Contents
2018 ENTERPRISE ZONE ANNUAL REPORT .................................................................................. 1
2017 Metrics ................................................................................................................................. 2
Adams County ............................................................................................................................ 3
Central Colorado .......................................................................................................................... 5
Denver County ............................................................................................................................. 8
East Central ................................................................................................................................. 16
Jefferson County ......................................................................................................................... 21
Larimer County .......................................................................................................................... 23
Mesa County ............................................................................................................................... 29
North Metro ................................................................................................................................. 35
Northeast .................................................................................................................................... 39
Northwest .................................................................................................................................... 42
Pikes Peak ................................................................................................................................... 46
Pueblo County .............................................................................................................................. 50
Region 10 ................................................................................................................................... 53
San Luis Valley ............................................................................................................................. 57
South Central ............................................................................................................................... 61
South Metro .................................................................................................................................. 67
Southeast ....................................................................................................................................... 73
Southwest ..................................................................................................................................... 79
Weld .............................................................................................................................................. 84
### 2017 Metrics
Aggregated for Census defined places comprising each Enterprise Zone

<table>
<thead>
<tr>
<th>Administrative Enterprise Zone</th>
<th>Unemployment Rate</th>
<th>Per Capital Income</th>
<th>Population Growth Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adams County</td>
<td>6.4%</td>
<td>$24,135</td>
<td>14.4%</td>
</tr>
<tr>
<td>Central Colorado</td>
<td>5.6%</td>
<td>$25,018</td>
<td>6.5%</td>
</tr>
<tr>
<td>Denver County</td>
<td>6.0%</td>
<td>$25,502</td>
<td>16.0%</td>
</tr>
<tr>
<td>East Central</td>
<td>4.6%</td>
<td>$30,627</td>
<td>6.5%</td>
</tr>
<tr>
<td>Jefferson County</td>
<td>5.2%</td>
<td>$32,921</td>
<td>14.0%</td>
</tr>
<tr>
<td>Larimer County</td>
<td>5.1%</td>
<td>$29,810</td>
<td>12.9%</td>
</tr>
<tr>
<td>Mesa County</td>
<td>8.0%</td>
<td>$26,818</td>
<td>4.3%</td>
</tr>
<tr>
<td>North Metro</td>
<td>7.5%</td>
<td>$25,212</td>
<td>8.1%</td>
</tr>
<tr>
<td>Northeast</td>
<td>4.6%</td>
<td>$24,728</td>
<td>0.1%</td>
</tr>
<tr>
<td>Northwest</td>
<td>4.3%</td>
<td>$33,165</td>
<td>6.9%</td>
</tr>
<tr>
<td>Pikes Peak</td>
<td>6.9%</td>
<td>$26,689</td>
<td>9.4%</td>
</tr>
<tr>
<td>Pueblo County</td>
<td>10.7%</td>
<td>$21,235</td>
<td>10.4%</td>
</tr>
<tr>
<td>Region 10</td>
<td>7.8%</td>
<td>$26,085</td>
<td>3.5%</td>
</tr>
<tr>
<td>San Luis Valley</td>
<td>9.0%</td>
<td>$20,739</td>
<td>1.2%</td>
</tr>
<tr>
<td>South Central</td>
<td>7.8%</td>
<td>$24,674</td>
<td>0.0%</td>
</tr>
<tr>
<td>South Metro</td>
<td>6.3%</td>
<td>$30,946</td>
<td>7.5%</td>
</tr>
<tr>
<td>Southeast</td>
<td>10.0%</td>
<td>$19,547</td>
<td>0.3%</td>
</tr>
<tr>
<td>Southwest</td>
<td>4.8%</td>
<td>$29,316</td>
<td>9.8%</td>
</tr>
<tr>
<td>Weld County</td>
<td>6.0%</td>
<td>$25,702</td>
<td>10.7%</td>
</tr>
</tbody>
</table>
Adams County

Overview
Adams County is 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 fullservice economic development agency whose mission is to create primary jobs and a healthy tax base by promoting investment in 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.

2018 Observations and Data
As of December 2018, the United States Department of Labor has Adams County at 3.5% unemployment. The 2017 American Community Survey reports Adams County at a 1.64% population growth. According to the United States Census Bureau 2017 has a per capita income of $27,487.

2018 Efforts to Improve Conditions
In 2018, 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 1,129 pre-certifications in 2018.

Business Friendly Audits
In 2018, 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 12 contribution projects ACED is managing currently. 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 2018, 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 2018, 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)
- 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 2018. 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, 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.

2018 Objectives:
ACED’s 2018 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 2018 indicate these goals were met.

2019 Objectives:
ACED’s 2019 goals for the Enterprise Zone program will focus on five goals:

1. ACED will continue adding and promoting Enterprise Zone Infrastructure Projects throughout Adams County.
2. ACED will focus on attracting, retaining and (re)training the local workforce through its engagement with the Manufacturing, Health Care and Construction sector partnerships.
3. ACED’s Business Retention Program will continue to work closely with our city partners to market and educate the Adams County business and nonprofit community on the benefits of the Enterprise Zone Program.
4. ACED will develop a detailed and informative prospectus on Opportunity Zone opportunities located in unincorporated Adams County and promote opportunities to the business and nonprofit communities.
Central Colorado

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 (Nathrop and Buena Vista), Custer (Silver Cliff, Westcliffe), and Fremont (Canon City, Florence, Penrose, Brookside, Coal Creek). Park County (Fairplay, Hartzel, Alma) joined the CCEZ in 2016 and is at the top of the South Platte River Basin.

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 exploration, seasonal outdoor tourism and recreation (winter and summer), residential and commercial construction, healthcare services, aggregate and heavy-metals mining, government employment (federal, state and local), correctional facility employment in Chaffee and Fremont Counties and an above state average retired person(s) household population – both year-around and seasonal residents. In more recent years, the CCEZ has seen an emergence of manufacturing of specialized goods and the relocation of the technology industry. There is significant movement to create infrastructure needed to support telecommuting employees and businesses. This is highlighted by the Upper Arkansas Technology Sector which was established in 2017.

Business development challenges include a regional location that lacks proximity to front range markets, amenities and logistics networks (less of a challenge for Fremont County); lack of availability of a skilled workforce; lack of availability of affordable housing; struggling downtown businesses (less of a challenge in recent years); seasonality of business activity that precludes consistent cash flow that leads to marginal profitability; financing availability limitations; lack of broadband infrastructure; and reduced year-around employment opportunities.

Recent changes to the business development environment have been positive. There is a strong focus on training and retaining a skilled workforce to fill the available jobs. This includes providing the necessary infrastructure to support it in the form of affordable housing and broadband connection to the internet. There is an effort to expand the available options for young students to further their education including apprenticeships, internships and concurrent enrollment in high school and community colleges. Multiple housing studies are currently underway in the CCEZ as counties look for solutions to the lack of affordable housing. Some affordable units were added in 2018 but not enough to fill the gap in supply and demand.

2018 Observations and Data
Observations of trends and change in the CCEZ have focused on an analysis of current and recent past data, and comparisons to state averages. With this methodology in mind, generalized trend and change observations follow in the CCEZ 2019 Development Objectives section below: see objective’s measured and status of objectives narratives.

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 the 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 prevalence of low paying service jobs related to tourism. 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.

Population growth data from Colorado DOLA for 2017, and presented in 2018, indicates that CCEZ counties and municipalities are generally above the state growth rate of 1.36%. Park (3.19%), Custer (6.11%), northern Chaffee (2.86%), and Lake (2.27%) counties population growth rate is higher than Fremont County (1.24%).

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. The 2017 DOLA Demography Annual Report, presented in October of 2018, indicates the region has a higher unemployment rate than the state’s average of 2.8%.

2017-18 Efforts to Improve Conditions: A summary of CCEZ activities to improve the effectiveness and outreach of the CCEZ 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 2018: The CCEZ has a balanced number and type of eligible projects on the books, 16 as the Zone enters 2019. One historic downtown project was added in 2018: The Florence Pioneer Museum – Florence, CO. The FPM is located in a central business district and downtown historic building that will improve traffic generation for improved downtown business revenue and employment in an improved year-around setting. The Chaffee Housing Trust was also approved as a new project in 2018. They are constructing new affordable housing units in Buena Vista and the surrounding area. The presence of available affordable housing will allow local employers to fill long-time vacant, entry-level positions, driving skilled labor to the CCEZ.

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 emails downloads of specific credit information from OED&IT [www.chooselocalcolorado.com/ez] and Department of Revenue FYIs and forms. Also, in an average week, the CCEZ Administrator responds to approximately 10 to 15 email and phone inquiries about Zone boundaries, 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 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 2018 and on into 2019. 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 in-person notifications continued 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.chooselocalcolorado.com/ez] web site for access to the E Z FYI, forms and overall program information series. 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, EDC’s, COED&IT, area colleges and the UAADC regional BLF program. In 2019, the CCEZ plans to update it’s
webpage to include user guides and links to pre-certification processes and the EZ website. A social media account and campaign will be created by UAADC, the managing organization of the CCEZ and Zone Administrator, where there will be a section dedicated to the available benefits of the EZ.

Partners and Collaboration: The CCEZ implements essential partnership relationships with the Zone’s CPA’s, Chamber’s and EDC’s 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 websites containing updated written EZ tax credit information. In 2018 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.

**CCEZ 2019 (coming year) Development Objectives:**

**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.

**Improve employment and incentivize employment opportunities to attract and retain a skilled workforce:** 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 addition of primary jobs would greatly improve the conditions of the CCEZ through higher wages. The Zone seeks to reduce unemployment, under-employment rates and improve year-around employment opportunities. See the previous “CCEZ Unemployment Rates”.

**Improve the percentage of non-residential assessed valuation:** The 4½ 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 and reduces the amount of property taxes collected by the counties due to the frozen ratio in the Gallagher Act. The most effective way to increase this valuation is to increase the number of commercial building in the zone which is feasible if the zone has services and organizations to support new or relocating businesses.

**Attract, retain, develop and support new businesses and entrepreneurial ventures by fostering and encouraging investment in correlating infrastructure and services:** It is well known that some counties in the CCEZ have a reputation for having an unfriendly attitude toward businesses wanting to establish or relocate in their area. There are many factors that play into this attitude including historical, social, regulatory and political forces. Through responsible support of projects and services in the CCEZ, and with meaningful partnerships, the Zone administrator believes they can positively impact the entrepreneurial and commercial support environment.
Denver County

OVERVIEW

Denver Economic Development & Opportunity (DEDO)\(^1\) coordinates planning and implementation of initiatives to lead an inclusive and innovative economy. Its mission is accomplished through four divisions working collaboratively to ensure the success of Denver’s economy is shared by its residents, businesses and neighborhoods.

- Division of Small Business Opportunity
- Business, Workforce & Global Development Division
- Neighborhoods Division
- Housing Division

DEDO 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 DEDO’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.

The Denver EZ wraps the City’s northern boundaries and extends to its western boundaries paralleling I-70 and the north I-25 corridor. DEDO ensures its target neighborhoods are aligned with the Denver (EZ) and include Sun Valley, Westwood, Globeville, Elyria, Swansea, Montbello, Five Points, as well as College View, Northeast Park Hill and East Colfax. Grants have been made to nonprofits to carry out the objectives outlined for Denver’s EZ. Additionally, DEDO’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.

2018 OBSERVATIONS AND DATA

Since 2016 marked the first year for the newly designated EZs, a comparison between 2016, 2017 and 2018 is provided below.

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Enterprise Zone</td>
<td>City &amp; County of Denver</td>
<td>Enterprise Zone</td>
</tr>
<tr>
<td>Unemployment Rate</td>
<td>4.10%</td>
<td>2.70%</td>
<td>4.40%</td>
</tr>
<tr>
<td>Per Capita Income</td>
<td>$22,496</td>
<td>$35,537</td>
<td>$23,776</td>
</tr>
<tr>
<td>Population</td>
<td>111,381</td>
<td>668,825</td>
<td>117,449</td>
</tr>
<tr>
<td>Pop Growth Rate</td>
<td>1.38%</td>
<td>1.75%</td>
<td>1.93%</td>
</tr>
</tbody>
</table>

Table 1 Source: 2018 ESRI estimates
As Table 1 and the associated charts (Figures 1, 2 and 3) illustrate, unemployment, per capita income, and population growth rate tracked similarly and, as a proportion of these measures, any divergence is nominal.

