million
New	6 permits/\$1.9 million	12 permits/\$3.9 million
Remodel	74 permits/\$11.9 million	70 permits/\$12.7 million



Southeast Administrative Zone. Part of Southeast Central Statutory Enterprise Zone

Overview

SECED and the Southeast Enterprise Zone (Baca, Bent Crowley, Kiowa, and Prowers Counties) challenge our citizens to continually reach for superior social and economic characteristics. The enterprise zone is a critical element in SECED's economic development programs. It is one of many incentives making up a regional economic enhancement and retention package. The region encourages citizens to utilize natural resources to their fullest potential in cooperation with our multi-agricultural economy. SECED assists in asserting a vigorous campaign for esthetic improvements to enhance enterprise development, business recruitment and retention and overall economic development.

SECED collectively assists member local governments with job creation and retention, community development and continued community vitality. Functioning within the Southeast Enterprise Zone, we manage economic and enterprise development programs, one of which is our regional business assistance revolving loan fund program. This vital program is designed to help retain our existing businesses and it provides a valuable vehicle for creation of new businesses.

SECED and Southeast EZ work very closely with the individual economic development counterparts in each of the five counties to address the needs of area businesses. In addition, we work collaboratively with Southeast Business, Retention and Expansion (SEBREA) as a resource in planning, research and the identification of programs, incentives and funding for Region 6 that can be used to assist prospective and existing businesses.

2016 Observations and Data

The Southeast Enterprise Zone experienced a slight increase in estimated population growth. A positive trend is welcomed as growth affects the general health of our member rural communities. The 2016 estimate data indicates a slight increase in population growth in two of our counties and slight decreases in the other three counties with an aggregated increase of 193 people, up (.68%) from 2015 estimates. Annual retail sales data was not available for 2016, however, for February 2015 compared to February 2016, overall SE EZ area retail sales decreased 13.19% as compared to a .04% increase in statewide retail sales for the same time periods. The SE EZ area's collective unemployment rate decreased from Dec 2015 at 3.08% to Dec 2016 at 2.32% a decrease of .76% as compared to 2016 state average of 3.0% for that same time period. Per capita income data for 2016 is not yet available.

2016 Efforts to Improve Conditions

Over the course of the last twenty-five (25) years, SECED's Business Loan Fund (BLF) has assisted 267 business loan needs in the amount of \$14,605,360 with leveraging from private sources totaling \$12,446,954. For 2016, 9 loans were funded in the amount of \$618,023.00. In addition, through our Division of Housing rehabilitation loan program, which assists low-to-moderate single family owner occupied residents with health and safety repairs in their homes, \$5,359,166 funds have been loaned benefiting 311 households and 2016 resulted in 5 loans funded to the amount of \$58,355.00.

EZ Capital Investments (ITC)

In 2016, the Southeast EZ processed 247 ITC certifications. The sum of capital investments amounted to \$40M with \$24.4M in qualifying investments which generated \$730,765 in tax credits. A total of 873 employees were trained generating credits to the employer of \$29,706.

Contribution Projects

The Southeast EZ has various certified contribution projects in our five county areas. These projects generated \$261,030 in contributions giving contributing taxpayer credits of \$65,676. In 2016, Southeast EZ had one additional contribution project approved. The project will help to promote tourism while creating jobs, not only initially with the construction phase, but maintenance jobs for years to come. The enhanced facility will then promote use and encourage increase in commerce.

County Resource

Southeast EZ fields calls on almost a daily basis from November through April. From November through mid-January, they pertain to pre-certifications. Once past the first of the year, the inquiries typically pertain to certifications and the processes for submitting certifications. In most cases, we are able to resolve issues for the businesses or accountants. Each of the Economic Developers in our area serve as resources and distribute literature regarding the enterprise zone to prospective and existing businesses and then refer them to SECED for more in-depth information.

Educational Publications

SECED and the Southeast EZ produces and distributes the below publications to assist and help increase awareness and knowledge of the Southeast Enterprise Zone. Our publications include the following:

Southeast EZ (SECED) continues to create and distribute Enterprise Zone, Business Assistance Loan Fund, and Housing Rehab brochures for area and regional conferences in training and marketing activities.

Southeast EZ (SECED) created and continues to distribute member counties (Baca, Bent, Crowley, Kiowa and Prowers) informational / marketing brochures to Welcome Centers, State Parks, Economic Development Agencies, Hospitals, Tour Groups and area County Clerks.

