

Local Enterprise Zone Annual Reports  
Calendar Year 2017

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2016 Metrics Aggregated for Census defined places comprising each Enterprise Zone

Enterprise Zone	Unemployment Rate	Per Capita Income	Population Growth Rate
Adams County	7.30	\$ 22,623	20.68
Central Colorado	6.76	\$ 23,668	4.23
Denver County	7.47	\$ 23,939	19.58
East Central	5.70	\$ 29,270	6.86
Jefferson County	5.98	\$ 31,058	16.23
Larimer County	6.34	\$ 27,648	16.95
Mesa County	9.06	\$ 26,000	5.75
North Metro	7.97	\$ 26,681	15.87
Northeast	5.29	\$ 23,923	-0.65
Northwest	4.97	\$ 31,486	6.28
Pikes Peak	8.31	\$ 25,768	12.92
Pueblo County	10.79	\$ 20,641	9.76
Region 10	8.30	\$ 24,787	2.82
San Luis Valley	9.14	\$ 20,206	0.19
South Central	9.70	\$ 22,180	-3.30
South Metro	7.59	\$ 27,949	14.99
Southeast	11.83	\$ 17,918	-7.46
Southwest	6.00	\$ 28,017	10.24
Weld County	7.04	\$ 24,293	11.07

\*US Census American Community Survey 5-year survey data 2012-2016. Published December 2017  
 Population Change compares 2016 to 2011.  
 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 1,184 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. The Enterprise Zone in this region is primarily focused around the I-76 and I-85 highway corridors running through Brighton and Commerce City. 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. The Enterprise Zone education efforts continues to be closely integrated with the ACED business retention and attraction programs, which have resulted in positive, measurable increases within the Enterprise Zone over time.

**2017 Observations and Data:** As of December 2017, the United States Department of Labor has Adams County at 3.3% unemployment. The 2016 American Community Survey reports Adams County at a 1.9% population growth. According to the United States Census Bureau 2016 has a per capita income of \$26,051.

**2017 Efforts to Improve Conditions:** In 2017, 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 1,123 pre-certifications in 2016.

**Business Friendly Audits:** In 2017, in order to maximize the effectiveness of our services, ACED continued to implement an internal “Business Friendly Audit” of each tax form that came through our office for certification. In the “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. In 2017, we added two new contribution projects for the Town of Bennett, one for their Waste Water Treatment Facility and one for their Town Hall, which are instrumental in supporting the efforts of improving their Town infrastructure and community relations. Existing contribution projects include Almost Home, which is an emergency homeless shelter located in Brighton providing assistance with G.E.D testing, rental utility assistance, and affordable housing. ACED actively verifies that projects were conducting approved contribution activity.

**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. ACED also assisted businesses in the pre-certification and certification process. 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 2017, 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)
- AdamsLovesBiz (publication to the business community)
- Member newsletter
- ACED’s website with updated EZ area/information
- Links to OEDIT website for complete listing of FYI’s and current forms
- Capital Resource Guide (accessible through ACED’s website)
- Informational EZ e-mail correspondence

**Presentations:** ACED conducted over 100 Business Retention visits at Primary Employer locations in Adams County in 2017. 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, Manufacturing Industry, Business Clubs, municipality gatherings, 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. We worked with the EDCC and our regional ED partners to better understand how we can help companies grow and prosper within the Zone moving forward.

**2017 Objectives:**

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

1. ACED began the process of adding and promoting more Enterprise Zone Infrastructure Projects throughout Adams County.
2. ACED continued its outreach initiatives to reach the public through collaboration. We will utilize our city partners and industry associations to inform about the recent program changes (i.e. policy changes).
3. ACED's Business Retention Program continued to work closely with our city partners to market and educate the Adams County business community on the benefits of the Enterprise Zone Program.

ACED's performance for 2017 indicate these goals were met.

**2018 Objectives:**

ACED's 2018 goals for the Enterprise Zone program will focus on three goals:

1. ACED held its first Site Selection conference in 2017 and will be holding another Site Selection conference in 2018. The Enterprise Zone is a great incentive program for companies and Site Selectors alike, to know about when making the decision to move to Adams County.
2. ACED will continue its outreach initiatives to reach the public through collaboration. We will utilize our city partners and industry associations to inform about the recent program changes (i.e. policy changes).
3. ACED's Business Retention Program will continue to work closely with our city partners to market and educate the Adams County business community on the benefits of the Enterprise Zone 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 a zone administration services agreement between Park County and the UAACOG.

**Business Environment:** The economic base of the 4 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.

**2017 Observations and Data :**(Current unemployment and per capita income data to be provided by OED&IT Staff):

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 2017 Development Objectives section below: see objective's measures and status of objectives narratives. The 2017 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 and recent 2017 data is not available as of the date of this report but is being prepared by OED&IT staff.

**Per capita Income:** Per capita income data has historically indicated that CCEZ Counties per capita income, ranking among the 64 counties in the state and percent of state average per capita income are well below state and many other individual counties. The CCEZ continued its proportionately low per capita income as compared to the State average as it has since the EZ program was created. The lagging per capita income may be linked to a below Front Range average wage-salary labor market, seasonal employment, under-employment and growth in low paying service jobs. The CCEZ goal to improve per capital income as compared to the State average has generally improved in Custer County, and declined in Lake and especially Fremont County as Fremont is ranked near the bottom of 64 Colorado Counties. This is the first year of reporting on Park and northern Chaffee counties.

**Population growth:** Population growth data from Colorado DOLA indicates that CCEZ counties and municipalities are generally below the state growth rate. Custer, northern Chaffee and Lake Counties population growth rate is higher than Fremont County.

**The CCEZ county unemployment rates:** The CCEZ county unemployment rates: Some projections indicate that the region's unemployment rate may remain flat or decrease in the next 5 to 10 years. Detailed data will be provided by OED&IT soon.

**2017-18 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 2017:** The CCEZ has a balanced number and type of eligible projects on the books, 17 as the Zone enters 2018. Two historic downtown projects were added in 2016-17: Tabor Opera house – Leadville, Bell Tower Cultural Center – Florence, and Hotel St. Cloud Restoration – Canon City. All three are central business district downtown historic building development projects that will improve traffic generation for improved downtown business revenue and employment in an improved year-around setting.

**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 email downloads of specific credit information from OED&IT [www.choosecolorado.com/ez](http://www.choosecolorado.com/ez) and Department of Revenue FYIs and forms. Also, in an average week, the CCEZ Administrator responds to approximately 4 to 7 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 2017 and on into 2018. 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 2017 and will continue in 2018.

**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.choosecolorado.com/ez](http://www.choosecolorado.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 2017 the CCEZ worked with the Climax-Freeport McMoran Community Partnership Panel (Lake County), ‘Cliffs Business District (Custer County), Chaffee County EDC, Lake County EDC and Fremont EDC.

## 2018 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.
2. Improve employment and employment opportunities: The four and one-half 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 4 ½ county zone 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, Park 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.

- (1) Economic Mobility;
- (2) Business Development;
- (3) Housing; and
- (4) 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.

**2017 Observations and Data:** Since 2016 marked the first year for the newly designated EZs, a comparison between 2016 and 2017 is provided below.

	2016		2017		Change	Change	
	Enterprise Zone	City & County of Denver	Enterprise Zone	City & County of Denver	Enterprise Zone	Denver	
Unemployment Rate	4.10%	2.70%	4.40%	3%	0.30%	0.30%	↑
Per Capita Income	\$22,496	\$35,537	\$23,776	\$37,825	5.7%	6.4%	↑
Population	111,381	668,825	117,449	699,791	5.4%	4.6%	↑
Pop Growth Rate	1.38%	1.75%	1.93%	2.14%			↑

Source: 2017 ESRI estimates

**2017 Efforts to Improve Conditions:** The 2017 grant was used to fund salaries, benefits, marketing and sponsorships related to Enterprise Zone activities and outreach for the business tax credits and the Contribution Projects. A half-time staff person was hired to administer the day-to-day functions of both programs under the direction of a full-time DB staff member responsible for overseeing the Denver EZ. A detailed working guide was developed to ensure consistent review, implementation and documentation of both programs.

**Business Tax Credits:** In 2017, OED's Business Development (BD) Division engaged in a variety of strategies and initiatives aimed at growing and sustaining the local business environment through the EZ's business tax credit program. Efforts continue to be 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 and designated enterprise zones. DB continued to support 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:

- Referenced and encouraged the location of new and expanding businesses in the EZ when executing attraction and retention strategies.
- Conducted additional outreach and finalized "grandfathered" status to six (6) businesses impacted by the 2015 boundary changes.
- Maintained bi-weekly presence at The Commons on Champa as a dedicated resource to consult with entrepreneurs about EZ tax credits and benefits.
- Maintained information about the Denver enterprise zone on OED's website with links to the state EZ website.
- Partnered with a local tax accounting business to promote the EZ business tax credits.



- Produced a revamped EZ brochure also printed in Spanish.
- Emailed over 800 EZ businesses reminding them to pre-certify for 2018.
- Provided technical assistance by phone and email on average to .5 businesses per work day

**Contribution Projects:** 2017 marked the first year the Contribution Project functions were administered by OED after transitioning from Mile High United Way (MHUW). OED implemented several new procedures:

- By including hyperlinks to Denver's annual work plan (JumpStart) and the State's newly adopted Contribution Project policy, OED revised the proposal template to ensure submittals addressed the initiatives outlined in JumpStart and the stricter requirements of the program.
- Developed and utilized a tool to review and evaluate CP proposals and to advocate the proposal before the peer review team.
- Prepared a calendar and steps that allowed OED to counsel nonprofits and prepare their proposals for peer review.
- Developed a declination letter template for proposals determined to not be suitable for CP status.
- Established a curriculum and quarterly training sessions for new CP contacts to learn their responsibilities as CPs.
- Implemented an online payment system for EZ administrative payments.
- Prepared a supplemental reporting tool to ensure CPs quantified the outcomes of their program objectives in their annual reports.
- Prepared seven (7) CP proposals and advocated before peer review and EDC with six (6) being approved; internally reviewed and declined five (5) proposals:
  - Atlantis Job Readiness Capital Campaign
  - Laradon Capital Campaign
  - MHUW United Neighborhoods
  - New Dance Theatre dba Cleo Parker Robinson
  - Open Door to Success Employment Training Program
  - Salvation Army Call Center
  - Rocky Mountain Public Media Center (denied)
- Over 60 CPs were re-certified for 2018; five (5) were terminated

**Objectives Report 2017:** A comparison of 2015 and 2016 data offered no insights as significant employers and commercial corridors were graduated out of the Denver EZ in 2016. However, a new baseline was established for 2016 and will be used going forward to measure performance in subsequent years.

- Record at least 1,000 New Business Facility jobs in the EZ
- Maintain or increase the total number of businesses certified to claim tax credits in the Denver EZ
- Maintain or increase the total number of businesses pre-certified to claim tax credits in the Denver EZ
- Maintain or increase the number of employees trained in the EZ.

	Tax Year End Date 12/31/16	Tax Year End Date 12/31/17 <sup>1</sup>
NET Employees (Col AP)	551	333
Employee Change (Col AY)	903	197
# Biz took Training Tax Credit (Col V)	49	30
\$ Training Investment (Col W)	\$ 3,193,401	590,679
# Employees Trained (Col X)	6,296	3,560
\$ Capital Investment (Col R)	\$ 209,587,991	\$ 19,391,664
# of Cert Applications	281	93
Approved	276	89
Denied	1	1
# of Pre-Cert Applications	1,339	1,415
Approved	1,045	1,305
Denied	294	110
Used "EZ Certs for Local Admins"		
Used "EZ Pre-Certs for Local Admins"		





1 – As of March 14, 2018 (As of March 14, 2017, there were 78 certifications for tax year ending 2016 that were submitted and approved. As of March 14, 2018, OED's submitted and approved certifications (93) for tax year ending 2017 are trending just slightly ahead, as are the other metrics). Comparison of metrics at this same time one year ago.

	Tax Year End Date 12/31/16 <sup>2</sup>	Tax Year End Date 12/31/17 <sup>3</sup>
NET Employees (Col AP)	268	333
Employee Change (Col AY)	124	197
# Biz took Training Tax Credit (Col V)	19	30
\$ Training Investment (Col W)	\$ 210,017	590,679
# Employees Trained (Col X)	633	3,560
\$ Capital Investment (Col R)	\$ 18,392,259	\$ 19,391,664
# of Cert Applications	78	93
Approved	78	89
Denied	0	1
Used "EZ Certs for Local Admins"		
Used "EZ Pre-Certs for Local Admins"		

2 – as of March 14, 2017

3 – as of March 14, 2018

**Examples of Strategies/Initiatives Supporting Local Goals:** OED's mission is achieved through multi-year strategies and initiatives documented in its annual 2018 budget. Appendix A offers an example of these multi-year strategies and initiatives by which OED accomplishes its mission and local economic development goals. (New initiatives for 2018 are still being planned.) OEDIT's "Project Types and Categories" from the Enterprise Zone Contribution Tax Credit Overview and Policies (May 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.

**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

**MEASURABLE GOAL 2:** As reported in Salesforce, maintain or increase the level of capital investment which is an indicator of enhanced tax base year-over-year.