1 The Denver Office of Economic Development was renamed as Denver Economic Development and Opportunity in March of 2019.
**Comparison of Pre-certifications Between TYE 2017 and 2018**

<table>
<thead>
<tr>
<th></th>
<th>Tax Year Ending 2017</th>
<th>Tax Year Ending 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>as of 12/31/2017</td>
<td>as of 12/31/2018</td>
</tr>
<tr>
<td>Pre-Cert Appl - Approved</td>
<td>1304</td>
<td>1185</td>
</tr>
<tr>
<td>Pre-Cert Appl - Denied</td>
<td>108</td>
<td>140</td>
</tr>
<tr>
<td></td>
<td>1412</td>
<td>1325</td>
</tr>
<tr>
<td>Percentage of Pre-Certified Businesses to all Businesses in the EZ</td>
<td>13.36%</td>
<td>10.79%</td>
</tr>
<tr>
<td>EZ Businesses</td>
<td>10,571</td>
<td>12,275</td>
</tr>
</tbody>
</table>

*Table 2*

Despite expanded outreach and awareness strategies, as Table 2 above demonstrates, pre-certifications for TYE 2018 fell short of those for TYE 2017 and, as a percentage of all businesses in the EZ, declined. One possible explanation may be that businesses did not anticipate a qualifying activity for 2018 and may not indicate necessarily a lack of awareness. DEDO continues its commitment to retain the half-time EZ administrator position and has planned additional outreach activities for 2019.
### Comparison of Certifications Between TYE 2016 and 2017

<table>
<thead>
<tr>
<th></th>
<th>Tax Year Ending 2016</th>
<th>Tax Year Ending 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>as of 12/31/2017</td>
<td>as of 12/31/2018</td>
</tr>
<tr>
<td>NET Employees (AP)</td>
<td>552</td>
<td>608</td>
</tr>
<tr>
<td>Employee Change (AY)</td>
<td>904</td>
<td>743</td>
</tr>
<tr>
<td># Biz took Training Tax Credit (Col V)</td>
<td>49</td>
<td>58</td>
</tr>
<tr>
<td>$ Training Investment (Col W)</td>
<td>$3,487,334</td>
<td>$25,608,206</td>
</tr>
<tr>
<td># Employees Trained (Col X)</td>
<td>6,296</td>
<td>6,784</td>
</tr>
<tr>
<td>$ Capital Investment (Col R)</td>
<td>$208,290,280</td>
<td>$174,855,370</td>
</tr>
<tr>
<td># of Cert Applications</td>
<td>283</td>
<td>295</td>
</tr>
<tr>
<td>Approved</td>
<td>279</td>
<td>288</td>
</tr>
<tr>
<td>Denied</td>
<td>2</td>
<td>4</td>
</tr>
<tr>
<td>Pending</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>ENTER DATA BELOW ONLY AT YEAR END</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Certifications as a Percentage of Pre-Certifications</td>
<td>27%</td>
<td>23%</td>
</tr>
<tr>
<td>Pre-certs</td>
<td>1,044</td>
<td>1,304</td>
</tr>
<tr>
<td>Certs</td>
<td>283</td>
<td>295</td>
</tr>
</tbody>
</table>

**Table 3**

As Table 3 above demonstrates, certifications and nearly all tracked performance indicators were up for TYE 2017 compared to TYE 2016. The figures further demonstrate that enterprise zone businesses invested more substantially in employee training than capital.²

### 2018 EFFORTS TO IMPROVE CONDITIONS

The 2018 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 position was maintained to administer the day-to-day functions of both programs under the direction of a full-time Business Development staff member responsible for overseeing the Denver EZ. In fact, the half-time staff person's position was increased to 24 hours a week to accommodate the increasing workload that the

² Certification applications for TYE 2018 are still being received and won’t be evaluated until late 2019.
Contribution Project program entails. The working guide was updated to ensure consistent review, implementation and documentation of both programs.

Business Tax Credits

In 2018, DEDO’s Business, Workforce & Global Development (BWGD) 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.

BWGD 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:

1. Re-designed and published the Enterprise Zone brochure in English and Spanish
2. Ensured that DEDO’s 200+ expanding businesses participating in our other business development programs received a reminder to pre-certify to take advantage of the tax credits.
3. Referenced and encouraged the location of new and expanding businesses in the EZ when executing attraction and retention strategies.
4. Conducted additional outreach to all ten companies with “grandfathered” status.

Four of these companies certified for EZ credit in 2018. Responded to two new inquiries from additional companies who are considering applying for this status.

5. Maintained bi-weekly presence at The Commons on Champa as a dedicated resource to consult with entrepreneurs about EZ tax credits and benefits.
6. Maintained information about the Denver enterprise zone on DEDO’s website with links to the state EZ website.
7. Partnered with a local tax accounting business to promote the EZ business tax credits to New American business owners.
8. Emailed over 1,600 EZ businesses reminding them to pre-certify for 2019.
9. Provided technical assistance by phone and email on average to one businesses per work day
10. Provided enhanced technical assistance to and closed over 45 cases in Salesforce to allow businesses to successfully take their tax credits.
11. Gave five presentations, primarily at The Commons on Champa, open to local businesses, providing education on EZ eligibility and the pre-certification process.
12. Completed extensive outreach to community lenders, partnering with them to disseminate information on EZ benefits.

Contribution Projects

2018 marked the second year the Contribution Project functions were administered by DEDO after transitioning from Mile High United Way (MHUW) in 2017. DEDO implemented several new procedures:
1. Continued to refine the proposal template to ensure submittals addressed the initiatives outlined in DEDO’s strategic plan and that obligations of the program were understood by the proposer. The proposal template also linked to the EDC policy and was better aligned with the online Salesforce application and tool tips.

2. Developed and utilized a tool to review and evaluate CP proposals and to advocate the proposal before the peer review team.

3. Prepared a calendar and steps that allowed DEDO to counsel nonprofits and prepare their proposals for peer review.

4. Established a curriculum and periodic training sessions for new CP contacts to learn their responsibilities as CPs.

5. Certified $14,148,226 in 2018 EZ contributions to CP partners/ processed 7,691 entries

6. Prepared six CP proposals and advocated before peer review and EDC with five being approved.
   - Making Progress/ Colorado Inventor’s Showcase
   - Latino Cultural Arts Center/ capital campaign
   - National Western Stock Show Association/ capital campaign
   - Denver Arts & Skills Center/ Open Door Tea Shop
   - Prodigy Coffee House /Apprenticeship Program
   - Latino Cultural Arts Center / operations (denied)

7. 50 CPs were re-certified for 2019 (including five new projects identified in #6 above); two were terminated during Annual Review process

8. Offered three training sessions and counseled 22 CPs with a 2018 project term end date. Of those 22, 16 were supported through the application, peer review and EDC process. Fourteen were approved for a new 5-year term. Approved projects:
   - Colorado Coalition for the Homeless
   - Denver Rescue Mission
   - Samaritan House Shelter (Catholic Charities)
   - St Francis Center
   - Mi Casa Resource Center
   - Sacred Heart House of Denver
   - The Gathering Place
   - Women’s Bean Project
   - The Greenway Foundation
   - Bayaud Enterprises
   - Center for Work Education and Employment
   - Laradon Hall Society
   - Jewish Family Services/ SHALOM job training
   - Safe Harbor & Cross Roads (Salvation Army)
OBJECTIVES REPORT

DEDO is proposing the following measurable goals to evaluate and benchmark the success of its efforts in administering the EZ tax credit program. The goals are drawn from DEDO’s 2019 strategic plan and initiatives that are specific to its target neighborhoods which are aligned with the Enterprise Zone areas.

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 will be done through the following:

- DEDO website; resource fairs
- BID Connection periodic newsletter to business improvement districts
- East Colfax Partnership CDC creation and outreach
- Mention in attraction/retention collateral; Mention when providing technical assistance
- Site visits to under-represented industries
- General outreach events and presentations scheduled quarterly
- Partnerships with industry associations, i.e.- Manufacturer's Edge

MEASURABLE GOAL 2: Identify and conduct outreach to 45 Enterprise Zone businesses challenged by changing neighborhood conditions and demographics as well as major public infrastructure and construction impacts. Use DEDO’s newly developed tool, the Business Impact Opportunity Fund, as part of larger business support efforts to help impacted businesses stabilize and to assist them towards achieving long term sustainability through a combination of financial and technical assistance. Assistance will be piloted in the Globeville, Elyria, Swansea and Northeast Park Hill neighborhoods.

MEASURABLE GOAL 3: Design and deploy a business retention survey intended for smaller, neighborhood-serving businesses to inform strategies to preserve and retain these businesses in Enterprise Zone areas.

MEASURABLE GOAL 4: Identify a minimum of ten businesses participating in the WorkNOW program, the Colorado Sector Partnerships, DEDO’s apprentice programs and other workforce initiatives that also are in Enterprise Zone areas and counsel them on tax credits available for job training.

MEASURABLE GOAL 5: Identify a minimum of three commercial developers partnering with DEDO in the creation of affordable housing and mixed-use projects that also are in Enterprise Zone areas. Counsel them on tax credits available for the rehabilitation tax credit. Counsel owners and ground-floor commercial tenants on investment tax credits.

MEASURABLE GOAL 6: Continue to incorporate Enterprise Zone information in communication and outreach to five potential MWBE firms to inform EZ-located firms of tax credit offerings.

MEASURABLE GOAL 7: Continue active collaboration with DEDO’s Neighborhood Equity and Stabilization Team (NEST) program and identify four new nonprofits with projects eligible for EZCP designation.

MEASURABLE GOAL 8: Support 12-14 EZCP organizations with a 2019 term end date, aiming to have a minimum of 10 receive a new term.

MEASURABLE GOAL 9: Track year over year investments of EDO’s strategic business partners that are located in the Enterprise zone.

OBJECTIVES FOR 2019

Local Economic Development Goals
The following DEDO goals are developed with the input of citizen-staffed City commissions, neighborhood planning initiatives, and Councilmember constituent feedback. Incorporated with the recommendations of City agencies to the Mayor, the budget reflects the values of the community and provides the work plan for DEDO, including a framework for setting priorities, strategic plan initiatives and key performance indicators.

1. Encourage the utilization of certified small, minority and women-owned firms on city-managed construction and in the procurement of goods and services purchased by the City.

2. Attract, retain and grow Denver businesses, encouraging and supporting entrepreneurial opportunities, and increasing economic access to global markets by fostering further investment and trade.

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. Work to increase opportunity and choices for residents by ensuring access to various programs and services that aim to catalyze positive change for residents, families and businesses in Denver’s neighborhoods.

5. Respond to the changing housing needs of current and future families focusing on affordability, workforce, and special needs population groups.

6. Establish centers and venues for global and regional tourism that will attract out-of-state and local visitors who will patronize adjacent businesses.

7. Develop infrastructure that expands multi-modal transportation, enhances commercial corridors, creates healthy communities and medical tourism, and advances modern telecommunications networks.
**East Central**

**Overview**

The East Central Enterprise Zone encompasses most of the Central Plains of Colorado: Lincoln, Elbert, Kit Carson and Cheyenne counties. The entire geographical area of Lincoln and Kit Carson counties is within the zone. An area east of the Town of Kit Carson in Cheyenne County is no longer in the zone effective January 1, 2016 while the rest of the county is still within the zone. In Elbert County, 90% of the county is within the zone but approximately 90% of Elbert County’s population resides outside the zone on the northwest edge of the county. Therefore, Elbert County’s “distress” numbers are skewed substantially whenever using county-wide data. Data specific to only the areas within the zone is very generic. Boundary amendments are being reviewed in 2019, which may allow all of Cheyenne County back into the Zone.

The 8,000 square mile region while very diverse, relies heavily on agriculture as the base economic driver in the four counties. The population of the region in 1990 was 23,712. The State’s Demography Office July 1, 2017 (latest available) population estimate for the region was 40,109, a decrease of 106 persons from the year before. Elbert County continues to see high residential growth, as most of their population commutes to jobs in Denver making it a “bedroom community.” Elbert County residents drive 40 minutes to work while the other counties residents travel less than 20 minutes. In the past year on Colorado’s Central Plains, one of the four counties had a population increase (Elbert) while eleven out of fifteen municipalities experienced population declines. Kit Carson County has an agricultural economy based on deep well irrigation. Cheyenne, Lincoln, and Elbert Counties are mostly dry land farming and are more likely to pasture large cattle ranches than large grain-producing farms. The principal employer in all four counties is public which has not changed. Local government and schools are still the largest employers. It’s interesting to see that while Elbert County’s population over the age of 65 is now 15.8%; Cheyenne, Lincoln and Kit Carson’s population age 65 or higher range from 17.8% to 20.4%. Elbert County is catching up with the other counties. Also, notable, Elbert County’s poverty level is far below the other counties in this region.