Presentations

Southeast EZ (SECED) gives multiple presentations to local and area organizations, societies and directly to businesses to increase awareness and provide information on the Southeast EZ. These organizations included Community Banks, Chambers of Commerce, Rotary Clubs, Lyons Clubs and area Economic Developers. The zone incentives were described with Q&A sessions following the presentations.

Partners

Southeast EZ (SECED) in affiliation with the Southeast Colorado Workforce Center and Colorado State Demographer provide data, training and information materials along with conducting partner interviews for educational purposes. We continue to assist the data centers in their efforts to train and promote program benefits.

Winning Story

Where Southeast Colorado is a mainly agricultural economy, our winning story in Region 6, come in the utilization of the Enterprise Zone credits mainly for equipment purchases for small and large farming operations throughout all 5 counties. Each year we see family farms go out of business and that is concerning. Other factors such as drought affect these decisions. However, we know that without the Enterprise Zone credits, more operations would likely cease business. The Enterprise Zone helps these operations to be able to afford purchases of updated equipment for making farming more efficient with increased output, with the understanding that for their investment into the Zone, a credit will be available to decrease tax liability. It is a great way to keep our agriculture economy alive.

Objectives:

2016 Objectives (as submitted on previous report)

1. **GROSS RETAIL SALES** - Realize increased community vitality through at least a 15% increase in the gross retail sales in the overall EZ area. Retail sales data is not available for comparison.
2. **AREA POPULATION GROWTH** - Realize stabilization of annual growth patterns. The Southeast EZ was able to meet this overall goal but truly only two of five counties had growth, offsetting the losses in the other three counties. There was a .68% increase compared to the .78% decrease in 2015. Estimated population for the SECED area as compared to 2015 estimates indicates an increase of 193 in our 5 county areas. Regardless, the census data indicates the rural and agricultural nature of our communities continues to struggle with outmigration of population. (Source: State Demographer Estimates)
3. **ASSESSED VALUATION** - Realize increased community vitality through at least a 5% increase in the area assessed valuation. Available data indicates the Southeast EZ was not able to meet this stated objective. A cumulative assessed valuation of \$387,608,067 in 2015 from \$364,044,200 in 2014. An increase of \$23,563,867 or 6.47% in property value. Southeast EZ realized an increase in tax revenue of \$555,507.00 or 4.62%. Expectations and measured annual growth was short of meeting our goal by just .38%. Looking at a 10 year growth pattern the Southeast EZ has experienced growth of 26.89%. (Source: Counties Abstract Reports)
4. **EXISTING JOB BASE** - Retain existing job base to show no net loss in jobs each year and accommodate the increase in population through the expansion of existing industries. The labor force increased by 307 in 2016 with a current unemployment rate of 2.32%. Agriculture is a large contributor of the labor force and the regional economy but it does not report to unemployment statistics. There has been varying levels of fabrication jobs over the past year and it appears Colorado Labor numbers are improving. (Source: Colorado LMI Gateway)
5. **PER CAPITA INCOME** - Increase the per capita income in SE Colorado by at least \$250 per year. The target being to maintain a minimum per capita income of 75 percent of the state average. The 2000 average Southeast EZ wage was \$22,685, the average wages increased to \$36,100 in 2015, a 62.84% increase. The 2015 regional wage increased to \$36,100 from the



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2014 level of \$35,246, a 2.42% increase. This is slightly below the stated goal of 75% to the state average of \$50,899. It should be said that if not for the Enterprise Zone this per capita wage figure would very likely be significantly lower. (Source: U.S. Bureau of Economic Analysis)

6. **CAPITAL INVESTMENTS** – The Southeast EZ in 2016 had a goal of targeting a minimum of 15% annual increase in capital investments as reported on DR0074. The zone has fallen short of being able to meet this 10% goal for 2016. While there was an increase in reported capital investments for approved certifications in 2016 totaling \$40,524,952 as compared to approved certifications in 2015 totals of \$40,004,714. This is an increase of only \$520,238 or 1.3%. The qualified capital investments approved in 2016 totaled \$24,525,897 down from \$25,366,975 approved in 2015 a 3.31% decrease. While we are short of meeting our goals, we believe without the Enterprise Zone incentives approved in 2016 for investment tax credit could have been far less. (Source: SE Colorado EZ data records)