**MEASURABLE GOAL 3:** As reported in Salesforce, maintain or increase job creation year-over-year.



## APPENDIX A

### I: Support Capital Campaigns

#### Community Facilities

- Identify and secure a site for a community-owned neighborhood childcare facility in Globeville/Elyria/Swansea (GES)
- Fully program the Commons on Champa, and expand the support offerings to better engage neighborhood small businesses

#### Workforce Housing

- Build or preserve at least 600 affordable/workforce housing units
- Develop 56 single-family, affordable homes in GES
- Begin construction of at least 10 affordable condos at 29th & Welton
- Begin condo project in both Arapahoe Square and Stapleton
- Begin using a unified housing development application, along with Colorado Housing & Finance Authority (CHFA) and Colorado Division of Housing (CDOH)
- Complete supportive financing to control at least three additional housing development sites
- Fund a housing preservation public/private fund

#### Tourist Attraction

- Provide funding support for the National Western Center (NWC) agribusiness innovation center
- Complete the NWC business development strategy and begin implementation of key early steps
- Begin redevelopment of the Rossonian Hotel

#### Infrastructure (none this year)

### II: Provide Operations and capacity-building support and technical assistance.

#### Business Assistance

- Develop a business database, with staff assignments and specific outcome objectives
- Complete at least five civic engagement strategies
- Create a business risk report each quarter
- Name the 2017 class of Gazelles and host a Gazelle alumni event
- Lead a Denver delegation visit to a Competing City
- Develop a list of, and participate in, identified strategic events
- Undertake marketing and outreach to five targeted retailers
- Participate in three international business development trips
- Complete five financed export readiness/marketing strategies
- Publish a Denver export activity report
- Establish business network connection in the primary city for each of the 2017 global trips
- Provide loan support for at least five emerging Denver businesses
- Complete fundraising of \$1M for the Denver Venture Fund
- Open three Denver Economic Zones, each with a specific business cluster target
- Initiate, with the Division of Small Business Opportunity (DSBO) Goal Committees, improvements to the information and process for MWBE goal setting
- Complete research and begin implementation of best practices to assist Denver MWBE firms to grow capacity to meet current and anticipated contracting opportunities
- Deliver a robust Mentor-Protégé Program to increase choice for contracting, business and employment opportunities for residents
- Increase the amount of high-value projects that MWBE firms participate in as prime or sub-prime contractors
- Market and host an event focused on recruiting IT professionals from a target city
- Host the first cohort of the JumpStart Academy

#### Economic Development Organizations (none this year)

#### Job Training Programs

- Complete a labor resources study on OED's three neighborhoods of change
- Establish a pilot program for linking residents of Denver's affordable units to job training
- Publish Career Pathways framework for seven high-demand occupations
- Publish monthly workforce achievement metrics
- Achieve all target metrics in WIOA and TANF programs
- Create specific training and job access programs for high-demand construction and technology jobs
- Work with 10 high-growth, high job opportunity firms to create individualized workforce programs to meet present and future staffing needs

- Ensure that 66% of ITA and OJT funds are spent on Middle Skill Employment opportunities
- Deliver two credentialed construction academies for youth desiring to progress into these fields
- At least 350 Denver youth receive summer employment or career training experience
- Facilitate two coding academy cohorts
- Expand Operation Perfect Beginnings to offer two cohort groups

**Visitor Event/Attraction (none this year)**

**Healthcare (none this year)**

**Homeless Support**

- Offer the pilot project-based voucher program to preserve at least 25 housing units
- Submit a Comprehensive Housing Plan to City Council
- Host the third annual housing summit

**III: Provide Economic Opportunity**

- Fund strong non-profit initiatives to support disadvantaged neighborhood residents
- Publish and implement economic mobility strategies targeted on GES, Montbello and Westwood
- Fund a sustainability project for increased educational access focused on disadvantaged youth
- Develop a Denver Food Security Index report for all of Denver's neighborhoods
- Establish the \$3M OED/CHFA Fresh Food Fund

**2018 Objectives:** 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.

1. Assist small businesses, minority and women-owned businesses, underserved individuals and communities build wealth through business ownership, high-wage employment and increased opportunities to do business with the City, the State, and Denver's leading businesses.
2. Attract, retain and grow Denver businesses, encouraging and supporting entrepreneurial opportunities, and increasing economic access with global markets by fostering further investment and trade in OED's industry clusters.
3. Promote job and career skills of Denver's current and future workforce and assist Denver's businesses with obtaining qualified, productive employees while helping those businesses to sustain and succeed in the global marketplace.
4. Respond to the changing housing needs of current and future families focusing on affordability, workforce, and special needs population groups.
5. Establish centers and venues for global and regional tourism that will attract out-of-state and local visitors who will patronize adjacent businesses.
6. Develop infrastructure that expands multi-modal transportation, enhances commercial corridors, creates healthy communities and medical tourism, and advances modern telecommunications networks

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

**Overview:** The East Central Enterprise Zone has been administered by the East Central Council of Local Governments (ECCOG) office in Stratton since EZ's inception in 1986. The ECCOG office is located 150 miles east of Denver on Interstate 70 in the heart of wheat, corn and cattle producers on the eastern plains. The East Central region (Colorado's Central Plains) is comprised of Cheyenne, Elbert, Kit Carson and Lincoln counties. In addition to administration of the East Central EZ, the ECCOG staff provides the Area Agency on Aging services such as public transit, ombudsman, and congregate/home delivered meals to the region. Under a professional services agreement with Prairie Development Corporation, our staff also manages the Community Development Block Grant and other revolving loan funds for business and housing needs in the same four counties. The ECCOG employs approximately 30 people throughout the service area including cooks, assistant cooks, bus drivers, substitute bus drivers, senior center coordinators and office staff.

**Past year Observations and Data:** We all know the aging population requires reliable healthcare, affordable housing, and basic services, like grocery stores, drug stores, and household goods, to stay in their homes (which may be paid for) that allow them to live on a very strict, low monthly budget. Many main street businesses are already feeling the effects of online shopping which impact our region. If the main street businesses close, some aging residents will be forced to move to larger cities and young families will choose to live elsewhere to be close to necessary amenities. These scenarios are always on the minds of the business owners and residents of the rural communities. Agriculture is the base economic driver in each of the four counties, however the 8,000 square-mile region is very diverse as wind energy has become a dominate industry as seen along Interstate 70, Highway 71 and Highway 24. Commodity prices remain low while input costs continue to rise. Small family farms have been bought up by large corporate farms. These may seem like unimportant changes, but they lead to other changes in the community like decreasing school enrollment, fewer local store purchases, and civic and religious organization development and growth declines or stalls out. Fewer farmers with less children means a decline in many facets of business. Wind energy has grown in the region and more development is expected as Rush Creek I & II come into service in 2018. This wind project spans three counties in the East Central EZ including Cheyenne, Lincoln and Elbert Counties with a full build out of 300 Vestas 2.0 MW turbines for a total of 600 MW of power. The construction of the new wind farm began in 2017 and brought over 300 temporary jobs to the area. Communities have enjoyed the luxury of full rental properties during the build out, but housing vacancies are expected in late 2018 or early 2019. Once the Rush Creek project is complete, Region 5 which covers from Elbert to Kit Carson counties, will have 928 wind turbines generating over 1,650 MW of energy.

Between 2010 and 2016, the population of the overall region grew by 1,556 people or 0.7% annually. Cheyenne and Lincoln counties each posted modest gains, while Elbert County led growth in the region. The majority of this growth took place in the northwest corner of Elbert County, within commuting distance to metro Denver. Unemployment throughout the region has shown improvement and is even lower than the state level (2.2%). Cheyenne showed the greatest improvement from August 2016 to August 2017, with a (1.2%) drop in the County's unemployment rate resulting in a countywide rate of 1.3%. Elbert (1.9%) and Lincoln (1.8%) Counties' unemployment rates are both just below 2%, while Kit Carson County's unemployment rate for August 2017 was 1.4%.

### Past Year Efforts to Improve Conditions:

**Contribution Projects (CP):** In 2017, ECEZ did not receive any new contribution project applications. We did maintain 19 state-approved contribution projects with only eight projects having no contributions in 2017 but were approved by the EZ administrator to continue efforts into 2018 as the new criteria were implemented in mid 2017. The new criteria have lit a fire under the project managers to solicit contributions to maintain the project. Three projects chose to deactivate at the end of 2017 leaving ECEZ with sixteen projects to start 2018. Our projects tend to be related to healthcare or tourism, which are important to the local residents and businesses. The EZ administrator plans to remind the CP managers each quarter about the need for financial support to keep the project active into 2019.

**County Resource:** In the regular course of ECCOG business, our office takes at least two calls per week related to EZ except during pre-cert or cert seasons. During pre-cert and cert times, we field up to five calls per day. We respond to EZ emails on average three times per week on email through the state portal or our regular email. Anytime an accountant, a municipality or county office has a question, they call or email our staff as we are a valuable resource to them. Candace Payne attended training held in Colorado Springs conducted by the Office of Economic Development and International Trade EZ staff. Candace and ECCOG office staff, Eileene Andrews, participate each month in the two EZ training teleconferences to keep updated on current concerns relating to the EZ. This allows us to be a strong resource for the region.

**Educational Publications:** To increase awareness of the Enterprise Zone and its tax credits, each year we: Develop and distribute two Enterprise Zone brochures, one includes a current boundary map of the Zone. This brochure is most helpful as major roads or highways are shown to delineate the space. It is updated and printed with changes annually. The other brochure is used for

promotion of contributions to the projects and gives a calculation sample of how the contribution earns the contributor a tax credit. Deliver Enterprise Zone informational reminder emails to accountants, lawyers, farmers/ranchers, and other business owners on the benefits of the EZ certifications. Deliver EZ brochures to local accountant offices, banks, credit offices, and attorneys to display in their business.

**Presentations:** In the fall of 2017, ECCOG held an enterprise zone meeting with the 19 approved contribution projects as invited guests. Other attendees or guests included county commissioners, economic development organizations, and public entities. Information was shared on the need for cash contributions for each project to remain an active but also included how to increase or improve in-kind support and what qualified as such. Questions were raised on what made a good project and the viability of an idea. Topics covered included what tax credits were available to business and industry as well. ECCOG staff presents EZ information and distributes brochures at each meeting they attend through the year. These include board meetings, economic development organization meetings, and state-conducted face to face meetings like Blueprint 2.0 or broadband meetings. EZ brochures are always on hand in our ECCOG vehicle ready to share.

**Partners:** East Central EZ works closely and consistently with the local businesses, city/county planning departments, and workforce centers on the availability and use of the EZ tax credits. The two EZ brochures are delivered to each city and county government office, local chamber, ECCOG board member, and workforce center in the region.

**Winning Story:** ECEZ has experienced great support of wind development in our region. The energy companies have taken full advantage of the Investment Tax Credit offered by Colorado. This region showed an investment of \$29,827,000 under the Investment Tax Credit earning a tax credit of over \$894,000. In 2018, Colorado's Central Plains will have over 900 wind turbines across four counties that generate enough power for more than 633,000 homes. This investment carries a positive impact seen throughout the region. The wind company employees fill rental properties and RV parks for a time while buying food and household supplies from local businesses. Even though it is temporary and short term, it is much appreciated in our communities.

**Objectives Report:** 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 2017 objectives supported by our economic development goals were as follows:

**EZ Objective:** Assist the six East Central EZ Contribution Projects that are scheduled to end at EOY 2017 (or could be moved back to 2018) resulting in a minimum of three re-applying for designation. Two are heritage tourism projects and the other four are health service projects. ED Goal: Promote eco-tourism, signature community events, and the cultural heritage. Develop programs/projects that support community and downtown improvement efforts. Maintain/expand/develop critical services that directly support business/jobs creation or retention. Status: One heritage tourism project chose to deactivate at EOY 2017 while the other project has been promoting a new heritage tourism display and seeking financial support after collaborating with our EZ staff on cash and in-kind support. Of the four health service projects, one has chosen to deactivate their project at EOY 2017 as they have new c-suite staff and need to define their focus. The other three CP have been working with ECEZ staff on promoting their programs and reapplying in 2018 as their projects were extended to 2018. A different tourism project chose to deactivate at EOY 2017. That brings our 19 projects down to 16 active ones for 2018.

**EZ Objective:** Work with and certify a minimum of two EZ rehabilitation tax credit projects in 2017. ED Goal: Develop programs/projects that support community and downtown improvement efforts. Develop affordable workforce housing. Status: In 2017, ECEZ did certify one rehabilitation credit in Elbert County. We will work to develop awareness of this credit in 2018.

**EZ Objective:** Work with the State Demography 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 eligibility in 2016 once again eligible. Submit boundary amendment if numbers support reinstating all of Cheyenne County into the EC Zone. ED Goal: Increase access to capital. Maintain/expand/develop critical services that directly support business/jobs creation or retention. Status: The area remains ineligible at the end of 2017. We will continue to monitor the situation in hopes that new data will allow the area to be eligible again.

#### **Objectives for 2018:**

1. Send email to 10 businesses in each county in the ECEZ who may not know of or take advantage of the EZ tax credits, most specifically the Investment Tax Credit. Attach our brochures and provide the EZ website URL in the email to build the tax base in the region.
2. Attend one chamber (or similar organization) meeting in each county semi-annually to share ECEZ informational brochures and EZ website URL.

3. Partner with Prairie Development Corporation to provide EZ brochures with each loan application to increase awareness and participation in the EZ program.
4. Work with each contribution project to improve their marketing to increase contributions received by \$500 or two contributions each year.
5. Increase local real estate companies' awareness of the Rehabilitation Credit to bring property back to income producing status in the region thereby reducing blight and increasing the property tax base.

## 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 \$1.1 billion in new capital investment and have created over 9,800 new jobs within the zone. The business environment in the zone during 2016 was consistent with the overall state of the economy in Colorado. Because of the increase in the county's EZ with the redesignation in 2016, many more companies are now able to utilize the program for their business retention and expansion needs. Last year alone, Jeffco EDC pre-certified over 930 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

#### 2017 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% to 2.5% from 2016-2017. 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
- Held an informational class with Jefferson County Business Resource Center to train CPAs and businesses on the EZ program
- 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
- Enterprise Zone informational emails were sent several times throughout the year. We reminded companies to pre-certify if they had in the past, we sent out to companies who have never pre-certified, and our municipal partners sent emails to businesses in their EZ and put them in their weekly newsletters

**Contribution Projects:** In 2017, Jefferson County did not add a new contribution project. We did work with existing projects on the new online system for entering donations that will receive an EZ tax credit.

**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.



**Marketing the zone:** One-page EZ fact sheet (PDF) for electronic distribution which is e-mailed out to businesses when we speak with them regarding the EZ program. 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 Jefferson County Business & Workforce Center, Jefferson County Business Resource Center, the state, and our broker community to market the enterprise zone.