Vacant main streets storefronts are equally hard to fill across the four counties. As online retail grows, more small businesses suffer and must adapt to the constantly increasing number of online shoppers. Retail shopping as it was formerly known may never be the same as access to shopping is within the hands of anyone with a smart phone or tablet. The Sears catalog had become a booster seat or door stop long before Amazon was king. Wind energy keeps growing as more wind farm development is scheduled for 2019 and into 2020 within this region. Wheat and corn commodity prices were at a historic high in the fall of 2014 but currently maintain below average prices which has been the case for several years now. Oil and gas prices continued to fluctuate in 2018 with limited exploration/drilling activities in all four counties. Farmers remain resilient while suffering through low farm commodity prices which have the single most negative impact on the current economy.

**Past year Observations and Data (2018)**

East Central Colorado, and more specifically Lincoln, Kit Carson and Cheyenne counties, experienced multiple large hail stone storms in 2018. May, June and July of 2018 saw severe hail storms with hail stones recorded as large as baseballs. Stones broke windows in vehicles and homes, stripped trees of leaves and branches, damaged roofs (some had to be replaced more than once) and caused much havoc with clean up and disposal. Those hail stones were accompanied by rain and wind which only made the circumstances much worse. While contractors were overwhelmed by the work the storms created, many homes and businesses took advantage of the insurance coverage and upgraded their exteriors which has been a blessing in most cases. Repair work will continue well into 2019 for many residents. Those hail stones also beat crops into the ground so that the crops could not recover in time for harvesting. Some crop scientists speculate the top soil was beaten below the surface so deep that it is unknown if it will resurface. Only time
will tell, on that matter. Some contribution projects’ physical structures received hail damage and volunteer hours increased to mitigate damage and make repairs. Unfortunately, those same storms caused damage to equipment and structures that were not insured and may not be feasible to replace or repair. This area is in a wait-and-see situation for 2019.

The landscape here is drastically different now that Rush Creek I & II wind farms with 300 wind turbines and corresponding transmission lines have been completed across Cheyenne, Kit Carson, Lincoln and Elbert counties. Rush Creek joins the 807 other turbines located in eastern Colorado. The 2018 EZ tax credits for the East Central Region reflect this completion in its Investment Tax Credit of over $1,000,000.

Main street business must find their new normal or make a plan for working with online stores because it is so convenient. Repurposing buildings into entertainment venues may be an option as many people live for the “experience” now. Escape rooms, breweries and tasting rooms attract all ages for top dollar. Local businesses must learn to compete in this new environment or compete with stellar customer service and low prices. Delivery service jobs may be an opportunity for job growth due to the increase in shipping of products. As small Mom and Pop stores that have provided basic services for years now come up for sale there are few interested buyers.

Broadband demands are getting stronger as agricultural equipment needs connectivity to function or to be repaired by the service tech in the field. Gaps remain in the broadband service across the Region. These gaps need to be addressed and projects undertaken to assure the best internet service is possible in all of the four counties. Colorado’s Broadband Deployment Office, USDA Rural Development and many others offer funding to help fill the gap across the plains. Internet Service Providers (ISP) are changing as companies are acquired and new service plans are offered to entice consumers with price and speeds. Retaining, expanding and attracting new jobs depends on dependable high-speed broadband. The need for high speed will probably never decrease, nor will we ever have enough it seems, as more gadgets require connectivity. Handheld devices now control lighting, home temperature, and monitor security of pets and/or children with the touch of a button. But these conveniences require connectivity!

Western Elbert County has been blessed with booming housing development sites in 2018 and more are planned. This creates opportunities for more retail and service businesses in our western region and thereby creates job opportunities. Building on partnerships and developing collaboration will create the synergy needed to boost the economy across the area. Growth in large towns can create businesses and jobs in smaller neighboring towns as well.

Heritage Tourism opportunities are being considered using apps on smart devices that attract travelers off the major transportation corridors throughout the region. Adding geocaching sites to the Our Journey Heritage Tourism museums is slated for 2019. Strategies are being developed and implemented to attract more people passing through the area to spend time and money at our recreational attractions. Marketing our tourism sites to Denver and Colorado Springs residents is advancing further through the public relations specialist working for the whole central plains’ region. These dollars from outside the counties may turn multiple times as payments are received for hotel rooms, food purchases, souvenirs, and entertainment.

We believe creating jobs from within the area or growing our own, is easier than bringing a new business with new employees from a larger city to a small rural community. It can be an adjustment to live at a slower pace with fewer amenities for those coming from a large city. We often hear the primary wage earner is happy living in our area but the spouse who may not work finds it boring in this rural setting. So, growing our own or bringing kids back after college graduation seems to be easier to accomplish. Creating incentives/financing options for expansion of existing successful businesses is a greater need than bringing in new industries. Current incentives are offered to attract new businesses and sometimes may cause existing business owners to feel unappreciated.
To date, there have been no known developments to increase the production of the largest helium production facility in the nation near Cheyenne Wells. That remains an opportunity to be developed to increase the helium and other gas(s) supplies which would assist in enabling the facility to operate closer to capacity and employ more people at good wages.

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

Past year Efforts to Improve Conditions
As the primary non-residential tax base of the four counties in east central Colorado is and will always be agriculture. The primary economic development objective of the East Central Enterprise Zone is to increase and diversify the non-residential tax base especially in the industrial and commercial sectors. To work towards the overall objective of increasing valuation in the industrial and commercial sectors, the 2017 objectives were:

1. Increase the number and value of the EZ certifications in 2018 over those of 2017.
   The number of certifications in 2017 and 2018 were steady at 320. Kit Carson had a decrease in certifications from 2017 to 2018 which was offset by more certifications in the other three counties. In 2016, we had 347 certifications across the region. We attribute the declining number to the low commodity prices and high equipment costs to the farmer and rancher as they don’t purchase equipment during tough economic times.

2. Increase the number of Rehabilitation Credit certifications.
   One rehabilitation credit was certified in 2018 for an Elbert County business. ECEZ approved the amount of over $4,000.

3. Add at least one additional Enterprise Zone Contribution Project.
   No new EZ Contribution Projects were added in East Central in 2018. The staff has three new projects interested in applying in 2019. Several projects that went inactive at the end of 2018 are discussing their EZ needs with Candace Payne at this time to apply. These projects did not meet the contribution criteria and felt it was time to consider a new project in the future. With the new criteria for contributions, we have seen the total contribution dollars grow in 2018 from $59,665 to $108,652 while the number of contributions increased from 53 to 64.

4. Update agreements between ECCOG and each contribution project. Develop a new promotional piece for any new project designated. Update as needed the ECCOG and PDC websites and printed EZ materials to include appropriate EZ changes with emphasis on the amended boundaries that took place on January 1, 2016.
   ECCOG brought a new website online in 2018 while Prairie Development Corporation will have one in 2019. Both websites provide information on the Enterprise Zone and tax credits. Work in 2018 between ECCOG and the contribution projects was handled mainly by phone calls and emails to promote contributions and marketing. Several projects went to inactive status at the end of 2018 as they had no contributions to meet the new criteria. ECCOG has offered to work with any former project on a new application if they desire to be a project in 2019. Agreements between ECCOG’s Enterprise Zone and its 11 remaining projects will have agreements in place in 2019. A new EZ brochure is scheduled for 2019 to explain the new criteria and to help promote the zone and projects. Distribution will be provided by both the contribution projects and by ECCOG electronically and in paper. Each contribution project is encouraged to market their project through newspaper articles and press releases which many have done. In addition, the projects seek donations at annual fundraisers of their choice. In 2018, donations have increased for many projects due to the extra efforts and in part to the new criteria to remain an active project.
5. Work with preparers and taxpayers to enable to the greatest extent possible a thorough understanding of the new boundary changes and the legislative mandate for re-designation. Attend training sessions as required by OEDIT.

In May and June of 2018, over 380 letters containing EZ brochures were mailed to local existing and new businesses in the East Central EZ region for exposure of the program. In September 2018, emails were sent reminding accountants and partners of the need to pre-certify for the coming year and to not miss the EZ deadlines. The ECCOG Board meetings have the boundaries, contribution projects and investment tax credit reports throughout the year on their agenda through 2018. Candace Payne and/or Eileen Andrews participated in most of the state initiated EZ conference calls throughout all of 2018. Candace attended the workshop/training for Enterprise Zone administrators and participated in the Opportunity Zone conference calls and in-person meetings. We have trained another staff member as backup to help with certifications and such for depth on tasks. On average, the ECCOG staff fields 7-15 calls per month in regards to EZ.

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

Due to the five-year averaging and the relatively small numbers in Cheyenne County, the State generated population estimates still have not allowed for the "lost" zone area in Cheyenne County to qualify for readmission. In 2019, the Economic Development Commission will determine whether the Cheyenne county area that is currently not included may be put back into the ECEZ based on state data.

Winning story:
In 2018, one contribution project received substantial community support to build a veterans’ memorial park which will draw visitors for miles across multiple states to Limon Colorado. The phase one construction is almost complete and moving onto the next phase in 2019. This economic development effort may make the difference to a community that struggled last year due to a hotel fire which left blighted structures behind while nearby businesses closed due to a poor economy. Without the EZ tax credit, we believe these contributions would have been smaller and less effective in promoting economic stability and diversity in our region.

Objectives Report
These are the twelve East Central Enterprise Zone Economic Development Goals and activities:
1. Develop broadband to the highest standards – Continue to work with ECCOG’s regional steering committee on how best to provide broadband to the region and consumers. DOLA’s partnership is key to this effort.
2. Develop affordable workforce housing – Thru PDC’s funds 12-agricultural workforce housing units were constructed in Stratton and available in 2018.
3. Work with SBDC to develop and grow business – PDC sponsors SBDC business counseling services in all four counties by donating $5,000 of matching funds to help grow and maintain businesses in this economy.
4. Develop programs/projects that support community and downtown improvement efforts – Promote businesses through the development of the Places brochures which are distributed annually through the Welcome Centers, local businesses and schools. PDC offers multiple loan programs to assist businesses in overcoming online shopping, improving physical locations and hosting events to build clientele.
5. Enhance/develop/improve business resiliency to address natural, manmade or economic disasters – Continue to work on resiliency plans and use the hail storms as an example for training.
6. Promote and implement the Foreign Trade Zone including portions of the East Central Zone – Feature FTZ in the Opportunity Zone Prospectus being developed for the region in 2019.
7. Increase access to capital – Promote PDC loan programs to 10 new businesses in 2019 along with EZ tax information.
8. Promote eco-tourism, signature community events and the cultural heritage – Develop a new electronic/digital program for our Heritage Tourism throughout the area and added 12 new geocaching sites to the Our Journey heritage tourism program with the 2019 season.
9. Support development of alternative energies from agricultural products and by-products – Still a work in progress as we build partnerships and options in agricultural.
10. Develop partnerships to expand economic opportunities provided by inter-regional transportation corridors – Develop and co-host a regional forum in 2019 addressing workforce, housing, business and other topics relevant to our locations.
11. Explore options to attract and retain skilled workers – See #10. PDC offers a new $1,000 scholarship for trade school attendees offered to all four counties with a recipient and alternate in each county.
12. Maintain/expand/develop critical services that directly support business/jobs creation or retention – Bring all websites current to make them easy to use and view with pertinent data for dissemination of information to businesses that will lead to job creation.

Objectives for Coming Year
East Central EZ chooses to renew these goals for 2019.

1. Assist to retain, grow and attract businesses that build/create wealth via business ownership, high-wage earning employment and increased business opportunity and activity.
2. Establish and/or grow regional tourism venues that attract visitors to patronize adjacent businesses.
3. Develop infrastructure that expands multi-modal transportation, enhances commercial corridors, creates healthy communities and advances modern telecommunications networks.
4. Improve/enhance job or career skills of workforce and assist businesses with obtaining qualified skilled/trained employees.
5. Improve housing inventory focusing on affordability and safety.
Jefferson County

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 $1.2 billion in new capital investment and have created over 10,180 new jobs within the zone.

Past year Observations and Data
Since the redesignation in 2016, many more companies are now able to utilize the program for their business retention and expansion needs. In 2018, Jeffco EDC pre-certified over 839 businesses. This shows that many companies are anticipating making investments, hiring employees, and undergoing economic activity that will improve the conditions of the zones.