2017 Objectives

1. Southeast EZ will plan to target 15 manufacturers within the five counties and inform them about the Investment Tax Credit. The EZ will review the targeted manufacturers previous year's credit and evaluate how it utilized the credit. If in the process it is discovered that a manufacturer is not utilizing the credit, visits to those manufacturers will be made to educate them about the credit. Additionally, we will make personal contact with accountants handling the pre-certification/ certification process to ensure that they too are aware of the credit. With this increased education regarding the EZ, we hope to encourage the growth of a healthy tax base. At the end of 2017, we will measure the outcome by analyzing and measuring the change in capital investment dollars.
2. The Southeast EZ proposes to step up the efforts to assist in the goal of increasing the total number of jobs created in the EZ over 2016. SECED/Southeast EZ currently works with all Economic Developers in the five counties on business retention/expansion efforts. We also operate the business loan fund program, where we have first-hand knowledge of existing and prospective businesses needing assistance. We will work to increase awareness of this tax credit by providing one-on-one meetings with the Economic Developers as well as current and prospective business people to educate them about the benefit of adding employees. We will also disseminate the information via email to reach a broader audience. By concentrating on this effort, we can use this EZ credit as a tool to get relocating businesses into the EZ, contributing to the overarching goal of improving the local unemployment rate. At the end of 2017, we will measure the outcome by analyzing and measuring the change in new employees reported on the DR74.
3. The lack of a skilled workforce is always an issue in all five counties. In an effort to increase the number of employees trained in the EZ, Southeast EZ will contact 15 existing businesses throughout the five counties and notify them of the Job Training Tax Credit. We hope to help stimulate an increased effort to develop a skilled workforce in the EZ. As a result, we hope that by making businesses aware that airfare, hotel and the cost of the class are included in this 10% tax credit, this will influence business decisions for training employees. This goal works towards the overarching goal of developing a skilled workforce in the EZ. Again at the end of 2017, we will measure the outcome by analyzing and measuring the job training credits reported on the DR74.

Executive Summary

- The Southeast Enterprise Zone and SECED has steadily provided multiple economic development programs and is capable of working with a variety of potential businesses and industrial prospects with a loan portfolio of approximately \$2.99 million. New or expanding businesses seek enterprise zone tax credits and with these credits they can utilize the Southeast Colorado Revolving Loan Program incentives to actually implement enterprise zone jobs.
- Southeast Enterprise Zone and SECED provides housing programs to improve the available housing stock and to also improve the aesthetics of the area. The health and safety along with aesthetics of the area has improved with SECED's nearly \$1.8 million housing rehab portfolio. Without this vital housing component, the Southeast EZ incentives are much less effective.
- Our 5 county region and along with the municipal communities contained therein work together to solve whatever problems that impact the region. Our collective voice is much greater than remaining independent.
- Our 5 county region has adequate utility capacity to handle growth. Southeast EZ (SECED) area's infrastructure remains sound and able to accommodate growth.
- We have quality educational opportunities including a community college and an interactive workforce board representation. A global research project continues its R & D activities in the Southeast EZ (SECED) area due to our mild dry climate, clear nights and the availability of a local community college.
- A large selection of business and industrial sites and properties are available to the region at very competitive rates. As stated above the needed infrastructure is in place and ready for service.



- Most business and industrial sites are appropriately zoned with a planning commission in place that can respond to specialized requests. For the most part these sites do not contain specialized covenants and/or restrictions.
- The Southeast EZ provides the forum to unify the 5 county regions.
- The Southeast EZ has targeted projects proven to be successful. This region has developed new manufacturing, completed telecommunications, improved the availability of affordable housing, improved air transportation, and expanded recreation and tourism.
- Southeast EZ has created a sub-grantee status with all 5 Certified Contribution Projects.
- Southeast Colorado Enterprise Development, Inc. assists businesses with all aspects of business development.
- Southeast Colorado Enterprise Development has been involved with the Colorado Workforce Investment Council since its inception and continues an active board membership on the Workforce Investment Board.
- The Southeast Colorado Transportation Planning Region (TPR) priorities include our corridors of US Highway 287 and US Highway 50. Multi-modal transportation is available for industry and commercial growth.
- Three of our region's counties are included in the Ports to Plains transportation corridor - Highway 287. This Federal designation will create greater opportunities to implement the NAFTA agreement. The Southeast EZ incentives are an important component to forward this effort.
- Southeast Colorado proudly boasts one of the world's largest wind power projects with 158 GE 1.5 megawatt turbines covering 11,000-acres of land with an additional 36 wind turbines set to be completed by November 2017. The focus of the project continues in addressing transmission issues that impede expanding renewable energy efforts in our region.
- Out-migration of water resources from Southeast Colorado continues to be one of the regions' significant concerns.
- Southeast Colorado Enterprise Development, Inc continues to create positive marketing materials to convey a unified and consistent accommodating image for business expansion and retention.