**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 increased the number of net new jobs by 6%, just missing our goal.
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 increased substantially in the zone due to two of our larger employers adding over \$63M in capital in 2017.
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. We did not increase the number of employees trained over the previous year, but continue to increase the number of businesses about the credit.

**Objectives for 2018:**

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.

## Larimer County Administrative & Statutory Enterprise Zone

**Overview:** The Larimer County Enterprise Zone is administered by the Larimer County Economic and Workforce Development Department (LCEWDD). The LCEWDD exists to create a vibrant and thriving economy and community in Larimer County. We do this by supporting thoughtful business growth, job creation and talent development that meets the needs of local employers while enhancing the competitiveness of the regional labor pool.

The Enterprise Zone in Larimer County consists of five areas, each in a separate municipality, but not encompassing the entirety of the municipality. An area of Larimer County Enterprise Zone exists in:

- Berthoud
- Estes Park
- Fort Collins
- Loveland
- Wellington

The economic realities of each zone present their own distinct challenges and opportunities. For example, the Enterprise Zone areas in Fort Collins and Loveland border their downtowns and portions of their major commercial corridors. These areas are in need of investment and infrastructure improvement to bring them up to the level of economic performance of nearby areas. Additionally, these areas represent parts of the community that need some rehabilitation and reinvestment to modernize them and create additional economic opportunity. In the communities of Berthoud and Wellington, we find their Enterprise Zones along “main street” corridors and in part of their business and industrial parks. These areas can benefit from a different type of investment and job creation strategy than that of their more densely populated urban counterparts. In Estes Park, which was devastated from floods in 2013, there is the need to support their robust hospitality and tourism economy, while also diversifying their economic base and creating primary jobs that support their community.

Although the Enterprise Zone areas in Larimer County share some similarities, each one has a unique situation that is addressed at through differing local economic development strategies. While the economic recovery from the 2008/2009 recession has certainly improved conditions from nearly a decade ago, there are still areas of Larimer County that are not reaping the economic fruits of an improved economy and strong business fundamentals. The Enterprise Zone Program is critical to making these areas of the county more competitive and transforming them into economic engines that can drive local and regional change.

**Past year Observations and Data:** For detailed data on economic and workforce conditions please visit:

<https://www.larimer.org/economic-development>

**Past year Efforts to Improve Conditions:** In early 2016 Larimer County hired an Economic Development Director and created a new Economic Development Department. In 2017 the Economic Development Department began the transition to merge with the Larimer County Workforce Center, creating a new organization that serves the business and job seeker communities in a more comprehensive and inclusive manner.

**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:** Per the 2017 goals we reached out to the Manufacturing and Health Sector Partnerships to make sure that they were taking advantage of the program. This led to a greater effort to infuse EZ promotion to companies that we work with in our regional Business Retention and Expansion program. 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. We are addressing these challenges through a collaborative economic and workforce development strategy called Talent 2.0, in which is specifically designed to help employers with their talent needs, while at the same time supporting the local workforce move into individual and family sustaining jobs.

**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 2018 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 median household income in Larimer County for 2016 was \$66,469 (Source: US Census Bureau, 2016 1 yr. file. Income not adjusted for inflation). 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 11,777 establishments in Larimer County, up from 11,448 in 2015. This represents a net increase of 329 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 the end of 2017, it is estimated that Larimer County had a civilian labor force of 199,128 people. Among this labor force, 2.5% were unemployed. This is one of the lowest unemployment rates in the state and the US. 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.

Engage the Manufacturing and Health Sector Partnerships to ensure that all participants that are located in the zone are pre-certifying for 2018. 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. 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. 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.

## 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 resulted in the loss of 10,000 jobs and the out-migration of 24,000 individuals, which had less than 150,000 residents to begin with. Food assistance requests rose 94%, Colorado Works caseloads increased by 198%, and tourism dropped by more than 10,000 visitors. Natural gas drilling permits dropped significantly and are still well under pre-recession numbers. Construction jobs dropped by 40%. We continue to struggle with the loss of full time jobs and an increase in part time jobs with limited or no benefits for many residents. Mesa County's average weekly wage lag well behind state averages (\$787 for Mesa County vs. \$1,086 for State\*). Sales tax revenue in 2008 was \$45,104,156; in 2017 it was \$30,153,241, 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, many of which are part time and have a lower pay scale and limited or no benefits, 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 medical 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:

Unemployment rates Mesa County\*: 2017 = 3.7% State 2017 = 3.1

Per capital income Mesa County\*\* 2017: Mesa County \$48,846; Colorado \$65,685

Population Growth Rate\*\*\* 2016 (latest available): Mesa County 4.7%; Colorado 10.2%

\*Bureau of Labor Statistics

\*\* US Census Bureau

\*\*\* US Census Bureau

Business Tax Credits in:	2016	2017
Capital Investment:	\$13,459,996	\$52,555,500↑
Energy Tax Credit	0	\$24,275↑
Investment Tax Credits	\$276,768	\$837,138↑
Jobs Created	120	356↑
Jobs Credit	\$132,182	\$391,072↑
Health Insurance Credit	\$29,479	\$75,580↑
Jobs Training Credit	\$70,730	\$47,985↓
Research & Development Credit	\$721	\$71,069↑
Rehab Credit	0	\$93,891↑

### 2017 Efforts to Improve Conditions:

#### Business Efforts:

- Actively contact business owners/tax advisors when review of pre-certs/certifications indicate an error or other non-conformity to verify intent and offer suggestions on what could be done to correct the problem (issues include missing tax credits for created jobs, documentation needed for building rehab tax credit, etc.)
- Multiple contacts each week from new businesses or tax advisors asking for help finding out the tax credits available, resolving problems they have with the process, and sending them links to the appropriate information
- Meeting with tax advisors to review the process of submitting pre-cert and certification applications, dates, overview of types of tax credits, and access to resources
- Spoke with several businesses which were considering expanding or moving to Mesa County regarding Enterprise Zone Tax Credits, including HRL Compliance, Xcel Energy, West Star Aviation, AT&T, and Powerhorn Resort
- We were able to help West Star Aviation navigate the tax credit ramifications/procedure for dealing with a business entity which was split half-way through the year and filed separate tax returns, but retained the same tax ID number; this business added a whole new division and purchased a long-vacant building in the area to house it
- Started 2017 with 25 Contribution Projects; 1 project changed from capital campaign to operations, 1 project dropped, added 3 new.

#### 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
- 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 these projects critical to Mesa County's recovery and on-going economic development. Each of them creates or retains jobs, and meets at least one of Mesa County's stated economic goals. We currently have:

- 9 event/attractions
- 4 homeless housing w/job training
- 3 economic development
- 5 community facility/health care
- 3 job training
- 3 community development/facility projects

**Communication with contribution project administrators include:**

- Monthly all zone e-mails with updates or important information
- Annual all-zone training meetings
- Annual agreements between projects and Mesa County EZ
- One on One counseling/training as needed to help projects maximize the benefits provided to their donors while staying in compliance for what their project/the program was approved to do.
- Mesa County EZ Resources provided during 2017
- Processed 1,111 pre-certifications
- 186 certifications
- Issued 5,682 certificates to contribution projects
- Conducted 10 contribution project staff training sessions
- Responded to more than 1,200 e-mail requests for information
- Responded to hundreds of phone calls regarding the program

**Education:**

- Use in-person meetings, e-mail, phone calls, print media, and presentations to inform the public about the program and to answer questions
- Provide 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
- Condensed rack card
- Marketing/informational materials provided to the local Chambers of Commerce, the Grand Junction Economic Partnership, the Business Incubator Center, and all city/county entities
- Postcards mailed to all vacant business property owners within the MCEZ advising them of the program and where to go for resources
- Two presentations each to the Mesa County EZ Committee and the Mesa County Commissioners
- Attended six events to promote the EZ (including Western Slope CPA Association, a radio broadcast, and a variety of expos and forums), as well as presenting to the Business Incubator Center staff, tenants, and board members.

**Mesa County Enterprise Zone Committee:** Meets as needed 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.



**COLORADO**

Office of Economic Development  
& International Trade

## 2017 Objectives

Mesa County's economic development goals 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.

We used the 2017 efforts to meet specific trackable objectives:

**Objective #1:** Expand the scope of the Enterprise Zone Program by increasing the number of Business Tax credit certification applications filed by 5% through increased outreach and education to businesses and tax advisors.



Tax Credit Certifications applied for increased from 111 in 2016 to 186 in 2017.

**Objective #2:** Increase the number of job training credits applied for by 5% through increased outreach and education to businesses and tax advisors.



Job training credits decreased from \$70,730 in 2016 to \$47,985 in 2016. This is likely due to the continued poor economy of Mesa County and business' uncertainty about revenue.

**Objective #3:** 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.



Jobs created increased from 120 in 2016 to 356 in 2017.

**Objective #4:** Add at least three new contribution projects.



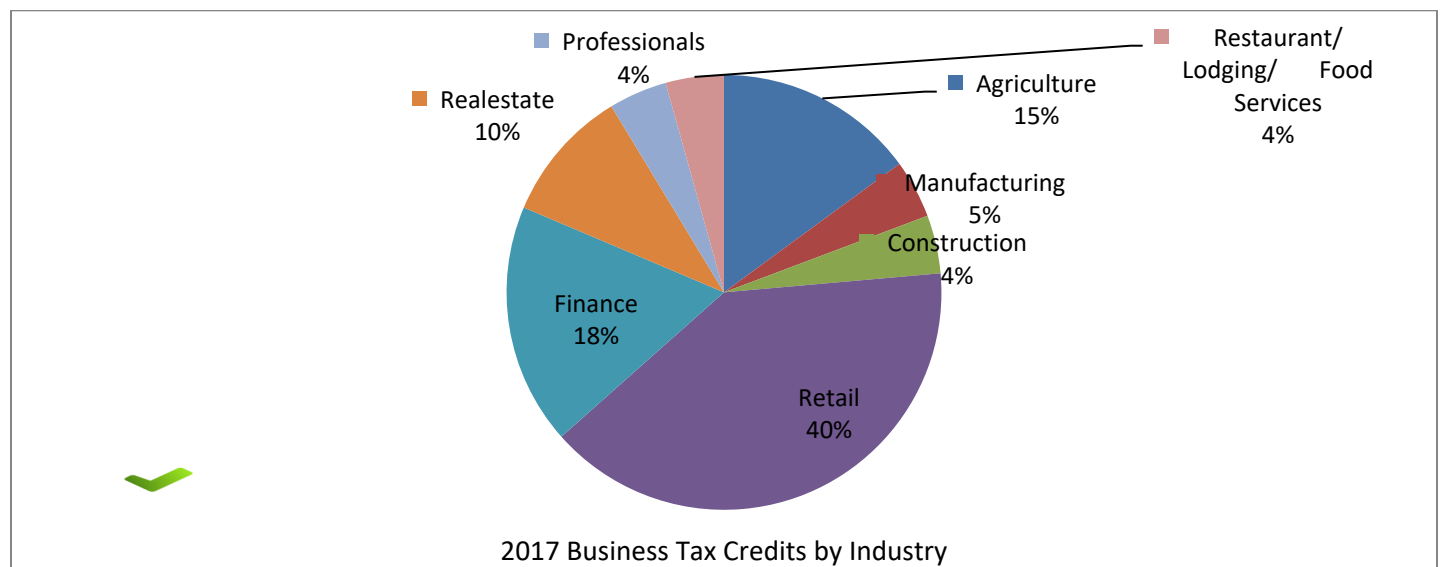
Added 4 projects in 2017.

**Objective #5:** Make at least three presentations about the Enterprise Zone to relevant constituents each year.



Made 25 presentations to groups/informational reviews at events in 2017

**Objective #6:** Track and report the industry sectors represented by the filing companies to ensure that it tracks changes in the Mesa County economy.



## Objectives for 2018:

In order to meet Mesa County's economic development goals to...:

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.



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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.

**2018 Objectives:**

1. Increase the number of Investment Tax Credits claimed by 10% through expanded marketing and education of program to businesses within the zone
2. Increase the number of net jobs created by 5% through expanded education and marketing of program to businesses within the zone
3. Increase the number of R&D credits claimed by 5% through expanded education and marketing of program to businesses within the zone
4. Track and report the industry sectors represented by the filing companies to help track changes and gaps in Mesa County's businesses & economy.
5. Add at least two new qualified contribution projects.



## 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 in Boulder County, and the City & County of Broomfield. The Longmont Economic Development Partnership (EDP) serves as the North Metro Enterprise Zone administrator. Longmont EDP is a non-profit public/private economic development partnership that includes local government, industry, and private sector partners. The mission of Longmont EDP is to lead a comprehensive, collaborative economic development strategy to promote and strengthen our community's economic health. We do this by:

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

While Longmont EDP serves as the administrator for the North Metro Enterprise Zone, we work in close collaboration with our economic development partners in both Lafayette and Broomfield to ensure equitable communication and utilization of Enterprise Zone benefits across all three jurisdictions. Our partner in Broomfield is the Broomfield Economic Development Department that works to diversify the city's economic base to ensure balanced and sustainable growth by:

- Encouraging entrepreneurs to start and grow business in the city;
- Retaining businesses currently located in the city and supporting expansion plans;
- Marketing Broomfield to businesses and corporate site selectors making relocation decisions;
- Assisting workforce partners to ensure businesses have access to a well-trained talent pool;
- Developing strategies to redevelop underutilized and blighted areas;
- Working with local and regional partners to identify and address issues that affect the local business climate.

Our partner in Lafayette is also the City's Economic Development Department whose mission is to encourage economic development within the city that enhances the city's tax base, increases primary jobs within the city, and maintains the community's quality of life. The objectives of the North Metro Enterprise Zone reflect where the mission and goals of each of our respective communities align, especially as it relates to those areas that have lagged behind the rest of the region in recovering from the most recent economic down turn and, in the case of Longmont, the devastating floods of 2013.