Past year Efforts to Improve Conditions
- Generated business attraction leads in targeted industries and promote Enterprise Zone incentives
- Marketed available real estate and highlight properties in EZ
- Continued to host a real estate database of available properties in the county and provide links to EZ resources for properties located in EZ
- Created a redevelopment strategy to help increase commercial real estate inventory that included many sites in the EZ
- Educated brokers, site selectors, developers and other community partners about the EZ program
- Met with many Jeffco businesses that are in the EZ and educated them about program and certification process
- Worked in partnership with municipal partners and county to market program to businesses and prospective businesses
- Continued to produce EZ marketing material for distribution
- Identify companies that are undergoing expansions in EZ and do educational outreach meetings
- Collaborated with workforce development partners on marketing the job training credit
- Monitor real estate activity reports and contact companies eligible for rehab credits
- Added EZ shape files to website mapping application to create custom demographics
- 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 2018, Jefferson County renewed two contribution projects – the Action Center and Jeffco EDC. We continued working with existing projects on the new online system for entering donations that will receive an EZ tax credit. For tax year 2018, we processed over 1,400 contributions.

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. The number of net new jobs for 2018 increased by 21%.

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. Due to a large capital investment increase from two of our larger employers adding over $63M in capital in 2017, we missed our 2018 goal and came in at 92%.

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. The number of employees trained in 2018 increased by 7%.

Objectives for Coming Year

1. Increase the number of net new jobs by 10% created in the EZ over the last year through Jeffco EDC’s business retention, expansion, and attraction program and increasing overall awareness of the zone and tax credit. This will support our zone goal of economic and community development.

2. Increase the total capital investment by 10% in the EZ by increasing awareness of the zone to businesses by focusing on Jeffco EDC’s business retention, expansion, and attraction efforts to companies in the zone or looking to relocate or start their business in the zone.

3. Increase the number of employees trained in the EZ over the last year by contacting 25 existing businesses and notifying them of the credit. This will support our zone goal of workforce development assistance.
Larimer County

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

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

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

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

- Unemployment Rate
- Per Capita Income
- Population Growth Rate

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

Past Year Observations and Data:

<table>
<thead>
<tr>
<th>Population</th>
<th>350,377</th>
<th>10.9%</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018 Population</td>
<td>6.2% of State</td>
<td>Population Growth for the Last 5 Years</td>
</tr>
</tbody>
</table>

| Jobs (2018) | 183,688 |
| Average Earnings (2018) | $56,682 |
| Unemployed (2018) | 5,512 |
| Completions (2017) | 7,951 |
| GRP (2017) | $18.4B |
| Exports (2017) | $18.9B |
| Imports (2017) | $19.0B |
Like the State of Colorado, the population of Larimer County continues to grow. Over the last five years Larimer County has had a population growth rate of 10.9%, nearly three percentage points above the state growth rate. The 2018 Population is over 350,000, reflecting over 6% of the state population.

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

Population by Age Cohort

![Population Graph](image)

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

**Industry Summary for 21 industries:**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Nation: 1%</td>
<td>Nation: $65,133</td>
</tr>
</tbody>
</table>
For a county that has 49% of its population with a bachelor’s degree or more, there are much fewer jobs that require that level of educational attainment. According to a 2016 labor study of Larimer County by TIP Strategies, “The comparison of the educational requirements of the region’s job base and the educational attainment of the population (25 years and older) reveals a mismatch... This type of mismatch is an indicator of underemployment and shows that a significant segment of the county’s labor force is under-utilized”.

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

<table>
<thead>
<tr>
<th></th>
<th>2017 Labor Force</th>
<th>2017 Jobs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than High School</td>
<td>3%</td>
<td>26%</td>
</tr>
<tr>
<td>High School or Equivalent</td>
<td>18%</td>
<td>36%</td>
</tr>
<tr>
<td>Some College</td>
<td>30%</td>
<td>11%</td>
</tr>
</tbody>
</table>
The occupations and earnings data reveal even more about Larimer County, and indicate an opportunity to help create more high paying jobs in the county - which is a primary goal of the Enterprise Zone program in Larimer County.

The average earnings in Larimer County are $56,682, lagging the US average, but relatively strong compared to markets harder hit by the most recent recession and subsequent recovery. The major challenge that many Larimer County residents are facing is the high cost of housing, which has significantly outpaced wage growth, and has contributed to some of the uncertainty in the regional economy.

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

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

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

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

**Past year Observations and Data:** 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 created a new Economic Development Department. In early 2018 this department merged with the Workforce Center and created the Larimer County Economic and Workforce Development department (LCEWD). The role of the new department is to support regional economic development efforts, augment municipal retention and expansion programs, drive appropriate rural development, and coordinate the actors and institutions that address economic development by utilizing and understanding workforce trends and needs. Larimer County can now support job seekers and employers by utilizing the economic development data that continues to be generated and shared across the agency. Part of the LCEWD Director’s role is to administer and support the Enterprise Zone program. As such, the incumbent works hand-in-glove with the regional and municipal economic development organizations to promote the Enterprise Zone program. As a result there is a greater understanding and awareness of the Enterprise Zone program. Not only is the Enterprise Zone program being shared directly with businesses, but it is also significantly promoted on the Larimer County website, the Larimer County Workforce Center website, and shared on other websites for economic development entities within Larimer County.

Educational Outreach: In addition to a strong on-line presence and some targeted marketing, the Enterprise Zone Administrator has worked hard to have a physical presence in the communities that have an Enterprise Zone. This was especially important, as changes to the program and boundaries were being implemented. The Administrator held and continues to hold several public community meetings around the County to inform people of the changes. Information was also posted on the Larimer County website and was shared through face to face meetings with several large regional employers in the zone. This outreach was critical to helping the general population understand the changes being made to the zone. The Administrator also worked with several large CPA firms to support the tax professionals in the county by ensuring that they have information about the program and that they are advising their clients to take advantage of the program should they qualify for it.

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

Contribution Projects: The County’s Enterprise Zone Administrator was instructed to ensure that the administration of the Enterprise Zone and activities carried out within it resulted in more resources, including financial, for the working poor. Since 1994, the Larimer County Enterprise Zone has emphasized the Contribution Credit as a way to achieve the County’s mandate, resulting in economic development projects, community development projects, job training projects, health and human service projects, and tourism oriented projects that add to the economic base of the Enterprise Zone, as well as to the city or town in which the sub-zone exists. Larimer County non-profit organizations that are located in or serve a population with the zones get significant benefit from the Enterprise Zone program via the contribution tax credit. We regularly meet with projects to discuss how they are marketing the program, and we plan to convene all of the projects in 2019 to host a seminar on best practices and marketing the Enterprise Zone program.

Objectives Report: The goals for the Enterprise Zone, which were established in the late 1990’s were 1) the achievement of self-sufficient wages for individuals working in the Enterprise Zone; 2) a relative increase in the number of establishments in the Zone; 3) an increase in the number of people employed in the Enterprise Zone:
The average wages for individuals who work in each industry in Larimer County can now be determined using the Occupational Employment Statistics from the Bureau of Labor Statistics which provides a more up-to-date estimate (currently this is Q1 2019). The average annual wage for the United States in 2018 was $65,133. It was $56,682 for Larimer County. Larimer County continues to fall below the national 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 11,798 establishments in Larimer County, up from 11,505 in 2017. This represents a net increase of 293 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 January 1, 2019, the Fort Collins–Loveland MSA had a civilian labor force of 183,688 people. Among this labor force, 2.4% were unemployed. This is the lowest unemployment rate among the laborshed, state, and US. The region’s laborshed has a workforce of 330,000 and an unemployment rate of 2.8%. While these data points offer a sanguine picture of the laborshed, there continue to exist pockets of relatively high unemployment and severe underemployment.

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

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

1. Engage the Manufacturing and Health Sector Partnerships to ensure that all participants that are located in the zone are pre-certifying for 2016. As our manufacturing and health sectors continue to grow, helping these employers grow in Larimer County is a key outcome of the Sector Partnership Initiative. We would also like to see these individual firms grow within the Enterprise Zone.

2. Decrease the unemployment rate and underemployment rate within the Enterprise Zones in Larimer County. This effort will be undertaken with a newly formed consortium of economic development, workforce development and social sector professionals and is tied to the Talent 2.0 initiative.

3. Increase the average wage in the County—with a particular attention to the lowest two quartiles. We want to support subsidized employment and training offering through the workforce system and the Job Training Tax Credit. The goal is to increase the earning potential of the people and families in the lower portions of the socio-economic strata and support their upward mobility, movement off of public assistance, and move toward providing critical labor support to key industries in Larimer County.
Mesa County

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 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%.

Although making progress, Mesa County still struggles with the loss of full time jobs and an increase in part time jobs with limited or no benefits for many residents. Sales and use tax revenue in 2008 was $45,104,156; in 2018 it was $36,200,899*, still lagging by nearly $9 million.

*Colorado Department of Labor & Employment

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

Average weekly wage as of December 2018* = Mesa County $854 vs. Colorado $1,104
Unemployment rates December 2018* = Mesa County 4.9% vs. Colorado = 3.5%
Average Annual Wage 2018* = Mesa County $44,408 vs. Colorado $57,408

*Colorado Department of Labor & Employment

<table>
<thead>
<tr>
<th>Business Tax Credits</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investment Tax Credits</td>
<td>$837,138</td>
<td>1,168,027</td>
</tr>
<tr>
<td>Jobs Created</td>
<td>356</td>
<td>181</td>
</tr>
<tr>
<td>Jobs Credit</td>
<td>$391,072</td>
<td>199,264</td>
</tr>
<tr>
<td>Health Insurance Credit</td>
<td>$75,580</td>
<td>29,300</td>
</tr>
<tr>
<td>Jobs Training Credit</td>
<td>$47,985</td>
<td>69,937</td>
</tr>
<tr>
<td>Research &amp; Development Credit</td>
<td>$71,069</td>
<td>8,844</td>
</tr>
<tr>
<td>Rehab Credit</td>
<td>$93,891</td>
<td>10,966</td>
</tr>
</tbody>
</table>

Page 29
Past Year Efforts to Improve Conditions

Business Efforts in 2018

- Actively contact business owners/tax advisors when review of pre-certs/certifications indicate an error or other non-comformity to verify intent and offer suggestions on what could be done to correct the problem (issues include documentation needed for building rehab tax credit, wrong tax year data, 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
- Discussions 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
- Contacted all local Economic Development entities and the local CPA Association and solicited input on the proposed in-kind donation changes and the revised formulas for computation
- Sent 223 e-mails out to more than 2,100 tax advisors/business owners who had previously pre-certified, reminding them of the 90 day window during which early pre-certifications can be made prior to the start of their fiscal year, ensuring business’ have maximum term of eligibility

Contribution Projects
Submitted 5 projects for approval/all were approved. Two existing projects opted to drop out due to lack of donations.

Mesa County Contribution Projects provide:

- services to the community that allow workers to keep their jobs and families intact during the stressful periods
- house the homeless
- provide critical medical facilities
- promote economic development
- are strong tourism draws
- provide education in critical fields for bringing in targeted businesses
- provide job training
- 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.

Communication with contribution project administrators include:

- Monthly all zone e-mails with updates or important information and individualized reports of prior month activity
- Information regarding the Department of Revenue proposed changes to in-kind donations
- 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

Opportunity Zone
In February 2018 the MCEZ Admin was designated as the Mesa County administrator of the Opportunity Zone tract designation process. As such, the MCEZA held meetings, collated information from city and county staff, made site visits, incorporated ranking and data from OEDIT, and developed a ranked list of tracts which Mesa County wished to have included in the zone. A total of 7 tracts in Mesa County were approved. Once tracts were announced, the MCEZA attended additional meetings in Denver and locally, provided additional information to local Economic Development agencies and other entities, and continues to act as a resource to connect interested parties with the OZ “experts,” both locally and at state level.
Resources provided during 2018
- Processed 1,337 pre-certifications
- Processed 310 certifications
- Issued 5,483 certificates to contribution projects for $5,546,205 in donations
- Conducted 3 contribution project staff training sessions
- Responded to more than 1,500 e-mail requests for information
- Responded to hundreds of phone calls regarding the program
- Sent 6,000+ postcards to industrial/commercial/agricultural addresses in Mesa County to advise them they were in the EZ and might want to check with their tax advisors or the website to determine if they qualify; have fielded more than 125 calls and e-mails as of mid-February 2019, and Mesa County has had more portal access requests than much denser/larger areas
- Per requests, sent the MCEZ Admin’s PowerPoint presentation on the EZ programs to the local CPA group for them to use at meetings, and also to Region 10’s EZ Admin.
- Participated in 86 of 88 total peer reviews for state-wide contribution projects, the highest level of state EZ admins

Education and Presentations
- 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
- One presentations each to the Mesa County EZ Committee and the Mesa County Commissioners regarding Enterprise Zone Contribution Project applications
- 1 full in-person meeting and one e-mail meeting with the Mesa County EZ Committee on EZ issues and update reports
- Attended 3 events to promote the EZ (a variety of expos and forums), as well as presenting to the Business Incubator Center staff, tenants, and board members.