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Southwest Administrative & Statutory Enterprise Zone

Overview

The Region 9 Economic Development District of Southwest Colorado Inc. (Region 9) serves as the Southwest Enterprise Zone Administrator. Region 9 is a nonprofit, 501 (c) 6 public private partnership that works to improve economic conditions and coordinates economic development efforts throughout southwest Colorado. Region 9 covers five counties, ten municipalities and the only two Native American Tribes in Colorado (Ute Mountain Ute and Southern Ute). Incorporated in 1989, Region 9 is led by a 26-member board of directors; 17 from local governmental jurisdictions and 9 from the private sector. Programs include: business loans and financing, producing the Comprehensive Economic Development Strategy (CEDS) as well as other data reports, Enterprise Zone Administration, special projects such as the Southwest Accelerator Program for Entrepreneurs (SCAPE) and serving as fiscal agent for the Four Corners Film Office.

Conditions and Business Environment

2016	Region 9			
	# Businesses Filing	Tax Credits	\$ Invested	Jobs Created
Archuleta	41	\$ 643,587	\$ 10,978,249	223
Dolores	24	\$ 126,734	\$ 3,878,373	36
La Plata	99	\$ 485,453	\$ 8,100,215	161
Montezuma	127	\$ 47,089	\$ 123,413,373	71
San Juan	4	\$ 19,041	\$ 308,016	-3
Total	295	\$ 1,321,904	\$ 146,678,225	488

Southwest Colorado developed as a result of "traditional west" commodity products such as minerals, cattle and timber. Since the 1970s the region has transitioned to tourism and outdoor recreation as the number one industry. The area is known for its scenic beauty, diverse landscapes, cultural resources and entrepreneurial spirit. Each county is unique in terms of their needs and key industries. Agriculture related services and forestry remain significant sources of employment for Dolores and Montezuma Counties, yet provide relatively little employment income. The Archuleta, La Plata and San Juan County economies are based primarily on tourism. Natural

resources and energy are also important sectors in the region's economy. The Southern Ute and the Ute Mountain Ute Indian Tribes are both major economic forces with their diversified enterprises and employment opportunities benefiting the regional economy. Both reservations contain eligible Enterprise Zone areas.

	Region 9		
	Tax Credits	\$ Invested	Jobs Created
2011	\$ 673,131	\$ 22,501,542	268
2012	\$ 1,648,586	\$ 76,642,252	505
2013	\$ 4,199,768	\$ 183,347,978	(21)
2014	\$ 1,238,773	\$ 46,244,938	461
2015	\$ 2,699,282	\$ 66,073,593	89
2016	\$ 1,321,904	\$ 146,678,225	488
% Change 15-16	-51%	122%	448%

Participation in the EZ Program continues to be important to area businesses. The number of businesses certifying tax credits increased from 270 in 2015, to 295 in 2016. However tax credits saw a decline from 2015 even though investment dollars increased significantly. Job creation went from 89 jobs in 2015 to 488 jobs created region-wide in 2016.

Region-wide, in 2016 there were 30 designated Enterprise Zone Contribution Projects (2 newly designated), which generated about \$5.06 million in economic activity through direct and in-kind contributions. This is up from \$3.91 million in 2015.

2016 Observations and Data

County	Population Requirement	2011 - 2015 Pop. Growth	2015 Unemp. Rate	2015 PCI	EZ Qualify
Archuleta	Yes	No	No	No	No
Dolores	Yes	Yes	No	Yes	Yes
La Plata	Yes	No	No	No	No
Montezuma	Yes	No	No	Yes	Yes
San Juan	Yes	Yes	Yes	Yes	Yes
Data Source	DoLA	DoLA	ACS	ACS	

DoLA: Colorado Department of Local Affairs.

ACS: American Community Survey Five Year Estimates 2011-2015.

through 2018. The EREZ program provides greater financial incentives to businesses in those counties to promote and encourage new job creation. La Plata and Archuleta were not eligible on a county level, so each census block was evaluated individually on the economic distress criteria and many blocks met the criteria and are included in the Zone.