**Past year Observations and Data:** According to data from the Bureau of Labor Statistics (BLS), the unemployment rate for the City & County of Broomfield ticked up slightly from 2.5% to 2.7% from year end 2016 to year end 2017 based on the most recent preliminary projections. The cities of Lafayette and Longmont saw a change in unemployment from 2.0% to 2.3% and 2.7% to 3.1% respectively. Boulder County as a whole saw a change in unemployment rate from year end 2016 to 2017 from 2.1% to 2.6%. According to EMSI data, Boulder County population in 2017 was 326,392. As of 2017, the region's population increased by 6.9% since 2012, growing by 21,078. Broomfield County population in 2017 was 68,278. As of 2017, Broomfield's population increased by 15.9% since 2012, growing by 9,347. Bureau of Economic Analysis data shows that per capital personal income in Boulder County increased from \$62,685 to \$63,707 from 2015 to 2016, while Broomfield County per capita income increased over the same period from \$72,970 to \$73,129, or .22%.

**Past year Efforts to Improve Conditions:** In 2017, Longmont EDP and our partners in Lafayette in Broomfield continued to put significant effort into promoting the availability and benefits of the EZ program in our communities. The North Metro Enterprise Zone was established in 2016, and 2017 was the first year businesses in this Zone had the opportunity to certify for takes credits and leverage the benefits of the program. These efforts included:

- Ongoing communication with Enterprise Zone businesses to encourage pre-certification, and remind businesses that pre-certification is required every year. This communication came on the form of one-on-one visits with businesses, targeted digital communications to EZ businesses, inclusion of EZ messaging in broader e-mail communications and via a variety of social media platforms, and inclusion of the EZ message and benefits in public presentations regarding economic development in our respective communities.
- Designation of one new Contribution Project – Clinica Campesina (access to healthcare, job creation, capital investment) for their capital campaign to construct their new facility in Lafayette.
- In Longmont, 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.
- Continuing to update online property search tools, and property brochures to include EZ designation information where appropriate.
- Inclusion of EZ information in business recruitment materials, including prominent display on the economic development websites/pages of each community within the North Metro EZ.

## Winning Stories:

- Left Hand Brewing in Longmont has realized a substantial benefit since the North Metro Enterprise Zone designation. “When Left Hand Brewing Company was founded 25 years ago, the location was chosen due to its existing infrastructure and incredible water sources,” said Mark Boelman, Director of Accounting and Administration for Left Hand Brewing. “We can now be thankful that our location is within the North Metro Enterprise Zone... We are appreciative because of the high-level capital investments made in 2016. The brewery immediately realized tens of thousands of dollars in tax savings. That additional cash flow allowed us to put those dollars back to work with more investment in 2017. The brewery is now looking towards the future with some exciting long-term projects that should create new jobs, and help us recognize our core value of making Longmont an amazing place to work, live, and play.”
- Clinica Family Health in Lafayette, designated as North Metro Enterprise Zone Contribution Project in 2017, has found the Enterprise Zone tax credit to be extremely popular, especially among larger donors. In fact, they were fortunate enough to get a \$500,000 donation for the new building of which they were able to credit \$400,000 towards the clinic due to the EZ cap. The other \$100,000 was donated to their Boulder clinic. When they called DOLA to get clarification about the EZ cap, the staffer said they had never had such a large donation come through the EZ program before. They also received a \$300,000 donation, and that donor was very excited about his \$75,000 tax credit. They also found even people donating \$1,000 were happy to have the extra tax credit. The Enterprise Zone credit was completely new to most of their donors. They found they had to do a lot of explaining to do, and people wanting to check with their accountants thinking it was too good to be true. They have found that getting designation was definitely worth the effort for their project, and they would pursue it again if they ever have another large capital campaign. They brought in about \$800,000 and gave out more than \$200,000 in EZ credits.

## Objectives Report:

The 2017 North Metro Enterprise zone goals, objectives and related results included:

- Support small business initiatives within the EZ designation area – The partner communities of the North Metro Enterprise Zone have spent much of their time over the past two years educating small businesses within the EZ area on the benefits of their location within the EZ, and assisting them with the pre-certification and certification. At the end of the year, nearly all of the businesses certifying tax credits were locally owned and operated businesses employing less than 100 people with 72% employing less than 50 people, and 36% employing less than 20 people. Combined, these businesses claimed \$643,000 in investment tax credits (an average of \$17,861 per business), created 242 new jobs, trained 145 employees, and invested \$29 million dollars in capital equipment, and \$4 million in R&D within the North Metro EZ.
- Build minority participation in the business community – Longmont EDP translated the North Metro EZ marketing materials into Spanish in early 2017. Beyond that, we did not make significant progress in this area in 2017; however, in 2017, Longmont EDP hired a new Enterprise Zone administrator who speaks fluent Spanish in order to help bolster our efforts relative to this objective and in early 2018 formed a Latino Business Advisory Group made of Latino and Hispanic civic and business leaders from across the county. Part of the role of this group will be to help us more effectively deploy local business resources, including EZ, in the Latino business community.
- Align education and training with industry needs to support workforce development, and the attraction of new and expanding primary job creating businesses – While significant work has been done in this area in the region, particularly within both the St. Vrain Valley and Boulder Valley School Districts, we are not able to tie any of that directly back to the EZ. In 2018, we will actively pursue opportunities to support these efforts in the North Metro EZ area by supporting successful contribution project designation proposals for organizations and projects doing this great work in our communities.
- Develop social amenities that help retain and attract workers in support of our primary industry employers – Both the Longmont and Lafayette downtown districts have recognized significant revitalization, redevelopment, and rehabilitation activity in 2017 supported in part by the benefits to businesses (new and existing) within these districts of the EZ designation.
- Ensure a competitive supply of housing for workers of all levels in and around the Enterprise Zone designation area – Significant work is being done on this front; however, so far not tied to EZ designation.
- Cultivate Innovation and Entrepreneurship – TinkerMill, Longmont’s MakerSpace is both located in the EZ, and a designated Enterprise Zone contribution project. This provides multiples benefits to their work in support of the entrepreneurial community in the North Metro EZ. It helps bolster their fundraising efforts, and encourage in-kind donations of a variety of equipment to support both innovative and creative endeavors within their space. It also provides a tax benefit to those for-profit entrepreneurial endeavors founded and incubating within that space.
- Encourage redevelopment and beautification of targeted areas within the Enterprise Zone designation area - Both the Longmont and Lafayette downtown districts have recognized significant revitalization, redevelopment, and rehabilitation activity in 2017 supported in part by the benefits to businesses (new and existing) within these districts of the EZ designation.

- Invest in capital improvements in public buildings and facilities, transportation, parks and recreation, telecommunications, and water according to economic development priorities – We did not make any progress towards this objective relative to the North Metro EZ in 2017; however, in early 2018 have begun several discussions on how we better leverage EZ benefits in support of these efforts.
- Improve access to, affordability, and delivery of healthcare as a tool to attract and retain primary industry employers, and a diverse labor force – Lafayette’s Clinica Family Health received Enterprise Zone Contribution project designation in 2017 for the capital campaign to construct a new



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

**Overview of the NECALG Region:** 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 facility 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 Santa 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.

**2017 Efforts to Improve Conditions:** Listed below are the EDC Designated Projects in the Region by County for the calendar year ending 2017. 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 2017 by County

Sub-grantee	Contributions	
	Cash \$	In-kind
Logan County Total =	\$18,750.00	
Morgan County Total =	\$124,981.09	\$16,584.00
Phillips County Total =	\$39,731.34	\$5,782.16
Sedgwick County Total =	\$12,100.00	
Washington County Total =	\$300.00	
Yuma County Total =	\$42,805.00	\$31,908.82
2017 Contributions Regional Total	\$238,667.43	\$54,274.98

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.choosecolorado.com](http://www.choosecolorado.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:** NECALG collaborates with six local County economic development offices throughout the Region. While at present NECALG's Economic Development District 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 2017, the Objectives NECALG strived to achieve were as follows:

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 so they may help their customers to pre-certify first. Not only helping the customer, but may encourage additional business.

Overall, NECALG continued disseminating information to local accountants, and increasingly to private individuals learning of and taking part in the EZ credits. 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. As the Contribution Project side modifies and modernizes the process to become paperless if possible, NECALG will assess how donations are submitted (to NECALG or to the Project) and determine which process will make the most sense moving forward.

While there still remains 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.

**2018 Objectives**

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 so they may help their customers to pre-certify first. Not only helping the customer, but may encourage additional business.

## 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, Clear Creek and Gilpin 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 2016 were \$84,587,639 which was 7.8% higher than 2015 and Investment Tax Credits were increased in 2016 with total credits of \$2,124,878, a 41% increase. Capital Investments appear to be increasing across the region. As of December 2017, the unemployment rates stayed fairly steady with a slight upward trend, from December 2016 across the region. Clear Creek had an unemployment rate of 2.7% compared to 2.5% in 2016; Garfield at 3.1% compared to 2.9%; Gilpin at 2.2% compared to 2.4%; Grand at 2.3% compared to 2.0%; Jackson at 1.9% compared to 1.8%; Moffat at 3.7% compared to 3.4%; Rio Blanco at 4.1% compared to 4.5%; and Routt at 2.5% compared to 2.0%. This brings the eight-county average unemployment rate to 2.8%.

As of the end of 2017 the NWEZ saw the per capita income was up from 2016 in seven of the eight counties: Clear Creek up from \$51,710 in 2015 to \$54,374 in 2016; Garfield up from \$50,556 to \$55,227; Gilpin up from \$37,375 to \$41,501; Grand up from \$40,963 to \$41,666; Jackson up from \$43,880 to \$45,658; Moffat up from \$38,875 to \$39,244; Rio Blanco down from \$41,723 to \$39,483; and Routt up from \$65,734 to \$71,167. Populations increased from 2016 to 2017 in all eight counties. At the end of 2017 Clear Creek's population was up to 9436 from 9328 in 2016; Garfield's up to 58,887 from 58,082; Gilpin's up to 5931 from 5830; Grand's up to 15,008 from 14,465; Jackson's up to 1357 from 1352; Moffat's up to 13,109 from 12,923; Rio Blanco's up to 6545 from 6459; and Routt's up to 24,648 from 24,103.

### Past year Efforts to Improve Conditions

**Contribution Projects:** In 2017, the NWEZ had 4 new projects approved. This includes 2 new projects in Routt County, 1 in Moffat, and 1 in Gilpin consisting of 2 capital campaigns and 2 operations in visitor attraction and heritage tourism. Cash contributions more than doubled from \$1,210,379.99 in 2016 to \$2,489,880.57 in 2017; In-kind contributions dropped from \$259,853.64 to \$223,447.41. The total tax credits given from the NWEZ Contribution Projects in 2017 was \$648,776.87.

**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 made numerous presentations to various audiences throughout the eight-county region and provided 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](http://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 2017 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:

- AGNC Board Meeting/ Quarterly Reports
- Garfield County Economic Development Partners





- Jackson County Commissioners
- Routt County Economic Development/Chamber of Commerce
- Jackson County Businesses and County Commissioners
- Grand County Commissioners/Chamber of Commerce
- Clear Creek County Commissioners/Economic Development Partnership
- Gilpin County Commissioners/Central City Town Council/Gilpin County Constituents

**Partners:** AGNC worked collaboratively with economic partners throughout the NWEZ including Craig/Moffat Economic Development Partners, Steamboat Springs Chamber Resort Association, Rio Blanco County's Economic Developer, local governments of all 8 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:** Central City and Gilpin County reached out to AGNC requesting that they be included in the NWEZ. Central City has unique challenges regarding business attraction related to the debt service for the parkway constructed to provide access to the region. The major industry in the county and the communities therein is related to gambling. Black Hawk itself appears to be doing well as much of the casino and support construction has taken place there leaving Central City and greater Gilpin County in a much more distressed situation. Central City has a very small population and has lost most of its small business enterprises due to high taxes and competition from the large casinos. Much of the main business area is vacant and buildings are in decline. The brightest spot for Central City, economically, is the Central City Opera. The opera company owns several buildings that serve the needs of the opera which is a nationally renowned production. The opera company in conjunction with Central City would like to use the EZ to rehabilitate some buildings to provide lodging opportunities for patrons outside the casino environment. Central City and Gilpin County could create a variety of hiking and biking trails but need facilities and amenities to attract outdoor enthusiasts. Some of the amenities needed are as basic as a gas station and grocery store other amenities include lodging and camping facilities. The region views being part of the EZ as a positive step toward attracting some of the basic amenities as well as helping with the restoration of historical buildings to serve as community gathering spots. To date, the Central City Opera has become a contribution project and the City of Central has been working with USDA, building rehab programs offered through OEDIT, and is currently working to apply to become a contribution project to restore the Belvidere Theatre. AGNC worked with Central City and Gilpin County through a series of meetings to develop a proposal to include them in the NWEZ. The EDC accepted the proposal for inclusion; Black Hawk did not meet the criteria and was not included. Once included, NWEZ representatives hosted an EZ forum in Central City and met with Central City Opera representatives on a separate occasion to discuss opportunities available through the EZ. It is expected that the energy created and the collaboration being developed with Central City, the opera company and Gilpin County may help to change a declining community into a thriving and energized community once again.

**Objectives Report:** 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.

- **RESULT:** All of the contribution projects approved throughout 2017 were focused on promoting rural culture, identity and character of communities. Many were community building focused projects aimed at attracting/retaining businesses and supporting visitors to the area with an eye toward relocation. The economy is still quite soft in the region so much of the work is focused on identifying businesses to attract or grow that will support the culture and heritage of the NW communities. Maximize the availability of the Enterprise Zone tool to distressed areas in NW Colorado through monitoring and adjustment of NWEZ boundaries.
- **RESULT:** The NWEZ was successful in proposing that the communities of Meeker and Rangely be included in the NWEZ as they had not qualified for inclusion during the re-designation process. The NWEZ has successfully expanded to include Central City and Gilpin County, sans the community of Black Hawk, which opens new opportunities for that region. Routt County, except for Steamboat Springs, was included in the Rural Jump Start program resulting in Hayden's ability to work to attract a manufacturer who is attracted to the area by the RJS program and the EZ program. Support the rehabilitation of vacant buildings and put them into commercial use.
- **RESULT:** The contribution projects that were approved in 2017 including the Luttrell Barn in Craig, the Old Town Hot Springs in Steamboat Springs, Historic Routt County and the Central City Opera. These projects are of note because they will rehab buildings that have been vacant or underutilized for a number of years for commercial purposes. The inclusion of Central City in the NWEZ will result in many buildings being rehabbed as more small businesses find a way to update and move into the empty commercial spaces lining the streets, along with the efforts of the City and the Central City Opera to rehab several buildings they own. 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.
- **RESULT:** AGNC was successful in obtaining a planning grant from EDA to do a comprehensive economic development strategy (CEDS) for the region and will complete the document in conjunction with an application to become an economic development district (EDD). This designation will aid the region in leveraging opportunities for infrastructure development with federal funds to aid and encourage investments and improvements.