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

All projects approved by the MCEZC are presented to the Mesa County Commissioners for approval, then peer review and OEDIT review, before being submitted to the state Economic Development Commission.

Winning Story
The 6,000+ postcards I sent out were extremely successful. I received a high volume of calls and e-mails from property and business owners who had not heard about the program. One company, FastSigns, said
their CPA argued that since they only leased the business location it wasn’t eligible. Once I clarified how the program worked, the business owner asked that I forward complete information to his CPA to prove that the business likely could qualify if they got pre-certified right away. The business owner felt the CPA wasn’t going to change his mind, or look up the information himself, unless presented with undisputable information on the program parameters. Many other calls were from agricultural businesses that weren’t aware of the program and were very excited to know they might be able to qualify for tax credits. Several other calls came from out-of-state property owners, who lease their property to other small businesses in Mesa County – they were interested to learn their tenants could potentially earn tax credits, and forwarded my information to those tenants. I also received calls from several CPAs/ accountants to clarify details of the program after being called by their clients who received the cards, and I was able to review the program and processes, and direct them to the information on the website and the FAQ chart. I believe there will be more qualified businesses in 2019 as a direct result of the cards.

**Objectives Report**

Mesa County’s economic development goals in 2018 were:

- 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
- Promote recreation and tourism-related events and venues to bring more outside dollars into the county and to attract new business
- Educate to provide a trained workforce in tech, medical, and manufacturing industries to attract new businesses and investment in existing business
- 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
- Workforce housing and homeless housing with programs to get them into the workforce

2018 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 186 in 2017 to 310 in 2018.

**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 increased from 47,985 in 2017 to $69,937 in 2018.

**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 decreased from 355 in 2017 to 181 in 2018, likely due to the significant decrease in energy-related companies/depressed natural gas prices.
Objective #4: Add at least three new contribution projects.

✔ Added 5 projects in 2018.

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

✔ Made 4 presentations to groups/informational reviews at events in 2018

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 Coming Year (2019):

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

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 2.6% to 3.0% from year end 2017 to year end 2018 based on the most recent preliminary projections. The cities of Lafayette and Longmont saw a change in unemployment from 2.2% to 3.2% and 3.0% to 3.7% respectively. Boulder County as a whole saw a change in unemployment rate from year end 2017 to 2018 from 2.5% to 3.3%.
According to EMSI data, Boulder County population in 2018 was 326,259. As of 2018, the region’s population increased by 5.3% since 2013, growing by 16,533. Broomfield County population in 2018 was 70,109. As of 2018, Broomfield’s population increased by 16.7% since 2013, growing by 10,042.

Bureau of Economic Analysis data shows that per capita personal income in Boulder County increased from $65,150 to $68,027 from 2016 to 2017, while Broomfield County per capita income increased over the same period from $60,136 to $63,596.

**Past year Efforts to Improve Conditions**

In 2018, 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 2015, and 2018 was the second-year businesses in this Zone had the opportunity to certify for 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 four new Contribution Projects** – Good Samaritan Medical Center Employee Training Program, Innovate! Longmont, Center for Integrated Manufacturing, and the Mary Miller Theatre Rehabilitation project.

- **In Longmont, we continued to utilize 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.**

**Winning Stories:**

The City of Lafayette applied for and received North Metro Enterprise Zone Contribution Project status for the rehabilitation of the historic Mary Miller Theater in March 2018. The Mary Miller Theater is one of the crown jewels of Lafayette’s history. Built in 1892 with funds fronted by Lafayette’s founder, Mary Miller, the building was originally constructed as the Congregation Church. It was subsequently used as a hospital, the Lafayette Library, and now a local theater. In August 2015 Lafayette conducted a structure assessment on the theater which outlined a list of improvements that needed to be made: roof, HVAC, plumbing, electrical, siding replacement, and gutters. The renovation estimate came to nearly $360,000. After the assessment, staff discussed the project with a Denver benefactor who had been looking to contribute to a Lafayette project --- staff suggested the Mary Miller Theater as a project that would touch the most citizens and contribute to the revitalization of our Old Town area. The benefactor had originally planned for a smaller donation, but once staff explained the available tax credits and deductions, and was able to have it designated as a Contribution Project through the Office of Economic Development and International Trade, the benefactor increased the donation by nearly 100%.

Longmont-based Colorado Tech Shop, in 2018 certified for $6,400 in employer sponsored health insurance and new employee Enterprise Zone tax credits. Colorado Tech Shop leveraged those savings, along with a Longmont EDP grant program to invest in expansion of their facilities, new equipment purchases, and additional new job creation at their location in the North Metro Enterprise Zone to support their continued growth, including hiring a new operator/programmer and acquisition of additional equipment.

The Front Range Community College Foundation applied for and received North Metro Enterprise Zone Contribution Project status for the Center for Integrated Manufacturing in Longmont, CO. It is
part of the "Manufacturing our Future Campaign" which seeks to raise $2 million in funding from individuals and key community and industry allies to purchase and install the training equipment necessary for programs that will educate and train skilled industrial maintenance, automation, optics, and engineering technology workers. The objective of this project is to open the doors to Colorado's first Center for Integrated Manufacturing by August 2019.

Objectives Report:
The 2018 North Metro Enterprise zone goals, objectives and related results included:

1. Align education and training with industry needs to support workforce development, and the attraction of new and expanding primary job creating businesses – The Front Range Community College Foundation applied for a received North Metro Enterprise Zone Contribution Project status for the Center for Integrated Manufacturing in Longmont, CO. It is part of the "Manufacturing our Future Campaign" which seeks to raise $2 million in funding from individuals and key community and industry allies to purchase and install the training equipment necessary for programs that will educate and train skilled industrial maintenance, automation, optics, and engineering technology workers. The objective of this project is to open the doors to Colorado's first Center for Integrated Manufacturing by August 2019.

2. 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 across Boulder and Broomfield Counties; however, so far not tied to EZ designation.

3. Cultivate Innovation and Entrepreneurship – In Longmont, the Innovate! Longmont startup accelerator received enterprise zone contribution project designation. Funds raised for the Innovate! Longmont project utilizing Enterprise Zone Contribution Project designation will support the operations and administration of the Innovate! Longmont program. The practices and strategies of Innovate! Longmont will foster and develop new startups within the Enterprise Zone as well as help existing companies be more successful, which directly contributes to job creation.

4. Encourage redevelopment and beautification of targeted areas within the Enterprise Zone designation area. The City of Lafayette applied for and received North Metro Enterprise Zone Contribution Project status for the rehabilitation of the historic Mary Miller Theater in March 2018. The Mary Miller Theater is one of the crown jewels of Lafayette’s history. Built in 1892 with funds fronted by Lafayette’s founder, Mary Miller, the building was originally constructed as the Congregation Church. It was subsequently used as a hospital, the Lafayette Library, and now a local theater. In August 2015 Lafayette conducted a structure assessment on the theater which outlined a list of improvements that needed to be made: roof, HVAC, plumbing, electrical, siding replacement, and gutters. The renovation estimate came to nearly $360,000. After the assessment, staff discussed the project with a Denver benefactor who had been looking to contribute to a Lafayette project --- staff suggested the Mary Miller Theater as a project that would touch the most citizens and contribute to the revitalization of our Old Town area. The benefactor had originally planned for a smaller donation, but once staff explained the available tax credits and deductions, and was able to have it designed as a Contribution Project through the Office of Economic Development and International Trade, the benefactor increased the donation by nearly 100%.

5. Build minority participation in the business community – Longmont EDP translated the North Metro EZ marketing materials into Spanish in early 2017; however, we did not make significant progress in this area in 2017. In 2018, Longmont EDP hired a new Enterprise Zone administrator who speaks fluent Spanish in part to help bolster our efforts relative to this objective.

Objectives for Coming Year
2019 North Metro Enterprise Zone objectives are:

1. Align education and training with industry needs to support workforce development, and the attraction of new and expanding primary job creating businesses.
2. Ensure a competitive supply of housing for workers of all levels in and around the Enterprise Zone designation area.
3. Cultivate innovation and entrepreneurship.
4. Encourage redevelopment and beautification of targeted areas within the Enterprise Zone designation area.
5. Build minority participation in the business community.
Northeast

Overview

This 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 Highways 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 public 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.

Past year Observations and Data

Qualified Capital Investments

The Rural and Urban Enterprise Zone Act created tax credits for any business located within the boundaries of a designated Enterprise Zone that made a Qualified Capitol Investment for the business.

In FY 2018, area businesses made QCI totaling $93,833,954.28 through the Northeast Enterprise Zone. The Capital Investment resulted in state tax credits of $2,815,047.00 for re-investment in Northeast Colorado. Following is a chart summarizing the Qualified Capital Investment and the resulting tax credits for each County in the Region.

<table>
<thead>
<tr>
<th>County</th>
<th>Qualified Capital Investment</th>
<th>Investment Tax Credit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Logan</td>
<td>$20,401,098.49</td>
<td>$612,033.00</td>
</tr>
<tr>
<td>Morgan</td>
<td>$16,879,993.47</td>
<td>$506,406.00</td>
</tr>
<tr>
<td>Phillips</td>
<td>$10,902,809.40</td>
<td>$327,091.00</td>
</tr>
<tr>
<td>Sedgwick</td>
<td>$4,100,680.68</td>
<td>$123,021.00</td>
</tr>
<tr>
<td>Washington</td>
<td>$14,745,069.23</td>
<td>$442,358.00</td>
</tr>
<tr>
<td>Yuma</td>
<td>$26,804,302.81</td>
<td>$804,138.00</td>
</tr>
</tbody>
</table>
Further, in 2018, NECALG received $347,224.73 in contributions for eligible projects designated by the EDC.

<table>
<thead>
<tr>
<th>Northeast Enterprise Zone</th>
<th>Total Contributions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Logan County</td>
<td>$10,400.00</td>
</tr>
<tr>
<td>Morgan County</td>
<td>$239,730.87</td>
</tr>
<tr>
<td>Phillips County</td>
<td>$62,609.81</td>
</tr>
<tr>
<td>Sedgwick County</td>
<td>$3,500.00</td>
</tr>
<tr>
<td>Yuma County</td>
<td>$30,984.05</td>
</tr>
<tr>
<td><strong>Total of ALL Counties</strong></td>
<td><strong>$347,224.73</strong></td>
</tr>
</tbody>
</table>

Past year Efforts to Improve Conditions

The NE Enterprise Zone is fortunate in that five of the six counties in the Region have county economic development offices, and in one case, Morgan County also has two city (Fort Morgan and Brush) economic development personnel. Partnering with these individuals to provide information to perspective businesses wishing to locate within the EZ (the entire NE six county area falls within the EZ boarders) or support existing business wanting to expand keeps information flow to the local professionals. Additionally, the recently created Opportunity Zones have several cross-over boundaries within regional counties creating an extra boost in business development.

Information regarding Enterprise Zone opportunities particularly upon notice(s) of change is relayed to regional businesses including accounting firms; CPAs; tax preparation services and county economic development professional is conveyed primarily through direct email communications. As part of 2018 Objectives, trainings such as with NECALG Board members (county commissioner and municipal representatives) provide information and processes of the Program. This is of importance as funds necessary to match State provided grants that are not generated through administrative fees charged against Contribution Projects donations are sought from the general funds of members counties of the Region.

Information is provided upon request for those interested in EZ incentives, with referrals to State website resources ([www.advancecolorado.com/ez](http://www.advancecolorado.com/ez)) being the most often track taken. Local staff respond to specific questions stopping short of giving advice. Having two staff members that work with the EZ, responses to questions and processing documents is timely and often issues are identified and fixed prior to final document submission. When necessary, questions regarding software or specific/unique data entry referrals are passed on to State staff.
Objectives Report:

The 2018 Objectives looked at educating different groups on what EZ benefits are available. Specifically:

1. Educate local governments to the economic benefits of EZ for development of community facilities and/or infrastructure development.

   The EZ Administrator held a training session that briefed the six-county Regional county commissioners and municipal representatives. Not only is this helpful in requesting funds to match State grants, but further educate these elected officials on potential opportunities to their infrastructure and local businesses.