In the Southwest Enterprise Zone, three counties, Dolores, Montezuma and San Juan met economic distress criteria as a county. According to this statute, to be designated an Enterprise Zone a designated rural area must have a population of less than 150,000 persons and meet one of the following criteria: an unemployment rate at least 25% above the state average; a population growth rate less than 25% of the state average; and a per capita income (PCI) less than 75% of the state average. Dolores and San Juan Counties are also designated as Enhanced Rural Enterprise Zones (EREZ)



	Estimates		% Change 2011-2015	*EZ Eligible
	2011	2015		
Archuleta	11,991	12,384	3.3%	No
Dolores	2,020	1,953	-3.3%	Yes
La Plata	51,874	54,907	5.8%	No
Montezuma	25,428	26,139	2.8%	No
San Juan	696	705	1.3%	Yes
Colorado	5,117,368	5,456,584	6.6%	

* < 25% of State (1.6%)

Source: DoLA - Colorado State Demographers Office January 2017

Population Growth – Overall, the region has seen an overall population increase since 2011, driven mainly by growth in La Plata County. Two of the five counties (Dolores and San Juan) met EZ eligibility criteria for population growth from 2011 – 2015, the latest available.

	2015 Unemp. Rate	*EZ Eligible > 5.9%	Objective 1 < or = to State
Archuleta	4.8%	No	No
Dolores	2.6%	No	Yes
La Plata	3.5%	No	Yes
Montezuma	5.7%	No	No
San Juan	9.9%	Yes	No
Colorado	4.7%		

*at least 25% above State Avg (4.7%) = 5.9%

Source:(ACS) American Community Survey Five Year Estimates 2011-2015.

Unemployment – Only San Juan County meets the unemployment rate criteria for EZ status based on unemployment rates for 2015. La Plata and Dolores Counties met SW Enterprise Zone local Objective 1 (see page 4), of being less than or equal to the state unemployment rate.

Per Capita Income (PCI) – Three counties, Dolores, Montezuma and San Juan met eligibility criterion for PCI in 2015. Archuleta and La Plata Counties did not meet this criterion. None of the counties met local Objective 2, of being greater than or equal to the state PCI.

2015 Per Capita Income			Objective 2 > or =	
County	PCI	% of State	* EZ Eligible < \$24,163	to State PCI
Archuleta	\$ 28,884	90%	No	No
Dolores	\$ 20,199	63%	Yes	No
La Plata	\$ 31,882	99%	No	No
Montezuma	\$ 23,470	73%	Yes	No
San Juan	\$ 23,143	72%	Yes	No
Colorado	\$ 32,217			

*75% of State PCPI= \$24,163

Source:(ACS) American Community Survey Five Year Estimates 2011-2015.

2016 Efforts to Improve Conditions

Region 9, as the Southwest EZ Administrator, has worked hard throughout the year educate area businesses, governments, economic development groups, chambers and area accountants about the new boundary changes that began in January, 2016. One presentation was held specifically for area accountants on the new maps, and Salesforce database, and a presentation, sponsored by the Durango Chamber was held on this topic. We believe that there are an increasing numbers of businesses pre-certifying each year but many of those businesses are not following through with certification. In 2016, we began measuring the number of EZ inquiries that we receive in our office. Those inquiries totaled 106 different contacts.

Specific EZ activities included:

- Held meetings and presentations with each county-level economic development group regarding the EZ boundary changes and possible business extensions.
- Provided EZ Annual Report and county specific EZ data to all 17 government jurisdictions.
- Region 9 bi-annual newsletters include Enterprise Zone information.
- A contact list of regional accountants is continually updated and information distributed via email as necessary. This included availability of Salesforce, tips, form updates, deadlines and instructions.
- Supplied EZ packets to the general public and area economic development groups for distribution to businesses.
- Added two new EZ Contribution projects and communicated with three projects that will no longer be eligible in 2017.
- Worked with the Archuleta County GIS Department to have the EZ added as a layer to its public website.
- Cite EZ information in Region 9 brochure and other materials as well as monthly updates distributed to our Board of Directors, funders and governments.
- Continually update the Enterprise Zone Contribution Project email tree and provide information as necessary. This includes forms, deadlines, tips and reminders.
- Provide EZ information on organization website including forms, policies and maps of new eligible areas.



- The EZ Administrator trained an additional staff member to assist with the EZ Program: to use Salesforce, handle phone calls and questions regarding the program.

2016 Southwest Enterprise Zone Objectives

A number of local Enterprise Zone objectives were identified in 2009 to demonstrate how the Enterprise Zone tax credits are helping our economy. Those objectives continue to be tracked on an annual basis. Overall, we are seeing improved economic conditions as we now have two counties out of five that do not meet county-wide distress. In 2009, we only had only one.