## 2018 Objectives

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.
2. 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 2018 that address these economic development components.
3. Complete the regional CEDS process and application for EDD designation and work with communities and businesses to identify ways to leverage the strategies with the EZ's for regional diversification and economic growth.

## 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. 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 Executive Director serves as the Pikes Peak Enterprise Zone Administrator with significant staff support provided by the county’s Economic Development Senior Analyst and Financial Services Department. 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.

**Past Year Observations and Data:** According to the Local Area Unemployment Statistics Program of the State of Colorado, the unemployment rates in El Paso and Teller counties were 3.5% and 3.4%, respectively, as of December, 2017, compared to 3.1% for the State of Colorado. While still higher than the statewide average, the unemployment rate gap continued to shrink in 2017 for both counties. Regardless, unemployment rates are well below the “natural rate” of unemployment, which is the normal churn of people switching jobs, according to the UCCS Economic Forum. The Colorado State Demographer’s Office has analyzed past trends and found that when the unemployment rate is at least one percentage point lower than the nation, people migrate to that region. As evidence, El Paso County’s population was estimated to have increased to 690,207, according to Colorado Department of Local Affairs, an increase of nearly 16,000 over the prior year, making it the second most populous county in the state. Teller County’s population was estimated to have increased to 24,154, an increase of more than 700 individuals over the previous year.

In a March 2017 estimate from the U.S. Bureau of Economic Analysis, 2016 per capita income in El Paso County was \$44,409 and \$45,849 in Teller County, representing a healthy increase of \$1,024 annually in El Paso County and an increase of \$630 in Teller County. El Paso County’s per capita personal income is less than 86%, and Teller County’s barely 88%, of that of the state as a whole. In Enterprise Zone areas, per capita income is as low as \$10,895, per the 2016 5-year American Community Survey, indicating continued distress.

### 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.

**Contribution Projects:** Four eligible contribution projects were added to the Pikes Peak Enterprise Zone in 2017: Peak Startup which will expand resources to foster entrepreneurship and small business development in the PPEZ; National Cyber security Center to further cybersecurity training and education; Manitou Springs Heritage Center will purchase and renovate its current museum facility; Olympic City USA for the branding of the city of Colorado Springs. Potential applicants 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:** El Paso County’s Economic Development Department 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 about 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:** Of the 315 business that were approved for certifications in 2017, a medical device manufacturer is a standout. Utilizing the Investment Tax Credit, Employee Sponsored Health Insurance Credit, and the New Employee Credit, the firm commenced operations in late 2014 with considerable size and strength. Its workforce stands at around 150 people and occupies an 89,000-square foot facility in Colorado Springs, Colorado, with room for expansion. The company runs three shifts in order to flexibly and efficiently accommodate customers' needs and requirements. In the past three years, the company has hired more than 120 employees, including military veterans; invested over \$5,000,000 in eligible investments; acquired numerous new customers, ultimately expanding their existing customer base for future growth and success.

## **Objectives Report:**

### **2017 Goals**

- **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.

2016 was the first year in which Teller County businesses were eligible for credits and the influx of pre-certifications may have been a result of the "uniqueness" of being eligible. Instead of an increase, fewer pre-certifications were approved for Teller County in 2016. Some businesses may not have realized that annual pre-certification was necessary, thus PPEZ sent two email reminders at the end of 2017 that annual pre-certification is necessary to earn EZ credits.

- **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.

Of the four contribution projects approved in 2017, only one was a true capital campaign – the Manitou Springs Heritage Center, a tourism facility that will bring outside tourist dollars into Manitou Springs. Olympic City USA was added in 2017 and, while not a capital campaign, will result in branding of Colorado Springs that will increase tourist visits, especially upon completion of the United States Olympic Museum.

- **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.

2016: 148 Businesses - 4,466 Employees Trained - \$2,967,321.74 Investment (\$356,084.56 Credits)

2017: 85 Businesses - 2,187 Employees Trained - \$1,942,345.67 Investment (\$233,081.56 Credits)

### **2018 Goals:**

1. Goal #1: Increase the number of Capital Campaign Contribution Projects for Community Facilities, Workforce Housing, Tourism Facilities or Infrastructure throughout PPEZ.
2. Goal #2: Increase job training programs to up-skill workers, ensuring greater economic mobility and employment opportunity, through the addition of contribution projects and utilization of job training business credits.
3. Goal #3: Strategically partner with Teller County and its approved municipalities to further educate businesses within the Enterprise Zone to pre-certify and certify for available EZ Credits.
4. Goal #4: Decrease homelessness/improve conditions for the homeless with contribution projects.
5. Goal #5: Encourage economic redevelopment in distressed areas utilizing Vacant Building Rehabilitation credits, business location and contribution projects.



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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. As new demands for property being included in the enterprise zone are identified, an application for zone boundary extension is presented to the state economic development commission.

**2017 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, and web site design and upkeep. To assist with the discussion, a simplified information card was developed in 2017. For 2015 we streamlined many of existing EZ processes to enhance the program for Contribution Projects by creating standardized reporting sheets and clear guidelines regarding donations. During 2017, a total of 21 contribution projects being recertified, three projects were retired. All the contribution projects were updated with the 2017 EDC approved policy revision. As well, the contribution projects were all trained in 2017 to enter Annual Reports and contributions in the OEDIT portal system. These projects help support the work of not-for-profits that are contributing towards the economic development work in the community.

### 2017 Objectives

- Goal: Increase the awareness of the enterprise zone to local business and thus increase the number of certifications in 2017.
- Result: In 2017 the Pueblo EZ issued 107 certifications, no change from the previous year. This maintains the rate of certifications at a similar amount to 2016 (110 certifications).
- Goal: Increase the total number of jobs created in the enterprise zone by 1% over the previous year.
- Result: There was a decrease of 410 EZ-certified jobs or a -6.6% change (self-declared by companies who submitted EZ certifications) within the Pueblo Enterprise Zone in 2017. However, the unemployment rate in Pueblo County reached an historic low of 3.1% in 2017. Therefore, Pueblo County EZ certifications are not capturing all the job gains.
- Goal: Stabilize or grow overall “baseline” capital investment in the zone as measured by an increase in the investment tax credit capital in previous years.
- Result: Total capital investment in the zone was significantly higher than in 2016. During 2017, the Pueblo EZ approved the first Renewable Energy Investment of \$253,092,362. In 2017, capital investment was \$396,372,173. The 2016 investment tax credit capital was \$35,211,637. This is a continued increase in investment within the Pueblo Enterprise Zone.
- 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 2014.
- Result: The number of full-time employees of companies claiming EZ credits in the Pueblo County EZ increased in 2017. FTEs of credit-claiming businesses dropped from 3,217 in 2016 to 3565 in 2017. For 2017 we saw an increase of 10.8% with FTEs of credit-claiming businesses.
- Goal: Grow investment in contribution projects to spur economic growth by encouraging investment in public/community capital projects.
- Result: In 2017, 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. In total, cash and in-kind donations to EZ Contribution Projects totaled \$1,040,275 (815,622 cash and 224,653 in-kind), down from 2016’s contributions of \$2,503,532.

Three projects were retired that included two completed capital projects. The reduction in contributions for 2017 can be attributed to the completion of these two projects. Also, in 2017 no new Pueblo EZ Contribution Projects applications were submitted for approval. The EZ Administrator will continue to track EZ Contributions and encourage investment in public capital projects in 2018, with the goal of growing these contributions by 5%. 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.

### 2018 Objectives

1. Focus on opportunities that increase retention and expansion of industry and small business
2. Increase density of creative industry businesses, sales, and jobs countywide, with emphasis on the area of the Pueblo Creative Corridor
3. Increase primary jobs and economic activity with an emphasis on key industry sectors: advanced manufacturing, healthcare, cannabis, agriculture, renewable energy, tourism, transportation, and all supporting industries

4. Focus on workforce alignment with regional economic development goals by supporting Colorado State University-Pueblo and Pueblo Community College in becoming regional leaders in higher education
5. Support the development of affordable workforce housing and urban infill
6. Increase Pueblo County wages by supporting service organizations that provide workforce skill training, childcare for working families, and homeless support services.

## Region 10 Administrative & Statutory Enterprise Zone

**Overview:** 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 other services for seniors and disabled. The Enterprise Center in Montrose, owned by Region 10, provides at cost accommodation and facilities to emerging businesses and non-profit entities, supporting new businesses and support.

**2017 Observations and Data:** The economy of the region has traditionally been dependent on agribusiness, tourism, mining, and retiree related expenditures. The majority of recent job losses during the recession occurred in the construction and real estate industries. Since 2013, the region has lost over 800 coal mining jobs, and is anticipating additional losses in the near future, as Tri-State Generation has recently announced their intent to close the Nucla mine and power plant under agreement with CDPHE. Growth in the area is primarily in the industries of tourism, agriculture, and healthcare as the number of retirees in the region continue to grow. The region has also seen an increase in creative industries, with three areas within the region recognized as designated creative districts and two areas working toward developing "Space to Create" initiatives. The addition of the regional broadband project is expected to improve Internet speeds and bring affordable and accessible broadband capabilities to the currently underserved region, as well as serve as an economic driver that will attract diverse businesses to the area.

Proprietor jobs (or self-employment) play a large role in the region's economy. Continued growth of this sector hinges on access to capital and technical assistance. Region 10's Small Business Resource Center serves as a hub for the SBDC and supports, develops, and grows new and existing businesses through low or no cost workshops and consulting, as well as providing access to capital through its loan fund program.

Businesses continue to utilize the program to make investments into the local economy, investing over \$25 million into the regional economy, and creating 120 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 2017 (July 2016-June 2017).

### Enterprise Zone Business Tax Credits

County	Investment	Tax Credits
Delta County	\$ 4,107,831	\$ 106,448
Gunnison County	\$ 5,022,413	\$ 115,836
Hinsdale County	\$ 51,414	\$ 1,485
Montrose County	\$ 15,197,818	\$ 222,692
Ouray County	\$ 501,006	\$ 14,172
San Miguel County	\$ 669,708	\$ 12,995
Total	\$25,550,190.00	\$473,628.00

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.

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. Between 2010 and 2015, agriculture saw the second fastest and 2<sup>nd</sup> largest growth in jobs in comparison to other industries, adding

more than 285 jobs for 10% growth during that time. The region continues to explore value-added products as a component of the regional economic diversity strategy.

24 Month Unemployment Rate		
County*	2016	2017
Delta	6.3	5.0
Gunnison	3.5	2.3
Hinsdale	3.3	2.3
Montrose	5.9	4.2
Ouray	5	3.8
San Miguel	3.4	3.8
Colorado	3	3.3
*County Information from StatsAmerica Regional/State from CDLE		

Regional population has remained somewhat steady. As population and home sales have stabilized in the region, the need for affordable housing has once again become a regional issue.

County	Census 2010	July 2016	% Change
Delta	30,952	30,442	-1.6%
Gunnison	15,324	16,408	7.1%
Hinsdale	843	788	-6.5%
Montrose	41,276	41,471	0.5%
Ouray	4,436	4,857	9.5%
San Miguel	7,359	8,017	8.9%
Colorado	5,029,196	5,530,105	14.7%

Per capita income\* increased some over the last two years, but for the larger population areas, remain significantly below the state average.

Per Capita Personal Income		
County	2012	2016
Delta	\$ 32,916	\$ 32,318
Gunnison	\$ 35,786	\$ 43,473
Hinsdale	\$ 43,580	\$ 44,660
Montrose	\$ 31,613	\$ 35,714
Ouray	\$ 43,267	\$ 51,000
San Miguel	\$ 45,257	\$ 75,876

\*2016 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. The efforts in Region 10 to improve broadband access have begun to attract both new businesses and independent workers.

### **Objectives Report:**

In 2016, Region10 established the following objectives, with the progress listed below each objective:

Objective #1: The unemployment rate for each county should be equal or less than the state unemployment rate.

The overall unemployment rate was much closer to state levels, with improvement in all counties.

Objective #2: Continue use of Enterprise Contribution projects, with a 3% increase in overall donations.

Contributions increased by approximately 13%, representing increased community investment by non-profits.

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 decreased slightly for 2017.

### **Objectives for the Coming Year**

1. 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:
2. Increase jobs through support, education, and financial capital available for business development including advanced manufacturing, value added agriculture, health and wellness, creative industries, and tourism, including innovative approaches such as accelerators, incubators, broadband, and other resources designed to enable business and workforce.
3. Support and promote strong and diversified tourism to provide regional means for economic development, including diverse regional transit and transportation, including increases in flights for region representing tourism and business travel.
4. Assist local communities in creating atmosphere to support retention and relocation, including housing, mainstreet models, downtown improvement, access to healthcare and recreation, and other important community development and facilities opportunities to attract new population and businesses, partially measured by contribution projects donations.
5. 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 create a natural geographic boundary. The counties retain their individuality but are economically dependent on each other. Located about midway between Denver and Albuquerque, this is the largest alpine valley in North America. The vast, flat surface of the valley floor at 7,500 feet is bordered on the east by the sharply rising Sangre de Cristo Mountains, which ascend to 14,000-foot peaks, and to the west by the more gradually rising foothills and 12,000-foot peaks of the San Juans, which mark the Continental Divide.

**2017 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. The company may 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 homes. 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 has built a new regional craft malting plant in Rio Grande County intended to serve craft brewers and specialty malt users. Construction on the new plant was completed at the site of a former starch plant and malt production began in 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 2017 than 2016.

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%.

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.