2. Make contact and explore support to entities working with the homelessness in the Region and explore possible employment training and housing solutions.

   Speaking with representative of perhaps the largest entity in the six-county region, space for both the food bank and shelter is a major need for which a solution does not presently exist. What if anything the EZ can be a resource for at this point is unclear. There is a timely discussion at the EZ Administrator level to define EZ activities and produce guidelines may determine future project activity.

3. Work with local businesses to educate the nuances of purchases that might be eligible for investment credits so they may help their customers to pre-certify first.

   This Objective has not yet been worked through, but will be carried forward, but structured differently for 2019.

Objectives for Coming Year

1. Contact 2 businesses in each county to explain tax credits that their customers may be eligible for if they are indeed pre-certified prior to purchase. While NE EZ pre-certifies and certifies many businesses, there certainly are those missed that perhaps do not use local accountants that may not recognize or realize investment credits.

2. Visit each county commission office in the Region to further enhance knowledge of the EZ, the importance of the legislation and review information and data specific to that county.

3. Work with Contribution Projects that have an end date of 2019 to either bring the project to a close or develop new goal for a new project.
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 all rural communities that have economies heavily dependent on agriculture, tourism, and extraction of natural resources for energy production. Other key industries, based on GDP include health & wellness, transportation and logistics, infrastructure engineering and financial services. 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. While our communities have realized the need to diversify their economies and have been working toward that goal, they still have not fully recovered from the 2008 recession and will continue to face these challenges as coal and energy jobs are lost in the coming years.

Past year Observations and Data

Although there was an increase in the use of Enterprise Zone Certifications for the NWEZ, the overall Capital Investments for 2017 were $80,898,336 which was down from 2016 and Investment Tax Credits were also down in 2017 with total credits of $1,775,501. However, there was a marked increase in 2017 of Trained Employees, up to 308 from 236, and Job Training Investment at $196,292 from $116,087. There has been a reported change in the number of employees of a positive 666, compared to the positive 198 in 2016.

Craig was identified as moving into the Enhanced Rural Enterprise Zone designation for the 2019-2020 period when a review of criteria was done as a result of population decline, most of which is related to the coal industry. As jobs related to coal decline, workers leave the area in search for employment as there are no comparable jobs available. This is further evidence that the NW Colorado communities have not yet recovered from the 2008 recession.

Past year Efforts to Improve Conditions

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. AGNC has advocated use of other resources in support of businesses during discussions of the opportunities available to businesses within the EZ. To that end, AGNC has worked with local governments to obtain support for the Northwest Small Business Development Center (SBDC) which had previously been less than visible in the AGNC region. The NWEZ Administrator has also supported efforts in the region related to Opportunity Zones (OZ) to advance and connect potential advantages for investors in OZ's to take advantage of EZ credits to maximize investment opportunities.
AGNC worked with OEDIT to get coal reliant Routt County included in the Rural Jump Start (RJS) program and advocated that the City of Steamboat Springs be included when statewide incentives to VF Corporation resulted in the loss of 75 high wage jobs leaving the community.

Business Friendly Audits:
As the NWEZ Administrator, AGNC reviews each application for Pre-Certification and Certification carefully to ensure accuracy and approval of as many applications as possible. Whenever there is a discrepancy, AGNC contacts the business owner or tax preparer to correct the issue. There were about 300 contacts made for this reason in 2018.

Contribution Projects:
In 2018, the NWEZ had one new project approved. The one organization approved in 2018 only expected to collect $7,000 in contributions in the first year, but through the use of the Contribution Project status was able to collect $13,650 in the first six months; highlighting the usefulness of this program. The number of Contribution Projects in the NWEZ has declined as those projects have expired or were no longer utilizing the program, but the contributions have closely maintained with previous years at $2,225,809 in cash and $278,745 in-kind in 2018. AGNC has been working with another 14 organizations in 2018 to apply for this status, deciding if the organization is a right fit and gathering information to apply.

Presentations:
Presentations were made throughout the region during 2018, even though agency staffing was limited. Local government officials, businesses, accounting professionals, business organizations, education and economic development representatives were invited to all presentations. Every meeting AGNC held provided an opportunity to discuss and present on the NWEZ. In addition to Enterprise Zone information, the meeting presentations included information about multiple programs offered through the Office of Economic Development and Trade.

Presentations were made in the following locations:
- Monthly AGNC Board Meetings
- Garfield County Economic Development Partners
- Routt County Economic Development/Chamber of Commerce
- Gilpin County Commissioners/Central City Town Council/Gilpin County Constituents
- Garfield County CEDS Meeting
- Routt County CEDS Meeting
- Rio Blanco County CEDS Meeting
- Mesa County CEDS Meeting
- Moffat Count CEDS Meeting
- Multiple Regional CEDS Meetings

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 and chambers of commerce which results in more cost-effective distribution of literature. These publications include:
- Enterprise Zone Brochures
- Multiple newspaper articles regarding AGNC and the NWEZ
Links to the State Enterprise Zone page and list of helpful resources are included on our website www.agnc.org.

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

Partners:
AGNC worked collaboratively with economic partners throughout the NWEZ including Craig/Moffat Economic Development Partners, Rifle Regional Economic Development Corporation, Rifle Chamber of Commerce, City of Glenwood Springs Economic Developer, Glenwood Springs Chamber of Commerce, Carbondale Chamber of Commerce, Garfield County Economic Development Partners, Steamboat Springs Chamber Resort Association, Rio Blanco County’s Economic Developer, Rangely Chamber of Commerce, local governments of all 8 counties in the zone, Mesa County, Colorado Lending Source, Tri-State Generation, Economic Development Council of Colorado, Mesa County Chamber of Commerce, Grand Junction Economic Partnership, Colorado Mountain College, Colorado Northwestern Community College, Northwest SBDC, OEDIT, and DOLA to raise awareness of enterprise zone benefits and opportunities.

Business Surveys:
While an official survey was not sent out, during AGNC’s CEDS process, many business owners in our communities were asked to provide information regarding the current business climate and economic conditions. The comments received helped to frame the action items and goals in our CEDS document.

Winning Story:
In 2017 and 2018, AGNC worked on a Comprehensive Economic Development Strategy (CEDS) for Region 11 as a major component in its application for designation as an Economic Development District (EDD) through the Economic Development Administration (EDA). This designation has not previously been available to Region 11 as none of the counties within qualified per the distress criteria. It was originally believed AGNC’s region may qualify under a special circumstance regarding the decline in our coal communities and the current and inevitable loss of livable wages from coal jobs; however, AGNC discovered, during the data gathering process for the CEDS, that unfortunately two of the counties within Region 11 do meet the EDA’s distress criteria. The various meetings helped to reach new people and raise awareness of the Enterprise Zone program allowing AGNC the opportunity to work with several new partners throughout the communities. We were also able to identify the more distressed areas and targeted those areas to amp up the mission to discuss Enterprise Zones, Opportunity Zones, Rural Jump Start, and various other tools to improve those economic conditions. The CEDS document was submitted in September 2018, has been approved by the EDA, and AGNC is currently awaiting the EDD designation.

Objectives Report:

1. Target community leaders in all NWEZ counties and tell them about the benefits of the Enterprise Zone Tax Credits for businesses as well as Contribution Projects.

RESULT: AGNC has discussed the Enterprise Zone with hundreds of people through the CEDS process. Community leaders, elected officials, business owners, and economic developers were at each of these 8 meetings. As a council of governments, AGNC has a unique opportunity to meet with elected officials and other community leaders at each of our 10 monthly
board meetings where the Enterprise Zone benefits are discussed at each meeting. We have seen an increase in non-profits and governments requesting additional information on becoming a Contribution Project. The increased awareness and education has led elected officials to promote the Enterprise Zone to their constituents, including at their own board meetings.

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.

RESULT: While AGNC was only able to add one additional Contribution Project to the program, we worked with at least 14 organizations to draft an application, expand the current status to include additional activities, or discuss the eligibility. AGNC continues to work with these organizations and anticipates more project application submissions in 2019.

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.

RESULT: The CEDS document was completed and the entire application for EDD designation was submitted in September 2018, earlier than the deadline. There were 8 meetings with community stakeholders throughout the region resulting in speaking with over 250 people that live, work, and play in Region 11. Every person was asked to participate in the conversation to create a comprehensive document. This participation allowed for goals and strategies to be developed to work in conjunction with the benefits of the EZ and Opportunity Zones. The CEDS document is available at www.agnc.org/ceds. We have already been able to utilize the CEDS to leverage projects within the region including applying to have a Foreign Trade Zone within the region.

Objectives for Coming Year

1. Create a robust resilient economy through business retention and expansion; entrepreneurial and small business support; increased economic activity; diversify economic industries; and increasing access to capital.

2. Create vibrant and healthy communities through creating vibrant and diverse hometowns; increased access to healthcare; increased affordable, attainable workforce housing; promoting healthy lifestyles; improved mental health capacity; increase leadership development; and assist with homeless care, prevention, and services.

3. Growing a ready and willing workforce focusing on today’s workforce; expanding future-ready workforce programs; improving Pre-K through 12th grade outcomes; growing our universities, colleges, and vocational programming; technology job growth; and increased youth retention in our areas.

4. Obtaining extraordinary infrastructure by increasing broadband access; maintaining and grooming public lands for multi-use purposes; expanding our regional cooperation; investing in transportation; and growing housing, commercial, and industrial inventory.

Each objective can be found in the AGNC/Region 11 CEDS document.
Pikes Peak

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. Two boundary amendments were approved in 2018 to encourage business expansions and community development projects; Census Tract 34, encompassing much of western El Paso County into Teller County; and a smaller area in central Colorado Springs.

El Paso County acts as the lead agency for the PPEZ and its Economic Development Senior Analyst currently serves as the Pikes Peak Enterprise Zone Administrator with significant staff support provided by the county’s Economic Development Project Coordinator 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 4.5% and 4.4%, respectively, as of December, 2018, compared to 3.8% for the State of Colorado. While still higher than the statewide average, the unemployment rate gap increased slightly in 2018 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 701,283, according to Colorado Department of Local Affairs, an increase of more than 11,000 over the prior year, making it the second most populous county in the state. Teller County’s population was estimated to have increased to 24,625, an increase of nearly 500 individuals over the previous year.

In a March 2018 estimate from the U.S. Bureau of Economic Analysis, 2017 per capita income in El Paso County was $46,511 and $47,030 in Teller County, representing a healthy increase of $2,102 annually in El Paso County and an increase of $1,181 in Teller County. El Paso County’s per capita personal income is barely 86%, and Teller County’s barely 86%, 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, City of Cripple Creek, the Small Business Development Center, and the Procurement Technical Assistance Center. El Paso County’s new and improved 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**

Five new eligible contribution projects were added to the Pikes Peak Enterprise Zone in 2018: Exponential Impact (XI) will support company and job creation within the Enterprise Zone in high-tech industries such as artificial intelligence, blockchain and cybersecurity; Mary’s Home Extreme Dream Capital Campaign will consist of building a Family Life Center and Family Services Center, thereby allowing 3 additional homeless families to move into Mary’s Home; Pikes Peak Summit Complex which will be built on the southeast corner of the summit of America's Mountain, replacing the original Summit House built in 1963, thereby improving the experience for an increased number of visitors; UCHealth Community Education Center will provide job-training for local healthcare workers (nurses and first responders, including EMTs and paramedics) seeking initial certification and those needing to maintain a professional credential with continuing education credit hours - serving thousands of students a year from dozens of partner agencies including local military facilities and rural first responders; and William J. Hybl Sports Medicine and Performance Center will be constructed on the campus of the University of Colorado - Colorado Springs (UCCS) – the Hybl Center is designed to attract medical and athletic-training tourism.

Four term-limited contribution projects were approved for renewal in the Pikes Peak Enterprise Zone in 2018: Springs Rescue Mission Capital Campaign represents the remaining campus expansion projects of its Welcome Center, Expanded Dining Facilities, and Expanded Kitchen; Downtown Partnership is a nonprofit business membership organization working to ensure that Downtown Colorado Springs, located entirely in the Pikes Peak Enterprise Zone, serves as the economic, civic and cultural heart of the region; Greccio Housing is a local nonprofit that creates stable, safe, and supportive workforce housing options for low-income individuals and families who work and live in Colorado Springs; and Partners in Housing’s Homeless Family Self-Sufficiency Program goal is to provide homeless families with children a safe, stable place where they gain the knowledge and practical skills to overcome their personal barriers and ultimately achieve self-sufficiency.