1. **Unemployment rates for each of the counties should be equal to or less than the state unemployment rate.** Current Status – La Plata and Dolores Counties had an unemployment rate less than the state unemployment rate. This is the first year for Dolores, though La Plata County has met this goal for all years from 2008 to 2015.
2. **Per Capita Income (PCI) for each of the counties should be equal to or greater than the state PCI.** Current Status – No counties had a PCI greater than the State PCI based on 2015 numbers, the latest available. La Plata County was an exception being greater than the State PCI in 2010, but otherwise none of the five counties had PCI levels equal to or greater than the state from 2006 through 2015.
3. **Each County will have an active economic development organization with staff and funding to focus efforts in each county and assist Region 9 EDD with its delivery of services.** Current Status – For the first time, all five counties now have active economic development groups and one is a designated as EZ Contribution project. Region 9 works with each county's economic development staff and board of directors to promote Enterprise Zone opportunities. This year, we have continued to see growing participation in the Enterprise Zone in Montezuma County and we expect to see numbers grow in San Juan County with new economic development staff.

We expected to see Objectives number 4 and 5 reflect local outreach efforts. However, we did not see that in Objective 5. It is apparent to us that this objective is not an effective measure of our EZ time and outreach. Even businesses that we can get pre-certified appear to not be following up with certification.

4. **Increase the number of businesses that participate in the EZ in each county using 2005 as a base year (228 participating businesses).**

Year	# Participating Businesses	% change from 2005	% change from Previous
2005	228		
2009	232	2%	
2010	247	8%	6%
2011	249	9%	1%
2012	419	84%	68%
2013	297	30%	-29%
2014	286	25%	-4%
2015	270	18%	-6%
2016	295	27%	9%

We expected that our outreach as an EZ Administrator would positively impact the number of participating businesses, but there appears to be no correlation. The 2012 numbers appear to be an anomaly and we believe that one possible reason for the high numbers was the transition to the on-line system precertification system where area accountants pre-certified all their clients, just in case. Another reason is the fact that businesses were no longer allowed to claim credits for previous years after 2012, and many made multi-year submissions.



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5. **Target all businesses involved in other Region 9 programs and inform them about the Investment and other EZ tax credits, and track how many utilize the credits.**

The table below lists the number of non-duplicative businesses utilizing EZ tax credits that Region 9 worked closely with, either through our loan program or individual technical assistance. We track those businesses, by county, annually that claim EZ business tax credits. The supporting list of businesses is available by request as it was too large to include. For more information contact Region 9 at 970-247-9621.

	Archuleta	Dolores	La Plata	Montezuma	San Juan
2009 (Base yr.) 36 Businesses	5	1	18	11	1
2010 10 Businesses	3	0	3	4	0
2011 19 businesses	3	1	8	6	1
2012 18 businesses	3	2	9	4	0
2013 10 businesses	1	0	5	2	0
2014 11 businesses	4	0	4	2	1
2015 14 businesses	1	2	7	3	1
2016 14 businesses	4	4	3	3	0

Weld County Administrative & Statutory Enterprise Zone

Overview

Upstate Colorado Economic Development (Upstate) is administrator of the Weld Urban Enterprise Zone (EZ). Upstate is a nonprofit, economic development corporate that was formed as partnership between the public and private sectors throughout Weld County. Our primary mission is to facilitate primary sector job creation and income growth in Weld County.

Our long-term goal for the Weld EZ is to raise/maintain the per capita income of any Weld Census tract, Census place or black group to at least 75% of the state average per capita income and, lower/maintain the unemployment rate to at least 125% of the state average.

Following a boundary re-designation process that was completed in 2015, updated Weld EZ boundaries went into effect 1/1/2016 and include all or a portion of 27 Weld municipalities (Ault, Fort Lupton, Garden City, Gilcrest, Hudson, Keenesbrug, Kersey, La Salle, Lochbuie, Pierce and Platteville, Berthoud, Brighton, Dacono, Eaton, Evans, Firestone, Frederick, Greeley, Johnstown, Mead, Milliken, Severance and Windsor). The large northeastern block of extremely rural Weld (from approximately Hwy 14 and Hwy 34 north and east to the state and county lines) is also included as an extension of the rural eastern plains. A variety of issues are causing distress, including: lack of infrastructure, lack of business sites/existing buildings, remoteness, low educational attainment levels, difficulty attracting investor dollars, downtown/central business districts in need of redevelopment, blighted and contaminated sites, volatile industry sectors, etc. While experiencing strong and in some cases significant residential growth, all of these communities struggle to balance their community and tax base with the business growth necessary to offer a well-rounded community with jobs close to home.