**2017 Efforts to Improve Conditions:** Contribution Projects: 2017 was a transitional year for Enterprise Zone Contribution Projects as new guidelines and processes for projects. A meeting was held in the spring with all SLV Contribution Projects to meet with State of Colorado officials on the proposed new guidelines. Each project was extended through the 2018 tax year to allow for adjustments and reapplication to address the current project standards. All projects met one on one with local enterprise zone administration in December to review the current project guidelines and answer any questions regarding changes in the mechanism for processing contributions. All projects were encouraged to start on an application for Project Contribution Status under the new guidelines and have those applications to the local administrator no later than the end of June 2018.

**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. In addition, outreach has been made to the SLV Chapter of the Society of CPA's and presentations to several local civic

groups. Several meetings with EZ Contribution Projects have been held as noted in the preceding section. 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
- 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. 381 certificates were processed, on par with that in 2016, which were 383 and represented consistent usage of Enterprise Zone Tax Credit program. The region registered a net gain of 139 employees reported through the Enterprise Zone. The total of all Investment Credits are down slightly from \$68M in 2016 to \$63.5M in 2017.
2. Increase in number of Enterprise Zone contributions received by EZone Projects. The number of contributions received in 2016 was static compared to those received in 2017. Projects received donations of \$1.835M in 2017. With process and guideline enhancements recommended by the State of Colorado Economic Development Commission, SLVDRG is anticipating a push for increased and more directed investment toward Enterprise Zone Projects in 2018.

Project Name	Cash	In-Kind	Credit
Adams State Job Trainig	\$70,750.00		\$17,687.50
Alamosa Downtown Revitalization	\$12,000.00		\$3,000.00
Alamosa Senior Center	\$3,890.08		\$972.52
Creed Repertory Theatre	\$269,853.81		\$67,463.45
La Puente	\$613,712.31		\$153,428.08
Mineral County Fairgrounds	\$400.00		\$100.00
Mineral County Public Health	\$800.00		\$200.00
Monte Vista Downtown Revitalization	\$5,000.00		\$1,250.00
Rio Grande County Museum	\$400.00		\$100.00
Rio Grande Hospital	\$608,621.37	\$7,018.92	\$153,030.46
Rio Grande Museum	\$500.00		\$125.00
S.E.E.D. Park	\$3,000.00		\$750.00
San Luis Valley Food & Farm	\$3,900.00		\$975.00
San Luis Valley Health Conejos County Hospital	\$9,238.58		\$2,309.65
San Luis Valley Housing Coalition	\$21,782.47		\$5,445.62
San Luis Valley Regional Medical Center	\$94,617.11		\$23,654.28
SBDC	\$8,950.00		\$2,237.50
SLV Local Foods	\$955.00	\$325.00	\$279.38
Society Hall	\$7,901.52		\$1,975.38
TSJC	\$20,000.00		\$5,000.00
Tu Casa	\$12,100.00		\$3,025.00
Valley Wide Health	\$45,450.00		\$11,362.50
Crestone Revitalization	\$17,200.00		\$4,300.00
SLVDRG	\$4,250.00		\$1,062.50
<b>Grand Total</b>	<b>\$1,835,272.25</b>	<b>7,343.92</b>	<b>\$459,733.81</b>

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, SLV Community Action Agency, 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, Costilla County Economic Development Corporation, Saguache Chamber of Commerce, Baca Homeowners Association, 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.

**Winning Story:** A newly recently completed expansion of the Idaho Pacific Colorado potato dehydration operation in Center has nearly doubled the plant's production of potato flakes and flour – and added 35 new full-time jobs to the local workforce. The company now has 133 full-time employees. “We are very excited about the expansion, and the positive economic impact our business will have on the local economy,” said Todd Sutton, the company's vice president of operations.

Idaho Pacific Colorado Corporation has owned and operated the potato dehydration plant in Center since 2001. The business manufactures dehydrated potato flakes and potato flour that are used as ingredients in snack foods, bakery items, soups and stews, retail products for instant mashed potatoes, and in restaurants and cafeterias for mashed potatoes and potato side dishes. “We appreciate the support of the San Luis Valley Resources Development group, which helped make the expansion possible,” noted Sutton.

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 (i.e.: 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

#### **Objectives for Coming Year**

1. Promote the expansion of public infrastructure within the Zone
2. Support homeless assistance programs and services to encourage entry into labor force
3. Promote eco-tourism and local cultural heritage
4. Create and market entrepreneurial opportunities and program activities
5. Educate and train the workforce of the future
6. Enhance and promote agriculture products, food system development and food innovation
7. Revitalize and support vibrant downtown districts
8. Support community amenity and facility development: Healthcare, tourism, culture arts, and outdoor recreation.
9. Encourage business retention, expansion and attraction in distressed areas.

## 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 SCCOG Board is comprised of representatives from three city and two county governments. There are four other cities or towns not represented on the SCCOG 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

#### Population Trends

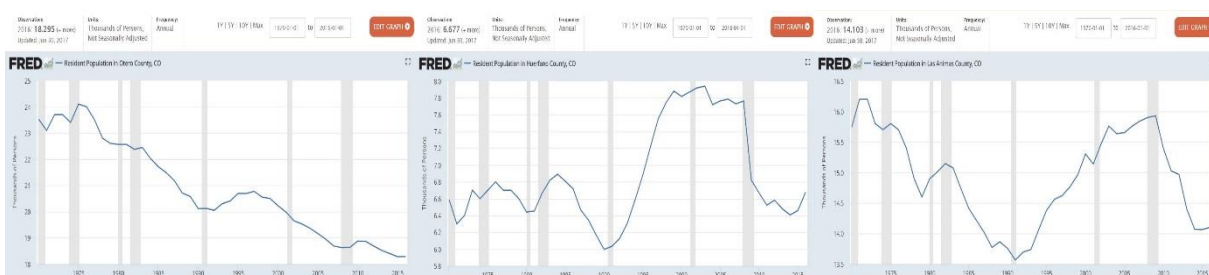
Population Trends							
	2012	2013	2014	2015	2016	5 year change	%
Otero	18,668	18,703	18,488	18,288	18,295	-373	-2.0%
Huerfano	6,549	6,519	6,462	6,492	6,677	+128	+2.0%
Las Animas	14,913	14,446	14,052	14,058	14,103	-810	-5.4%
SC Central	40,351	40,130	39,668	39,002	39,283	-1,068	-2.6%

(Source: US. Bureau of Labor Statistics)

Otero County population remained relatively flat from 2015 to 2016, (18,288 to 18,295), but still had a composite decrease of 2.0% over the last five years. Huerfano County population made an upturn 2015 - 2016 from a population of 6,492 to 6,677 (2.8%), and had a composite increase of 2.0% over the last five years. Las Animas County population also experienced a 0.3% increase from 2015 - 2016, from 14,058 to 14,103, though the overall 5-year composite was a decrease of 5.4%. In 2017, Las Animas, Otero and Huerfano Counties were all 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.

#### Unemployment Rates



(Source: US. Bureau of Labor Statistics)

Unemployment Rates (%)						
	2,013	2014	2015	2016	2017	5 year change
Otero	11.0	9.3	7.7	4.8	3.9	-64.5
Huerfano	16.4	14.4	10.6	7.4	5.7	-65.2
Las Animas	13.0	10.3	6.8	4.9	4.2	-67.7
Colorado	(Source: US. Bureau of Labor Statistics January rates in each year)					

Unemployment rates for Otero have decreased from 11.0% in January 2013 to 3.9% in January 2017. Las Animas County Unemployment rates decreased from 13.0% in January 2013 to 4.2% in January 2017. Huerfano County Unemployment also decreased from 16.4% in January 2013 to 5.7% in January 2017. All three counties' unemployment rates are close to one third of 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

third year in a row, Otero County moved from tenth highest to eighth highest, and Las Animas County moved from ninth highest to sixth highest unemployment in the state. Colorado's Unemployment rate in December 2017 was 3.1%, (not seasonally adjusted) which is down 0.1% from 2016.

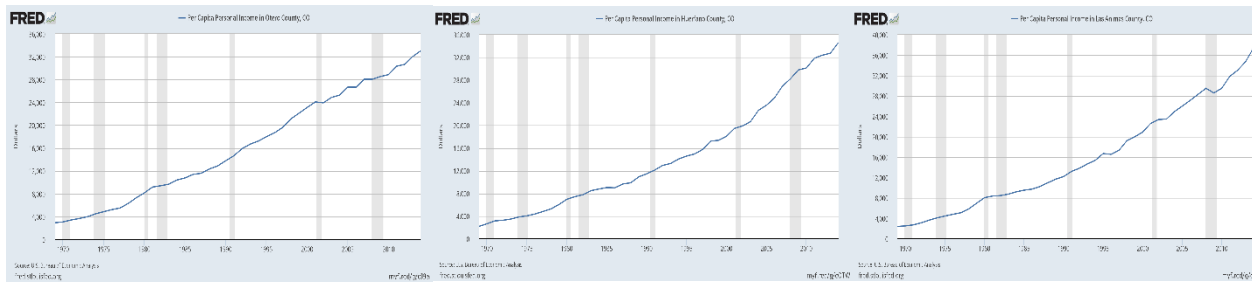
### Per capita Personal Income

Per capita Personal Income							
	2011	2012	2013	2014	2015	2016	% of CO 2016 PCPI (\$ 51,999)
Otero	\$30,346	\$30,673	\$32,079	\$33,091	\$34,823	\$34,271	65.9%
Huerfano	\$31,855	\$32,388	\$32,733	\$34,598	\$36,964	\$37,502	72.1%
Las Animas	\$31,822	\$33,040	\$34,703	\$37,365	\$36,823	\$37,032	71.2%
(Source: US. Bureau of Labor Statistics)							

Otero County had a 12.9% increase in per capita personal income between 2011 and 2016; Huerfano County had a 17.7% increase and Las Animas County had a 16.4% increase. But, during the same time period, the overall increase in the State of Colorado's per capita personal income was 21.1% (from \$42,955 to \$51,999).



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



Past year  
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 2017 efforts continued positively as representatives from across the region were brought together at several meetings to continue the discussion on CNG fueling options, Broadband needs, downtown revitalization efforts, and wind energy investments in the region. Results of these ongoing efforts include the opening of the Peak View Wind Project is bringing new energy to its more than 94,000 customers in Southern Colorado with the completion and integration of the 34-turbines located near Walsenburg, Colorado. The project began in 2016 and was estimated to inject approximately \$12 million dollars into the community during construction through 20 full time equivalent construction employees, lodging and other local spending.

**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, CNG and Wind energy sectors has been targeted as both critical to the area and as presenting opportunity for economic development across the South Central Enterprise Zone.

The energy sector presents continuing opportunities for economic development across all three counties, and the overall Raton Basin. In addition to CNG fueling stations and wind generation projects, efforts continued to focus on business growth and development across the energy spectrum (natural gas, wind, solar, coal, geothermal, etc.).

Health and wellness continue to grow 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 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 and independent living resources have been targeted as industries 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.

**Contribution Projects:** As a result of proactive outreach, South Central continues to see more questions and certification activity in the region. A concerted effort has been made during 2017 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 offer 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 2017, in the Huerfano County La Veta area, we added La Veta Village capital improvement project, and in Walsenburg we added the Huerfano County Economic Development and Job Enhancement project. In Otero County, we added Otero Museum Capital Campaign project, the Rocky Ford Grand Theater Restoration project, and the Southeast Colorado Creative Partnership Plaza Block Building project.

**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.coloradoadvance.com](http://www.coloradoadvance.com) link. Certifications have increased as we did much more outreach from responding to questions regarding the online system. Contribution certifications in 2017 continue to be reported and we had significant increase from the 2016 number reported throughout the period.

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 and a growing number of affiliated businesses to leverage the creative district designation into an economic development driver. These efforts and partnerships continue to lead to increased activity in Las Animas for vacant building rehabilitation tax credit.

South Central EZ personnel conducted several meetings throughout the year 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. We also conducted several meetings and one-on-one sessions with Contribution Project personnel as the OEDIT's new online application and contribution process was tested and implemented.

**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 directors 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.

**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 247 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.

**Winning Story:** Trinidad saw \$12.5 million in private investment into the local economy in 2017, which is substantial for this size of community. Several of the private investors are using EZ Tax Credits in combination with City and other incentives, to rehabilitate old, vacant buildings as they revitalize the downtown area. Community members and EZ Contribution Projects are actively organizing and promoting events in the city's new entertainment district, providing new tourism revenues for downtown businesses. In 2016 a DOLA grant combined with private investment via an EZ Contribution project allowed the City to make infrastructure improvements and open a new downtown street, which has subsequently led to the construction of a new downtown Toyota Car dealership, and triggered additional building renovation efforts. In 2016 the vacancy rate in Trinidad was at 61% and in 2017 that has dropped to 29%. The downtown area has been stabilized, and a stronger downtown means a stronger economic base for the community and investors. The city's Space to Create Colorado project offers great potential for the city's future growth. That project is funded through private and public investments. The \$15.5 million dollar funding for the Space to Create project followed the donation of one of the three buildings to the City through another EZ Contribution project. The project will break ground the Spring of 2018.

In the small town of La Veta, CO, one of the EZ Contribution projects held the 2018 Stonewall Century Ride (bicycle race) along Hwy 12 from La Veta to Segundo and back. The race is 102 miles and the course has a 7,500 ft elevation gain. The race attracted 225 participants and with friends and families increased the population of La Veta by 32% for the weekend, bringing in people from 12 states and 46 different Colorado municipalities. For a town of this size, the economic impact of this many tourists in town for a weekend was huge.

#### **2017 Objectives and Progress Report:**

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. In 2017 the pre-certification applications for Rehabilitation Tax Credits for Vacant Buildings increased from one in 2015 to three in 2016 and to four in 2017.