Potential and term-limited applicants that do not meet the statutory requirements or the updated 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, Colorado Springs 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 Tri-Lakes Chamber Business Expo and the Pikes Peak Library District’s Business Resource Fair. 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 380 businesses that were approved for certifications in 2018, a family owned restaurant in downtown Colorado Springs is a standout. Utilizing the Vacant Building Rehab Credit, the restaurant relocated its successful business operations from North Tejon Street in downtown Colorado Springs to a more distressed area of South Tejon Street. The restaurant converted a former eye clinic building from the late 1960's into a modern, and cutting edge dining experience for its patrons. The property improvements include an outdoor patio with a trellis canopy, a bakery, a bistro kitchen, and interior dining areas, patron restrooms, etc. with a total project cost of nearly $1.5 million dollar. Renovations to the vacant building have created a modern and sustainably beautiful restaurant in a distressed area, thereby bringing investment and vibrancy to an otherwise neglected area.

Objectives Report:

2018 Goals

Goal #1
Increase the number of Capital Campaign Contribution Projects for Community Facilities, Workforce Housing, Tourism Facilities or Infrastructure throughout PPEZ.
- PPEZ added a total of 5 contribution projects addressing these categories: Mary’s Home Extreme Dream Capital Campaign, Springs Rescue Mission Capital Campaign – Campus Expansion: Phase 2, Greccio Housing: Workforce Housing, Pikes Peak Summit Complex, and UCCS’ William J. Hybl Sports Medicine and Performance Center

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.
- PPEZ added two Contribution Projects focused on job training programs to diversify workforce opportunities in the Pikes Peak region: Exponential Impact and UCHealth Community Education Center – Colorado Springs.

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.
- El Paso County Economic Development staff met with Cripple Creek Development Department staff regarding EZ tax credit information, and also with an existing casino interested in drastically expanding its footprint and services in Cripple Creek. Staff also began conversations with and draft for a 2019 boundary amendment for the growing Divide area of Teller County.

Goal #4
Decrease homelessness/improve conditions for the homeless with contribution projects.
- PPEZ added one Contribution Project aimed at improving housing opportunities for families transitioning out of homelessness into transitional and affordable rentals: Partner in Housing: Homeless Family Self-Sufficiency Program.

Goal #5
Encourage economic redevelopment in distressed areas utilizing Vacant Building Rehabilitation credits, business location and contribution projects.
- PPEZ Certified a total of $50,000 in Vacant Building Rehab credits in 2018, and had numerous conversations with potential businesses and contribution projects regarding locating in the EZ and revitalizing those distressed areas of El Paso and Teller Counties.

Objectives for Coming Year:

2019 Goals

Goal #1
Increase the number of Capital Campaign Contribution Projects for Community Facilities, Workforce Housing, Tourism Facilities or Infrastructure throughout PPEZ.

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.

Goal #3
Strengthen relationships and collaboration with economic development partners.

Goal #4
Decrease homelessness/improve conditions for the homeless with contribution projects.

Goal #5
Encourage economic redevelopment in distressed areas through rehabilitation and business expansion.
Pueblo County

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.

Past year Observations and Data
Past year Efforts to Improve Conditions

Resource:
Pueblo EZ administrator office implements Economic Gardening strategy to support growth of local business for export opportunities.

Contribution Projects:
Contribution projects were supported in 2018 with the addition of the Pueblo EZ administrator leading donor giving as the Regional Champion for Colorado Gives Day. This online giving platform increased the donor giving opportunities for contribution projects in 2018.

Presentations:
The Pueblo EZ administrator presented Enterprise Zone information to Rotary Clubs, Chamber of Commerce meetings, and the Latino Chamber of Commerce Small Business Summit in 2018.

Educational Publications:
• The marketing of the Enterprise Zone opportunities includes distributed rack cards for business EZ credits and steps for completing the process. This includes a link to the www.ChooseColorado.com/ez web page.
• EZ Contribution Projects are advertised in a rack card and distributed throughout the community. This includes a link to www.PuebloCounty.us/ez for more information.

Partners:
The EZ administrator works with various economic development departments in Pueblo County and supports the partnership with educational materials and presentations. These partners in 2018 included PTAC, PEDCO, Pueblo Workforce Development, SoCO Manufacturing Cluster group, and three chambers of commerce.

Business Outreach:
The EZ administrator sends a yearly mailing to accountants in Pueblo County to educate and remind them of tax credit incentives for their business clients. A quarterly email reminder is sent to previous pre-certified businesses to increase and retain engagement.

Winning Story:
In 2018, Xcel Energy released RFP’s for a 707-megawatt solar project, $2.5 billion investment, in Pueblo County. Companies that bid on the project included the Enterprise Zone Credit as a component of their financing plans. The results of Xcel’s all-source solicitation attracted record-low clean energy prices. Pueblo County will be home to the only solar powered steel mill in the world.
Objectives Report:
These are your economic development objectives for your EZ areas. These should be the same as or close to your list for new Contribution Projects in Salesforce.
Speak to accomplishments and how shortcomings will continue to be addressed. You might include tax credit certification data or economic metrics may support these efforts.

This section of narrative reports has been specifically mentioned in prior audits. In the past auditors have stated that an objective of “increase capital investment” lacks the necessary measures to determine its achievement. They suggested a more appropriate objective of “increasing capital investment by 1 percent annually by contacting 20 businesses each year that have never been certified for a credit”.

1. Focus on opportunities that increase retention and expansion of industry and small business.
   - In 2018 there were 128 tax credit certificates issued to businesses. That’s a 19% increase over 2016 and 2017.
   - The total capital investment in the EZ was lower due to the completion of the Xcel solar project completed in 2017. Total ITC in 2018 was $46,708,817 a 32.7% increase from the baseline year 2016.
   - Pre-certifications increased in 2018 by 12.7% to a total of 676.

2. Increase primary jobs and economic activity with an emphasis on key industry sectors: advanced manufacturing, creative industry, healthcare, cannabis, agriculture, renewable energy, tourism, transportation, and all supporting industries.
   - The number of full-time employees of companies claiming EZ credits in the Pueblo County EZ increased in 2018. FTEs of credit-claiming businesses increased from 3565 in 2017 to 4011 in 2018. For 2018 we saw an increase of 12.5% with FTEs of credit-claiming businesses.
   - The Pueblo EZ approved the Pueblo Riverwalk Contribution Project to support the increase of the tourism industry.

3. Focus on workforce alignment with job training programs, addressing critical industry needs that are provided by service, economic development, and higher education organizations.
   - The Pueblo EZ approved two contribution projects, PEDCO Retention and Expansion and Vocational Training at Pueblo Community College. In 2018 the EZ administrator assisted an approved contribution project, Pueblo Diversified Industries to expand services and have better alignment with workforce goals.

4. Support the development of affordable workforce housing and urban infill.
   - The Pueblo EZ approved the NeighborWorks capital contribution project to increase workforce housing and retail infill in the Pueblo Creative Corridor, a Colorado Certified Creative District by restoring and upgrading an historic property.

5. Increase Pueblo County wages by supporting programs providing workforce training and homeless support services.
   - In 2018 the Job Training Investment reported by businesses submitting tax credit certification was $674,617 which provided training for 719 employees.
   - The Pueblo EZ Administrator advised two homeless support agencies on applications for project contribution approval. Both applications are still in progress.
   - The median household income for Pueblo County in 2018 was $47,963 a slight increase from 2017.
Objectives for Coming Year

1. Focus on opportunities that increase retention and expansion of industry and small business.
2. Increase primary jobs and economic activity with an emphasis on key industry sectors: advanced manufacturing, creative industry, healthcare, cannabis, agriculture, renewable energy, tourism, transportation, and all supporting industries.
3. Focus on workforce alignment with job training programs, addressing critical industry needs, that are provided by service, economic development, and higher education organizations.
4. Support the development of affordable workforce housing and urban infill.
5. Increase Pueblo County wages by supporting programs providing workforce training and homeless support services.
Region 10

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. Three of these counties, Delta, Hinsdale 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 develops the Comprehensive Economic Development Strategy and provides economic planning support. 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. Community Living Services and the Area Agency on Aging provides nutrition, transportation, home care and other services for seniors and disabled.

2018 Observations and Data
The economy of the region has traditionally been dependent on agribusiness, tourism, mining, and retiree related expenditures. Since 2013, the region has lost over 800 coal mining jobs, and is anticipating additional losses in the near future, as Tri-State Generation closed the Nucla mine and and plan to shut down the 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 has improved Internet speeds for some of the Region and served as an economic driver to 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 2018 (July 2017-June 2018).

<table>
<thead>
<tr>
<th>Enterprise Zone Business Tax Credits</th>
<th>County</th>
<th>Investment</th>
<th>Tax Credits</th>
</tr>
</thead>
<tbody>
<tr>
<td>County</td>
<td>Delta County</td>
<td>$4,206,019</td>
<td>$126,183</td>
</tr>
</tbody>
</table>
Gunnison County $3,055,415 $91,662
Hinsdale County $187,031 $5,611
Montrose County $8,343,608 $250,313
Ouray County $119,568 $3,587
San Miguel County $210,319 $6,310
Total $16,121,960 $483,666

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 2nd 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.

<table>
<thead>
<tr>
<th>County*</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Delta</td>
<td>6.3</td>
<td>3.3</td>
</tr>
<tr>
<td>Gunnison</td>
<td>3.5</td>
<td>3.1</td>
</tr>
<tr>
<td>Hinsdale</td>
<td>3.3</td>
<td>2.2</td>
</tr>
<tr>
<td>Montrose</td>
<td>5.9</td>
<td>3.40</td>
</tr>
<tr>
<td>Ouray</td>
<td>5</td>
<td>2.9</td>
</tr>
<tr>
<td>San Miguel</td>
<td>3.4</td>
<td>2.9</td>
</tr>
<tr>
<td>Colorado</td>
<td>3</td>
<td>3.5</td>
</tr>
</tbody>
</table>

*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.

<table>
<thead>
<tr>
<th>County</th>
<th>Census 2010</th>
<th>July 2018</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Delta</td>
<td>30,952</td>
<td>30,568</td>
<td>-1.2%</td>
</tr>
<tr>
<td>Gunnison</td>
<td>15,324</td>
<td>16,939</td>
<td>10.5%</td>
</tr>
<tr>
<td>Hinsdale</td>
<td>843</td>
<td>794</td>
<td>-5.8%</td>
</tr>
<tr>
<td>Montrose</td>
<td>41,276</td>
<td>41,784</td>
<td>1.2%</td>
</tr>
<tr>
<td>Ouray</td>
<td>4,436</td>
<td>4,794</td>
<td>8.1%</td>
</tr>
<tr>
<td>San Miguel</td>
<td>7,359</td>
<td>7,967</td>
<td>8.3%</td>
</tr>
<tr>
<td>Colorado</td>
<td>5,029,196</td>
<td>5,695,564</td>
<td>14.5%</td>
</tr>
</tbody>
</table>
Per capita income* increased some over the last two years, but for the larger population areas, remain significantly below the state average.

<table>
<thead>
<tr>
<th>County</th>
<th>2012</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Delta</td>
<td>$32,916</td>
<td>$37,475</td>
</tr>
<tr>
<td>Gunnison</td>
<td>$35,786</td>
<td>$44,365</td>
</tr>
<tr>
<td>Hinsdale</td>
<td>$43,580</td>
<td>$49,480</td>
</tr>
<tr>
<td>Montrose</td>
<td>$31,613</td>
<td>$37,658</td>
</tr>
<tr>
<td>Ouray</td>
<td>$43,267</td>
<td>$56,335</td>
</tr>
<tr>
<td>San Miguel</td>
<td>$45,257</td>
<td>$77,106</td>
</tr>
</tbody>
</table>

*2018 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 Semi Annual BLF state meeting in the Spring of 2019, in addition to closing 23 loans in 2018 for a total of $687,618.98.

The SBRC portion has reduced the amount of consulting hours by increasing the number of attendances in 2018 with several business classes averaging a 91.5% attendance. Classes, i.e., Business Blueprint, Pricing Strategies, Marketing Plan in a Day and many others have assisted current businesses and start up businesses with the tools to be successful and more efficient.

Region 10, in an effort to support existing and new businesses, along with state and local partners, has invested approximately $12 million dollars in regional Broadband infrastructure. Partners include DOLA, EDA, DMEA, local government and others.

**Objectives Report:**

In 2019, 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 most.*
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 2018.

Objectives for the Coming Year

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

- 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.
- 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.
- Assist local communities in creating atmosphere to support retention and relocation, including housing, main street 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.