Past Year Observations and Data

The 2015 annual unadjusted Weld unemployment rate was 3.8%, down from 5.0% in 2014 (source: BLS). The 2015 Weld County personal income was \$42,787 up from \$38,664 in 2014 (source: BEA). And, the Weld County population growth rate was 12.6% from 2010 (252,825) to 2015 (284,876) (source: US Census Bureau). The subcounty annual data for unemployment, per capita income and population growth rate is not yet available for 2016.

In 2016 the Weld economy was flattening, primarily due to the oil/gas slowdown. With prices falling from \$110/barrel to \$30ish/barrel the “boom” was abruptly over in 2015, which again illustrates the energy industry volatility. There was continued job loss and reorganization in this sector through 2016. The annual average wage for all industries declined from \$46,592 in 2015 to \$44,148 in 2016 at least partially due to fewer high paying energy jobs. However, oil/gas prices appeared to be rebounding in 2016 so we anticipate more industry stability in 2017. With the surety of the federal production tax credit through at least 2020, the renewable side of the energy sector continued to show growth and stability for at least the short term. Even with this stabilization there’s an ongoing need to continue efforts to locate new employers to replace those lost in the normal economic churn and further diversify the economy. The 2016 announcement of the Agilent pharmaceutical manufacturing facility was a step in the right direction. Leprino Foods also added their third production phase increasing milk demand from area dairies. However, sharply declining commodity prices continue to hurt our agricultural sector. While countywide personal income and unemployment rates have recently improved overall, there’s concern that the improvement may not be sustainable, primarily due to the inherent volatility of the energy sector. In general, wages are not consistently keeping pace with the increasing cost of living and many of the better paying jobs aren’t going to Weld residents at least partially due to lower educational attainment levels. Weld has long fought the battle of lower personal income levels as compared to the state and other MSA areas along the Front Range. As compared to Colorado, Weld has higher poverty levels, more households on food stamps, more renters paying 35%+ of their income on rent leading to less disposable income and more people with less than a high school diploma. The most current 2015 unemployment rate of 3.8% is expected to be even lower when 2016 annual numbers are release, which is at virtually full employment. This tight labor market could pressure wages to increase and/or result in more automation as employers struggle to find employees with the right skill sets and education.

Past Year Efforts to Improve Conditions

1. Business Retention & Expansion Program: Through this on-going program, Upstate contacts existing Weld employers in an effort to identify companies with expansion plans/concerns and offer/explain various assistance available to them, including the EZ. In 2016 we had contact with 51 employers, of which 23 had projects/needs that received in-depth assistance. Eight had expansion projects.
2. Business Attraction Program: In 2016, Upstate staff worked with 87 companies requesting a variety of information about Weld as a potential location. EZ information, along with real estate, labor, demographic, incentive, etc., information was provided. Of these leads, 22 became qualified prospects, 5 announced location plans and several continue to be active prospects in 2017. Upstate marketed the benefits of doing business in Weld to numerous national site consultants via co-



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hosting the metro Denver ED Council Site Selection Conference and attendance at the National Industrial Asset Managers Conference.