3. 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.
4. In 2017 the number of EZ Contribution projects in Las Animas County did not increase, though two projects were considered and determined not to qualify; Otero County increased by 3; and in Huerfano County increased by 2 with one of those being in Walsenburg.
5. 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.
6. In 2017, work continued in partnership with county and municipal economic development directors and IT directors in both counties to link EZ Credits with other funding strategies to move forward with expanding Broadband in the two county's rural areas. In addition, information was provided to more than ten related businesses about the various Enterprise Zone Tax Credit opportunities and area incentive packages.
7. 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.
8. In 2017, four updated economic development plans from both counties and area municipalities (Huerfano County/Walsenburg 2017 Comprehensive Economic Development Strategy, Southern Colorado Economic Development District 2017 Comprehensive Economic Development Strategy, the City of Trinidad 2017 Comprehensive Plan, and the updated 2040 South Central Regional Transportation Plan) were added to the previous compilation of plans.

#### **Objectives for Coming Year:**

1. Increase the number of buildings that utilize the Rehabilitation Credit by two. 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. Work in partnership with existing and new contribution projects to develop new or updated marketing/promotion plans that emphasize the EZ Tax Credits, and the role the project is taking in supporting vibrant downtown districts and promoting regional historic/cultural and recreational tourism.
5. Support and advocate for the designation of at least one opportunity zone census tract in each South Central EZ County.

## 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 2017, the number of businesses claiming tax credits through the Enterprise Zone numbered 81. These businesses reported a net increase of 273 (FTE) jobs in the Zone. The level of investment in the Zone increased 123 percent over 2016 investment levels to \$96.2 million. The average full-time salaries in the zone increased .28% to \$40,015. Throughout 2017, 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 2017, eight contribution certifications for the Family Tree House of Hope, totaling \$9,724 of cash donations, were processed through the South Metro Enterprise Zone. Three hundred fifty-three (353) certifications for the Craig Hospital Foundation were processed with cash donations totaling \$1,271,068 and in-kind donations totaling \$562,929. Seventy-nine (79) certifications for the Habitat for Humanity Sheridan Square Development were processed with cash donations totaling \$645,722 and in-kind donations totaling \$18,169.

### 2017 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 2016 and 2017 Enterprise Zone certification forms, reflect the economic condition in the South Metro Enterprise Zone:

	2016	2017
Number of businesses filing Zone tax credits:	73	81
Number of jobs created in the Zone:	204	273
Health Insurance Tax Credit:	\$48,000	\$55,370
Number of Employees Trained:	2,025	2,156
Job Training Tax Credit:	\$115,797	\$201,329
Average Annual Compensation:		
Full Time	\$39,905	\$40,015
Part Time	\$12,229	\$12,269
Temporary	\$28,0230	\$52,584
Contractual	\$50,333	\$0
Analysis of Capital Investment:		
Rehab Expenses:	\$198,608	\$0
Rehab Tax Credit:	\$49,652	\$0
Investment Tax Credit Claimed:	\$645,140	\$852,926
ITC Capital Investment:	\$21,504,650	\$28,430,887
Total Capital Investment in the Zone:	\$43,183,990	\$96,272,194
R&D Expenditures:	\$199,007	\$326,783
R&D Tax Credit:	\$493	\$4,080

### 2017 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 2017.

**Goal #1:** Aggregate job expansion for Enterprise Zone beneficiaries to exceed 25 net new jobs over the previous year's total. During 2017, the number of businesses claiming tax credits through the Enterprise Zone numbered 81. These businesses reported a net increase of 273 (FTE) jobs in the Zone. Average full-time salaries in the zone increased .28% to \$40,015. 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.

**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 123 percent over 2016 investment levels to \$96.2 million. This goal was met.

**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 2017:
  - Sheridan sales and use tax receipts increased 8.4% in 2017 over 2016.
  - Gross Sales Tax Revenue for 2017: \$3,389,926 2016: \$3,133,580
  - River Point saw a 5.3% increase in PIF sales in 2017 over 2016
- Englewood sales and use tax receipts increased 7.83% in 2017 over 2016.
  - Retail sales tax increased 8.22% in 2017 as compared to 2016.
  - Use tax (excluding building use tax) for Englewood increased 5.12% in 2017 as compared to 2016.
- Littleton reported the following information for 2017:
  - Retail Sales Tax: \$28,103,858
  - General Use Tax: \$2,755,601
  - Vehicle Sales Tax \$2,585,924
  - Building Use Tax: \$1,616,647
  - Issued 442 new business licenses
- Town of Parker reported the following information for 2017:
  - Building Use Tax: \$4,668,912
  - Issued 519 new business licenses
  - Gross Sales Tax: \$40,780,510

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 26,877 people, in an effort to empower them to discover their own strengths to create lasting, positive change. Additionally, Family Tree provided over 18,700 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 184 individuals, and 55% of families exiting moved into safe, stable housing.

- Within the Homelessness Program, 44 households exited the program; and 81 % moved into permanent housing; 72% maintained or increased their income
- 53% of Homelessness Program clients received financial literacy training or coaching. 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. Habitat for Humanity of Metro Denver broke ground on this development in July 2016. Since breaking ground, the site has been bustling with volunteers and construction staff and partner families. To date 10 triplex units and one duplex unit equaling 33 homes have been constructed. All 33 homes are in various stages of completion; 18 homes are fully complete and families have moved in, while the remaining 15 are near completion with move in dates scheduled in early in

2018. 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 2017:

- Commercial Additions: \$ 9,572,339
- New Commercial Construction: \$15,952,498
- Commercial Remodel: \$20,680,696

## City of Sheridan

The City of Sheridan reported the following activity for 2017:

- Additions: 7 permits / \$1,234,628.00
- New Construction: 18 Permits / \$4,128,598.28
- Tenant Improvement: 8 Permits / \$825,477.09
- Tenant Finish: 7 Permits / \$2,462,383.91

## Town of Parker

The Town of Parker did not report any activity.

## City of Englewood

### Economic Development

Englewood's economic development efforts are 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.

**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 apartment is 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.

**Broadway + Acoma Lofts** – Construction a mixed-use project comprising 110 residential units and 14,000 square feet of commercial space, along with 170-180 parking spaces. Construction of the residential development is complete and the commercial space is being marketed to a various tenants.

**Englewood Medical Office Building** – 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

	2016	2017
Additions	4 permits/\$10.3 million	no commercial additions
New	12 permits/\$3.9 million	9 permits/\$19,419,799
Remodel	70 permits/\$12.7 million	89 permits/\$38,828,298



**COLORADO**

Office of Economic Development  
& International Trade



## 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.

**2017 Observations and Data:** The Southeast Enterprise Zone experienced a marked increase in estimated population growth. A positive trend is welcomed as growth affects the general health of our member rural communities. The 2017 estimate data indicates a slight increase in population growth in two of our counties and a large percentage increase in the other three counties with an aggregated increase of 936 people, up (3.25%) from 2016 estimates. Annual retail sales data was not available for 2017, as the Colorado Department of Revenue has experienced a system problem that prevents retail sales reports from being produced. The SE EZ area's collective unemployment rate decreased from Dec 2016 at 2.87% to Dec 2017 at 2.46% a decrease of .40% as compared to 2017 state average of 2.8% for that same time period. Per capita income data for 2016 showed an increase overall in the region of 1.87% over 2015.

**2017 Efforts to Improve Conditions:** Over the course of the last twenty-six (26) years, SECED's Business Loan Fund (BLF) has assisted 274 business loan needs in the amount of \$15,177,592 with leveraging from private sources totaling \$12,592,454. For 2017, seven (7) loans were funded in the amount of \$572,232.00. 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, \$5,498,992 funds have been loaned benefiting 319 households and 2017 resulted in 8 loans funded to the amount of \$139,826.

**EZ Capital Investments (ITC):** In 2017, the Southeast EZ processed 245 ITC certifications. The sum of capital investments amounted to \$50.4M with \$35.6M in qualifying investments which generated \$1,067,932 in tax credits. A total of 629 employees were trained generating credits to the employer of \$17,911.

**Contribution Projects:** The Southeast EZ has various certified contribution projects in our five county areas. These projects generated \$129,925 in contributions giving contributing taxpayer credits of \$32,385. In 2017, Southeast EZ had one additional contribution project approved. The project is helping to promote tourism and economic development in a very rural area of the state. This facility is promoting community use and encouraging an increase in commerce through tourism, events and activities.

**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. SE Enterprise Zone, with the assistance of the State Enterprise Zone administrator held a training to help area accountants and economic developers the opportunity to help promote the Enterprise Zone and its incentives. All other training has come on a one on one basis for projects as well as businesses and accountants.

**Educational Publications:** SECED and the Southeast EZ produces and distributes the publications listed below 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.

- Southeast EZ (SECED) continues to have a large ad in the Discover magazine that highlights the Enterprise Zone within that document. The magazine has a regional reach, with extended borders outside the region.

**Presentations:** Southeast EZ (SECED), annually, 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:** Our winning stories come in two parts in Region 6. Businesses have continued the utilization of the Enterprise Zone credits mainly for equipment purchases, but for a safety flare manufacturer, who was looking to locate to a rural area, enterprise zone credits and local incentives were the deciding factor that enabled them to locate to the Region 6 area in 2017. Due to the incentives offered, which included enterprise zone, we were able to entice the company to locate in the region and establish their business which produces and provides safety flares to companies domestically and is now going international. It is one of two available businesses of its kind in the United States. It is a great addition to the Region 6 economy that is encouraging the economic turnaround in Southeast Colorado.

In addition, small business operations have begun to blossom throughout all 5 counties. With the depressed economy that the region had been experiencing over the past 5 years, the entrepreneurial spirit had somewhat dissipated. In 2017, we saw an increase in small businesses created or expanded. Even the addition of 3-5 jobs in a business in this region is a huge step in the enhancement of the economy. However, we know that without the Enterprise Zone credits, entrepreneurs would not take chances to start businesses and moreover, operations would likely cease business. The Enterprise Zone helps new and existing operations to be able to afford purchases of updated equipment for assisting in their efforts to become more efficient with increased output, with the understanding that for their investment into the Zone, a credit will be available to decrease tax liability.

#### **Objectives:**

2017 Objectives (as submitted on previous report)

**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.

**AREA POPULATION GROWTH** - Realize stabilization of annual growth patterns. The Southeast EZ was able to meet this overall goal each of the counties had growth, while some experienced larger percentages than others, each county experienced some growth. There was a 3.25% increase compared to the .68% increase in 2016. Estimated population for the SECED area as compared to 2016 estimates indicates an increase of 936 people in our 5 county areas, a portion of that is attributed to prison population increase. Despite this increase, the census data indicates the rural and agricultural nature of our communities continues to struggle with outmigration of population. (Source: US Census Bureau)

**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 with only a 2.55% increase. A cumulative assessed valuation of \$397,741,073 in 2017 from \$387,594,990 in 2016. An increase of \$10,146,083 or 2.55% in property value. Southeast EZ realized an increase in tax revenue of \$447,820 or 3.56%. Expectations and measured annual growth was short of meeting our goal by 2.45%. Looking at a 10 year growth pattern the Southeast EZ has experienced growth of 25.21%. (Source: Counties Abstract Reports)

**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 (employed persons) increased by 506 in 2017 with a current unemployment rate of 2.46%. 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)

**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 \$36,775 in 2016, a 37.16% increase. The 2016 regional wage increased to \$36,775 from the 2015 level of \$36,100, a 1.87% increase. This is slightly below the stated goal of 75% to the state average of \$51,999. It should be said that if not



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for the Enterprise Zone this per capita wage figure would very likely be significantly lower. (Source: U.S. Bureau of Economic Analysis)

**CAPITAL INVESTMENTS** – The Southeast EZ in 2017 had a goal of targeting a minimum of 15% annual increase in capital investments as reported on DR0074. The zone met the 10% goal for 2017. While there was an increase in reported capital investments for approved certifications in 2017 totaling \$50,411,313 as compared to approved certifications in 2016 totals of \$40,524,952. This is an increase of only \$9,886,361 or 19.6%. The qualified capital investments approved in 2017 totaled \$35,597,558 up from \$24,525,897 approved in 2016 a 31.1% increase. We are ecstatic about exceeding our goals and we credit the Enterprise Zone incentives for the improvement of the 2017 for investments into the area. (Source: SE Colorado EZ data records)

## 2018 Objectives

- 1) Southeast EZ will plan to target at least 10 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 2018, we will measure the outcome by analyzing and measuring the change in capital investment dollars.
- 2) The Southeast EZ will continue its efforts to assist in the goal of increasing the total number of jobs created in the EZ over 2017. 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 2018, 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 2018, 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 \$2.98 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 \$1.7 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 is realizing that utility capacity is not adequate to handle growth. Southeast EZ (SECED) area's is preparing for and addressing infrastructure needs to accommodate anticipated growth as investors are looking to locate to the area.

We have quality educational opportunities including a community college and an interactive workforce board representation. Our educational institution continues to implement programs and job training courses to accommodate the needs of existing and prospective employers, which complements the enterprise zone efforts incentives.

A large selection of business and industrial sites and properties are available to the region at very competitive rates. However, needed infrastructure will be evaluated and addresses proactively to accommodate demand 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 11 Certified Contribution Projects.

Southeast Colorado Enterprise Development, Inc. assists businesses with all aspects of business development, in partnership with the local SBDC, college and economic development organizations.

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 GE 1.5 megawatt turbines covering 11,000-acres of land. Additional green energy investors continue to look at our region and its natural resources for 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.

## Southwest Administrative & Statutory Enterprise Zone

**Overview:** The Region 9 Economic Development District of Southwest Colorado Inc. (Region 9), located in the southwest corner of the State is a nonprofit, 501 (c) 6 public private partnership that serves as the Southwest Enterprise Zone Administrator. Region 9 works to improve economic conditions and coordinate economic development efforts throughout the 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), serving as a State Data Affiliate, and special programs such as the Southwest Accelerator Program for Entrepreneurs (SCAPE) and the Four Corners Film Office.

Southwest Colorado's economy was traditionally in commodity products such as minerals, cattle and timber. But over the past 40 years, the region has transitioned to tourism as the number one industry. The area is known for its scenic beauty, diverse landscapes, cultural resources, National Parks and Monuments, as well as its entrepreneurial spirit with an average of 10 percent of businesses in each County being home-based. Agriculture and forestry remain significant sources of employment for Dolores and Montezuma Counties while Archuleta, La Plata and San Juan's economies are based primarily on tourism and outdoor recreation. Natural resources and energy are also important sectors. 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.

**Past year Observations and Data:** Participation in the EZ Program continues to be important to area businesses as indicated by the table to the right. The number of businesses certifying tax credits shows annual increases since 2014 however, actual tax credits have been on decline since 2015. Job creation varies widely each year.

Region-wide, in 2017 there were 28 designated Enterprise Zone Contribution Projects (1 newly designated). These Projects generated about \$3.3 million in economic activity through direct and in-kind contributions. This is comparable to 30 designated Projects and \$3.7 million in economic activity in 2016.

	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
2017	\$ 618,920	\$ 12,568,831	140
% Change 16-17	-53%	-91%	-71%

In the Southwest Enterprise Zone, three counties, Dolores, Montezuma and San Juan continue to meet the EZ economic distress criteria on a county level (See table on following page). Dolores and San Juan Counties are also designated as Enhanced Rural Enterprise Zones (EREZ) through 2018 due to meeting the higher level of State defined distress. La Plata and Archuleta are not eligible on a county level, so instead each census tract was evaluated individually on the economic distress criteria. There are only two tracts out of ten that are NOT eligible in Archuleta, and thirteen tracts out of thirty-three in La Plata County that do not meet the distress criteria. The areas that do meet eligibility are a high priority for our organization's economic development efforts.

County	Population Requirement	2012 - 2016 Pop. Growth	2016 Unemp.Rate	2016 PCI	EZ Qualify
Archuleta	Yes	No	No	No	No
Dolores	Yes	No	No	Yes	Yes
La Plata	Yes	No	No	No	No
Montezuma	Yes	No	No	Yes	Yes
San Juan	Yes	Yes	Yes	No	Yes
Data Source	DoLA	DoLA	ACS	ACS	*

DoLA: Colorado Department of Local Affairs.<https://demography.dola.colorado.gov/population/>

ACS: American Community Survey Five Year Estimates 2012-2016.



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One of the five counties (San Juan) met EZ eligibility criteria for both population growth from 2012 – 2016, and unemployment for 2016. In last year's report, two counties were eligible based on population.

**Past year Efforts to Improve Conditions:** With significant education provided around the boundary changes that went into effect in 2016, this year Region 9 focused primarily on the region's EZ Contribution Projects.

Numerous presentations were held with organizations interested in being designated an EZ Contribution Project or needing training due to changing staff. Our EZ staff participated in peer reviews at the State level, and locally provided education to all Projects about the new Project policies. This involved meeting with projects that had low EZ donor participation or were approaching their project term limits.

	Estimates		% Change 2012-2016	*EZ Eligible
	2012	2016		
Archuleta	12,109	12,907	6.6%	No
Dolores	1,990	2,035	2.3%	No
La Plata	52,457	55,697	6.2%	No
Montezuma	25,441	26,906	5.8%	No
San Juan	692	698	0.9%	Yes
Colorado	5,191,086	5,538,180	6.7%	

\* < 25% of State (1.7%)

Source: DoLA - Colorado State Demographers Office January 2018

#### Specific EZ activities included:

- Met with six organizations interested in applying as EZ Contribution Projects. To date, one was approved.
- Provided EZ Annual Report and county specific EZ data to all Region 9's government jurisdictions.
- Included EZ information in Region 9 bi-annual newsletters and County Performance Reports.
- Maintained a contact list of regional accountants that is continually updated. EZ information is distributed via email as needed. This included availability of Salesforce, tips, form updates, deadlines and instructions.
- Supplied EZ information packets to the general public and area economic development groups for distribution to businesses.
- Cited EZ information in Region 9 brochure and other materials, as well as in monthly updates distributed to our Board of Directors, funders and governments.
- Continually updated the Enterprise Zone Contribution Project email tree and provided information as necessary. This includes forms, deadlines, tips and reminders.
- Participated in bi-monthly EZ Administrator phone calls as well as peer reviews, trainings and EZ Administrator meetings
- Provided EZ information on Region 9 website including forms, new policies and maps of new eligible areas.
- Explored a potential boundary amendment surrounding the Durango/La Plata County Airport.
- Worked with each county's economic development staff and board of directors to promote Enterprise Zone opportunities.

#### Objectives Report

Local Enterprise Zone objectives were identified by Region 9 first in 2009 to measure how the Enterprise Zone tax credits are improving our economy. Those objectives continue to be tracked on an annual basis, but we are updating several objectives for 2018 to be more measurable and specific. Overall, Southwest Colorado is seeing improved economic conditions as we now have two counties out of five that are not considered distressed. In 2009, we only had only one non-distressed County.

**Objective #1** Unemployment rates for each of the counties should be equal to or less than the state unemployment rate.

La Plata and Dolores Counties had an unemployment rate less than the state unemployment rate. This is the second year for Dolores, though La Plata County has met this goal from 2008 to 2016. This objective will be dropped next year because it is too broad to attribute unemployment directly to EZ participation.

	2016 Unemp. Rate	*EZ Eligible > 7.5%	Objective 1 < or = to State
Archuleta	6.7%	No	No
Dolores	3.6%	No	Yes
La Plata	5.1%	No	Yes
Montezuma	6.5%	No	No
San Juan	10.3%	Yes	No
Colorado	6.0%		

\*at least 25% above State Avg (6.0%) = 7.5%

Source:(ACS) American Community Survey Five Year Estimates 2012-2016.



2016 Per Capita Income			* EZ Eligible	Objective 2 > or =
County	PCI	% of State	< \$24,922	to State PCI
Archuleta	\$ 28,649	86%	No	No
Dolores	\$ 21,112	64%	Yes	No
La Plata	\$ 32,953	99%	No	No
Montezum	\$ 22,738	68%	Yes	No
San Juan	\$ 29,427	89%	No	No
Colorado	\$ 33,230			

\*75% of State PCPI= \$24,922

Source:(ACS) American Community Survey Five Year Estimates 2012-2016.

**Objective #2** Per Capita Income (PCI) for each of the counties should be equal to or greater than the state PCI. Income increased in all five counties though two, Dolores and Montezuma still met eligibility criterion for PCI in 2016. 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 2016. This objective will also be dropped next year.

**Objective #3** Increase the number of EZ inquiries to the Region 9 office which indicates either a direct referral or just interest in the program. In 2016, we began measuring the number of EZ inquiries received directly by our office. Those inquiries totaled 144

2017	Region 9			
	# Businesses Filing	Tax Credits	\$ Invested	Jobs Created
Archuleta	37	\$ 110,547	\$ 1,263,568	29
Dolores	25	\$ 23,002	\$ 614,646	1
La Plata	27	\$ 68,930	\$ 1,201,532	-27
Montezuma	137	\$ 415,523	\$ 9,458,478	137
San Juan	1	\$ 918	\$ 30,608	0
Total	227	\$ 618,920	\$ 12,568,831	140

different contacts in 2016 and 108 in 2017. Region 9 works with each county's economic development staff to promote Enterprise Zone opportunities to their businesses. This year, we have continued to see growing participation in the Enterprise Zone in Montezuma County because of local staff efforts, and we expect to see numbers grow in San Juan County with their new economic development staff.

We also expected to see Objectives #4 and #5 reflect our direct outreach efforts but the data doesn't support that. Even businesses that we can get to pre-certify appear to not be following up with

certification. It appears businesses are pre-certifying "just in case", but then do not earn actual credits or do not follow through with certification.

**Objective #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%

Despite less direct business outreach this year there was a slight increase in the number of participating businesses. 2012 represents an anomaly we believe was due to the transition to the on-line 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.

**Objective #5** Target businesses involved in other Region 9 programs. Inform them about all EZ tax credits. Track how many utilize the credits.

The table below lists the number of non-duplicative businesses utilizing EZ tax credits that Region 9 worked with through our loan program or individual technical assistance. Businesses that claim EZ business tax credits are

tracked annually and by county. The supporting list of businesses is available by request. We believe these numbers should be greater because we consistently inform our loan clients about tax credits and track all inquiries to our office. However, we do see many of the businesses in which we work, making use of the credits each year after our referral.



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	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
2017 4 Businesses	0	1	0	3	0

#### Objectives for Coming Year

- 1) Increase the number of participating businesses, particularly in our enhanced counties of Dolores and San Juan by providing individual follow-up if they do not pre-certify within 1 month of receiving information. (Expansion of current objective)
- 2) Conduct five presentations in which EZ tax credits are highlighted. (New)
- 3) Increase the number of EZ inquiries made to the Region 9 office over the previous year. This includes either a direct referral or just interest about the program.
- 4) Target businesses involved in other Region 9 programs and inform them about all EZ tax credits, and then track how many of these businesses utilize the credits.

# 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 and Northern Colorado. 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 municipal locations significant residential growth, all of these communities struggle to balance their community and tax base with the business growth necessary for a well-rounded community with jobs close to home.

## Past Year Observations and Data

The 2016 annual unadjusted Weld unemployment rate was 3.4%, down from 3.9% in 2015 (source: BLS). The 2016 Weld County personal income was \$42,701 down from \$42,787 in 2015 (source: BEA). And, the Weld County population growth rate was 14% from 2011 (258,629) to 2016 (294,932) (source: US Census Bureau). The sub-county annual data for unemployment, per capita income and population growth rate is not yet available for 2017.

In 2017 the Weld economy was again growing at least partially due to the increase in oil/gas activity. With oil prices rising, more drilling was occurring and the fossil side of the energy sector saw much needed stabilization. With the surety of the federal production tax credit through at least 2020, the renewable side of the energy sector also continued to show growth and stability. While we anticipate continued energy sector growth in 2018, history has repeatedly shown that both sides of the energy sector can be extremely volatile, which is always of concern. So, there's an on-going need to continue efforts to locate new employers to replace those lost in the normal economic churn and further diversify the economy. The 2017 announcement of the J M Smucker food processing facility was a step in the right direction in further diversifying and strengthening our manufacturing sector. Low commodity prices continue to hurt our very important agricultural sector, which continued to struggle in 2017. Our health care sector is poised for additional job growth with the new UC Health hospital under construction and slated for opening in early 2018. The annual average wage for all industries was trending slightly higher from \$46,228 in 2016 to \$46,488 in Q2 2017. Personal income was also slightly higher, as shown above, resulting in Weld County being ranked 1st in the state in 2017 for the amount of disposable income. This ranking was due primarily to slightly lower housing costs. While it's positive that our housing costs aren't rising quit as fast as the surrounding areas, they are rising and the cost of living continues to out-pace wage growth. The most current published 2016 unemployment rate of 3.4% is expected to be even lower when 2017 annual numbers are released. 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. Even though Weld personal income and unemployment rates continue to show improvement, there's concern that the improvement may not be sustainable due to the inherent volatility of the energy sector, the rapidly rising cost of living and the increasing difficulty employers have finding the right workforce. 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 per capita income levels as compared to the state and other MSA's along the Front Range, which is part of the reason for implementing the Bright Futures Education Stipend program to encourage residents to become more skilled.

## 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 2017 we had contact with 47 employers of which 37 were doing business within the EZ. Eighteen had projects/needs that received in-depth assistance and seven had expansion projects. All received EZ program information.

**2. Business Attraction Program:** In 2017, Upstate staff worked with 67 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, 17 became qualified prospects, 3 announced location plans and several continue to be active prospects in 2018. Upstate marketed the benefits of doing business in Weld to numerous national site consultants via co-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. As of 12/2017 we are servicing 11 active loans (the majority located within the EZ) totaling about \$2.6 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 2017. 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. 2017 EZ certification records show that 171 Weld companies collectively invested approximately \$258.8 million, created 600 new jobs, retained 8,730 jobs and earned approximately \$6.5 million in EZ credits. In addition, the two primary tools outlined below are utilized in marketing the EZ opportunities:

a). 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.

b). 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 approved contribution projects who provide services that help meet our EZ development goals. Assistance includes 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 2017, we certified 1,914 contributions totaling \$1.7 million to these 14 approved projects. Contributors collectively earned \$423,735 in state income tax credits.

#### **Objectives Report:**

1. Realize enhanced employment opportunities by supporting economic development efforts that facilitate new business job growth: In 2017, Upstate worked with 10 new and existing companies that created or announced plans to create 824 new FT jobs. Six of these companies (see list below) were located or planned to locate within the EZ, creating 229 (28%) 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.

- Summit Bodyworks (Fort Lupton) – specialty vehicle fabrication – 100 new jobs/\$20 million
- Rice's Honey (Greeley) – honey packaging/distribution – 12 retained/12 new jobs/\$2.1 million
- Preferred Cartage (Greeley) – trucking – 105 retained/15 new jobs/\$3.1 million
- J&B Machine (Greeley) – machining/fabrication shop – 17 retained/\$1.7 million
- Andersen Sales & Salvage (Greeley) – metal recycling – 2 retained/2 new jobs/\$3.25 million
- Vestas Blades (Windsor/Brighton) wind turbine blade mfg – 2,300 retained/100 new/\$58 million

2. Enhance/maintain a healthy tax base by supporting economic development efforts that facilitate new business investment: In 2017, the 10 new and existing companies that Upstate worked with invested, or announced plans to invest, a total of \$463.8 million into the Weld economy. The new investment of the six projects (see #1 above) located within the EZ boundaries totaled approximately \$88.1 million (19%) 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. Support business by providing access to financial capital via loan funds, angel investors, etc. Through administration of the Weld/Larimer Revolving Loan Fund and the Greeley Community Development Fund, we assisted and reviewed four company finance projects and qualified one loan in 2017, valued at \$500,000. This loan leveraged \$3.8 million in local bank funding and was a critical component in retaining the company and 85 jobs in Weld County.

**Objectives for Coming Year:** Below are three Weld County EZ Development Goals that will be reported on in the coming year, based on activity facilitated by Upstate Colorado Economic Development:

1. Enhance employment opportunities by supporting economic development efforts that facilitate new business job growth.
2. Enhance/maintain a health tax base by supporting economic development efforts that facilitate new business investment.
3. Support business by providing access to financial capital via loan funds, angel investors, etc.



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