3. Finance Assistance: Upstate administers the Weld/Larimer Revolving Loan Fund and the Greeley Community Development Fund in an effort to assist companies and their lending partners meet company financial needs. In 2016, the RLF funded \$400,000 in new loans creating 30 new jobs which leveraged \$150,000 in local bank funding. As of 12/2016 we are servicing 10 active loans (the majority located within the EZ) totaling about \$2.1 million.
4. EZ Marketing: Through marketing efforts tied to our Business Retention/Expansion and Business Attraction programs, plus independent EZ marketing activities, we roughly estimate that EZ benefits were marketed to representatives of over 300 companies in 2016. This activity ranged from verification that a location is within the zone boundaries and certification of eligible state tax forms, etc., to questions regarding how to calculate a specific credit(s), requests for more detailed EZ information, response to new lead/prospect inquiries, personal EZ meetings with key existing employers, EZ program review with area realtors marketing properties within the EZ, local ED community partners who are meeting with companies, etc. In many cases labor, real estate, demographic, etc. information was also provided. In addition, two primary tools, outlined below, are utilized in marketing the EZ opportunities:
 - Upstate Web Site: Upstate maintains an information-rich website which includes extensive demographic, labor, transportation, real estate and incentive, etc. data about communities and opportunities throughout Weld County. Detailed EZ information and maps are also available, along with a GIS tool which allows users to conduct self-directed property searches, identify EZ boundaries, and generate a variety of reports pertinent to site selection and business growth. This web site has become a critical “first source” of information and one of our best marketing tools and is constantly being updated.
 - Educational Publications: We distribute a variety of marketing/educational materials that all include at least summary information on the EZ. Publications include: EZ Informational Materials/Maps, Weld Economic/Demographic Profile, Weld Incentive Summary, Upstate Annual Report, Upstate Agency Brochure and EZ information emails to local business and municipalities. All of these materials are available electronically from our web site and in hard copy form.
5. EZ Contribution Projects: We continue to provide marketing and administrative assistance to 14 existing contribution projects who provide services that help meet our EZ development goals. Including compliance with all state reporting, local contributor questions, certification form completion, etc. All of these projects help improve zone conditions through marketing the opportunities of locating within the EZ, labor force development, enhanced tourism, providing business support services, further development of public facilities, rural health care, homeless assistance, etc. In 2016, we certified 1,784 contributions totaling \$1.6 million to these 14 approved projects. Contributors collectively earned \$409,544 in state income tax credits.

Objectives Report:

1. Realize new employment opportunities (jobs) within the EZ over the Previous Year: In 2016, Upstate worked with 14 new and existing companies that created or announced plans to create 778 new FT jobs. Nine of these companies (see list below) were located or planned to locate within the EZ, creating 432 (55%) of the new jobs announced by companies Upstate worked with. It's important to note that all new employment opportunities, including jobs outside of the zone boundaries benefit EZ residents by offering increased employment opportunities in the area. These new employment opportunities positively impact the unemployment rate within the zone and throughout the county. **This objective was met.**
 - Leprino Foods (Greeley) – cheese processing – 433 retained/120 new jobs/\$190 million
 - Systems Undercover (Eaton) – mechanical insulation contractor – 12 retained/30 new jobs/\$1.3 million
 - URSA Major (Berthoud) – rocket engine testing – 20 new jobs/\$unknown
 - Boulder Scientific (Mead/Weld) – chemical product blending – 147 retained/30 new jobs/\$11.3 million
 - Parallel Products (Greeley) – oil/gas production – 160 retained/55 new jobs/\$12 million
 - Colorado Premium Foods (Greeley) – packaged beef products – 230 retained/50 new jobs/\$5.7 million
 - Sparboe (Weld) egg processing/distribution – 84 retained/\$5.2 million
 - Aunt Helen's Coffee Shop (Greeley) – downtown coffee shop – 9 new jobs/\$200,000
 - Advanced Forming Technologies (Firestone) – metal injection molded parts – 280 retained/170 new/\$4.5 million
2. Realize increased capital investment within the zone over the previous year: In 2016, the 14 new and existing companies that Upstate worked with invested, or announced plans to invest, a total of \$478.9 million into the Weld economy. The new investment of the nine projects (see #1 above) located within the EZ boundaries totaled approximately \$218.4 million (45%) of the total announced new investment by companies Upstate worked with. Again, it's important to note that all



new investment, including that occurring outside of the zone, benefits all Weld residents (including EZ residents) by building a strong, diversified, healthy tax base. **This objective was met.**

3. Realize annual contact with at least 30 existing EZ businesses and at least annual contact with each EZ located municipal partner and central business district organization to market the EZ benefits: As part of our EZ marketing efforts, in 2016 we contacted 27 municipal partners and central business district groups to review the EZ opportunities, program benefits and to enlist support in marketing the EZ to businesses throughout Weld. Through our on-going business retention/expansion effort, Upstate had contact with 51 existing Weld employers, of which 23 were doing business within the EZ. All received EZ program information. In addition, we completed a direct email effort that reviewed EZ benefits, including the pre-certification requirement, to 480 Weld employers. EZ certification records show that in 2016; 135 Weld companies collectively invested approximately \$486 million, created 420 new jobs, retained 12,017 jobs and earned approximately \$7.5 million in EZ credits. **This objective was met.**

Objectives for Coming Year

Below are three measurable goals that will be reported on in the coming year, based on activity facilitated by Upstate Colorado Economic Development:

1. Enhance employment opportunities by facilitating the creation of new jobs within the zone.
2. Maintain/build a healthy tax base by facilitating new capital investment within the zone.
3. Support business by providing access to financial capital via loan funds, angel investors, etc.



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