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

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

2018 Observations and Data
The San Luis Valley Development Resources Group’s primary service area is comprised of six counties: Alamosa, Conejos, Costilla, Rio Grande/Mineral, and Saguache. These counties, commonly known as the San Luis Valley, are located in the south central part of Colorado in the 3rd Congressional District. The Spring Fire in Costilla County during the last of June and first week of July burned over 108,000 acres and destroyed over 140 structures. The closure of US Highway 160 over La Veta Pass during the fire had a negative impact on the local tourist economy. Long term, the property loss will have a significant effect on local property tax revenues. Unemployment in the Valley continues to trend above the state average of 3.2%, with the exception of Mineral County. Rates for 2018 ranged from 2.6% in Mineral County, the region’s least populous, to 4.1% in Costilla County.

Renewable energy continues to be a bright spot in the region’s economy. Five utility-scale solar plants, all located in Alamosa County, produce 136.7 Megawatts of electricity, enough to power 22,418 home. Three additional solar plants have been permitted by Alamosa County but construction has yet to begin. These proposed plants would generate an additional 155 Megawatts of electricity. Agriculture is the driving force in the Valley’s economy, accounting for 29% 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 falling thousands of acres of irrigated cropland, or changing crop production. SLVDRG, through the San Luis Valley Council of Governments, commissioned an economic impact analysis of the effects of reduced crop production due to reduced irrigated on the region’s economy. The analysis produced an input/output model that can be used to estimate the economic effects to the regional and county economies of changes in crop production. Proximity Malt, LLC is building a new regional craft malting plant in Rio Grande County intended to serve craft brewers and specialty malt users. Production is now underway at the new plant, which employs 32 people. The San Luis Valley is a major producer of malt barley for Molson-Coors. Agricultural commodities were stable this fall with alfalfa around $190/T and cattle leveling after peaking at record highs in previous years. Potatoes, the region’s number one crop in value, were on par with 2017.

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.

2018 Efforts to Improve Conditions

Contribution Projects:
Most all projects were expired in 2018 with a strategy to have all projects under the new guidelines in 2019. 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 end of June 2018. To date the number of active contribution projects went from an excess of 30 active projects, ending the year with 25 active projects. 28 projects were ended in 2018 with several not submitting applications for an additional term. 16 new contribution projects were approved during 2018 with five applications for contribution project status in draft status. Staff has regular follow up contact with active projects to encourage and assist with marketing and strategic utilization of contribution project status; as well as counseling inquiries for new contribution project status to better meet the goals and intent of the Colorado Economic Development Commission.

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. 412 certificates were processed, up slightly from 2017, which were 381 and represents consistent usage of Enterprise Zone Tax Credit program. The region registered a net gain of 142 employees reported through the Enterprise Zone also up slightly. The total of all Investment applying for credits more than doubled from the prior year at $144,487,376. Investment tax credits were up significantly from $1.2 million in 2017 to $3.4 million in 2018.
2. Increase in number of Enterprise Zone contributions received by E Zone Projects. The number of contributions received in 2018 was up slightly. Project received donations of $2.333M in 2018 compared with 1.910M in 2017. The process and guideline enhancements recommended by the State of Colorado Economic Development Commission, SLVDRG is pushing for increased and more directed investment toward Enterprise Zone Projects. Staff will be contacting projects with less than $5,000 in contribution that their status will be in jeopardy if they are unable to meet goals counseled during their application submittal.

<table>
<thead>
<tr>
<th>Project Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sangre De Cristo National Heritage Area (3 records)</td>
<td>$700.00</td>
</tr>
<tr>
<td>Monte Vista Downtown Revitalization (2 records)</td>
<td>$1,177.12</td>
</tr>
<tr>
<td>San Luis Valley Great Outdoors (1 record)</td>
<td>$3,000.00</td>
</tr>
<tr>
<td>Alamosa Senior Citizens, Inc (20 records)</td>
<td>$3,412.08</td>
</tr>
<tr>
<td>San Luis Valley Development Resources Group (3 records)</td>
<td>$4,000.00</td>
</tr>
<tr>
<td>City of Alamosa (4 records)</td>
<td>$4,500.00</td>
</tr>
<tr>
<td>SAN LUIS VALLEY LOCAL FOODS COALITION (27 records)</td>
<td>$4,980.47</td>
</tr>
<tr>
<td>Astronaut Rominger Airport (4 records)</td>
<td>$5,000.00</td>
</tr>
<tr>
<td>Living Wisdom (13 records)</td>
<td>$5,168.83</td>
</tr>
<tr>
<td>Colorado SBDC at San Luis Valley (7 records)</td>
<td>$5,230.00</td>
</tr>
<tr>
<td>Society Hall Foundation (21 records)</td>
<td>$8,265.00</td>
</tr>
<tr>
<td>Mineral County Commissioners (1 record)</td>
<td>$10,000.00</td>
</tr>
<tr>
<td>SBDC - San Luis Valley (20 records)</td>
<td>$10,050.00</td>
</tr>
<tr>
<td>Alamosa County Board Of County Commissioners (18 records)</td>
<td>$11,900.00</td>
</tr>
<tr>
<td>Trinidad State Junior College-Valley Campus (1 record)</td>
<td>$12,000.00</td>
</tr>
<tr>
<td>Tu Casa, Inc. (46 records)</td>
<td>$12,305.00</td>
</tr>
<tr>
<td>TOWN OF CRESTONE (5 records)</td>
<td>$16,500.00</td>
</tr>
<tr>
<td>Cumbres &amp; Toltec Scenic Railroad Commission (7 records)</td>
<td>$17,268.00</td>
</tr>
<tr>
<td>San Luis Valley Housing Coalition (80 records)</td>
<td>$18,086.65</td>
</tr>
<tr>
<td>Valley-Wide Health Systems, Inc. (47 records)</td>
<td>$44,350.00</td>
</tr>
<tr>
<td>San Luis Valley Health (233 records)</td>
<td>$122,673.68</td>
</tr>
<tr>
<td>ADAMS STATE UNIVERSITY (14 records)</td>
<td>$129,145.70</td>
</tr>
<tr>
<td>CREEDE REPERTORY THEATRE INC (168 records)</td>
<td>$203,011.90</td>
</tr>
<tr>
<td>Valley Citizens Foundation For Health Care (142 records)</td>
<td>$822,959.49</td>
</tr>
<tr>
<td>La Puente Home Inc. (374 records)</td>
<td>$857,713.59</td>
</tr>
<tr>
<td>Grand Totals (1,261 records)</td>
<td>$2,333,397.51</td>
</tr>
</tbody>
</table>

Enterprise Zone Contribution Project Success Story:
Engine No. 168 meets restoration goal
ANTONITO – With a $10,000 award from Trains Magazine, fundraising for the $501,000 restoration of Engine No. 168 by the Cumbres & Toltec Scenic Railroad (C&TSRR) has been completed. “Nothing like this has ever happened before,” said John Bush, president of the C&TSRR. “We are taking a locomotive that was specifically built for and used on these tracks in the 1880s, then retired and placed outdoors in a park for 85 years, and now it is being restored to once again steam across the Rocky Mountains,” Bush said.
Built by the Baldwin Locomotive Works in 1883, No. 168 worked for 50 years on these same tracks as part of the Denver & Rio Grande Western Railroad, before being retired in 1933 and resting for decades in Antlers Park in Colorado Springs.
Jerry Dziedzic, co-chair of the fundraising team for the restoration of No. 168, said, “We wish to thank Trains Magazine, the magazine of railroading, for their prestigious ‘Trains Preservation Award.’ This pushes our campaign over the top and will allow us to ‘steam up the dream.’ It is humbling to have this award join prominent philanthropic foundations and many hundreds of individuals who have contributed. Railroading is an important part of the history of Colorado, and now for the first time we will
be able to showcase a historic locomotive specifically built for and used on this railroad in the 1880s,” he said. The road to the restoration of No. 168 has not been easy. The locomotive sat exposed to the elements for 75 years. “I dreamed about seeing 168 back in steam ever since I completed its cosmetic restoration in the 1980’s,” Bush said. He compared the task of restoring the engine to the actual building of the railroad in 1880. “Like laying track over the San Juans in the 19th century, we put a good team together and attracted funding. The ‘Trains Preservation Award’ caps that effort, lifting the campaign past its goal. It’s a reflection of human spirit: We can do anything, if we put our minds to it!” The restoration of No. 168 is one of the Contribution Projects of the San Luis Valley Enterprise Zone, which is operated by the San Luis Valley Development Resources Group (SLVDRG). Those making a donation to the project are eligible for a 25% credit on their Colorado income tax. “This is a perfect example of how Enterprise Zone Contribution Projects can benefit small, rural economies,” said Sarah Stoeber, Director of Business Development at SLVDRG. “C&TSRR was very mindful of using the Enterprise Zone tax credit as a marketing tool for donations and they met their project goals ahead of their timeline.” Stathi Pappas, assistant general manager of the C&TSRR and head of special projects, said, “You can’t help but be inspired by the historical connections, which have been recognized by Trains Magazine with their award. We have an 1883 engine that Baldwin built in Philadelphia for General William J. Palmer, who constructed the railroad line we operate on in 1880. No. 168 is in remarkably good condition, a testament to the skill and craftsmanship that went into building it. We have something rare, an ancient steam locomotive, hand-made. Its wrought iron frame bears the marks of the craftsmen who labored on it. The frame’s details show how they forge-welded the pedestal jaws. Now, we’re adding our own marks, writing more narrow gauge history.” In addition to restoring No. 168, the C&TSRR is also working on restoring four wood passenger cars from the same 1880s era so that they will be able to create a complete historic train, just as it would have appeared at that time, steaming over the very same tracks. “This is remarkable. We are restoring the actual equipment that was used on this line and will be able to let visitors see an actual piece of history, just as they would have witnessed it more than 100 years ago,” Bush said. For more information about the restoration of No. 168, go to https://cumbrestoltec.com/about-us/168-2/. To learn more about the San Luis Valley Enterprise Zone, go on line to https://www.slvdrg.org/slventerprise-zone/. CUTLINE: Engine No. 168 sits in the railyard of the Cumbres and Toltec Scenic Railroad at Antonito prior to restoration work. Photo courtesy C&TSRR The SLVDRG Enterprise Zone also considers the following goals to increase investment, 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.

The San Luis Valley Enterprise Zone goals for 2019 are:

- Promote the expansion of workforce/affordable housing and public infrastructure within the Zone
- Educate and train the workforce of the future, with a priority on "at risk population" and challenges to attract specific skill sets to the region.
- Support community amenity and facility development: Healthcare, tourism, culture arts, water conservation and outdoor recreation.
- Encourage business retention, expansion and attraction in distressed areas.
- Enhance and promote value added agriculture, food system development and food innovation especially as those activities relate to wellness, soil health or watershed management.
South Central

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 cities 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, and Huerfano counties. In 2017, Otero County realigned itself back into the South East Enterprise Zone.

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

Past year Observations and Data

1. Population Trends

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>5 year change</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Huerfano</td>
<td>6,474</td>
<td>6,549</td>
<td>6,519</td>
<td>6,462</td>
<td>6,492</td>
<td>6,582</td>
<td>6,662</td>
<td>+113</td>
<td>+1.7%</td>
</tr>
<tr>
<td>Las Animas</td>
<td>15,033</td>
<td>14,971</td>
<td>14,379</td>
<td>14,031</td>
<td>14,021</td>
<td>14,087</td>
<td>14,238</td>
<td>-733</td>
<td>-4.9%</td>
</tr>
<tr>
<td>Colorado</td>
<td>5,121,771</td>
<td>5,193,721</td>
<td>5,270,482</td>
<td>5,351,218</td>
<td>5,452,107</td>
<td>5,540,921</td>
<td>5,615,902</td>
<td>+422,181</td>
<td>+8.1%</td>
</tr>
</tbody>
</table>

(Source: US. Bureau of Labor Statistics)

In 2014, Huerfano County made a slight upturn in its population trend which it has maintained over the next three years, resulting in a 5 year increase of 1.7%; which remains far below the overall 8.1% growth seen by Colorado during the same time period. Las Animas County population continues to show a five-year downward trend from 2012 - 2017, from 14,971 to 14,238 (a 4.9% composite decrease), though there was a slight increase from 2015 (14,021) to 2016 (14,087) and that upward trend was maintained to 2017 (14,238) resulting in a 1.5% two-year increase.

The charts below highlight the longer-term trends in population fluctuation in the South Central Enterprise Zone. Each county 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, while the Colorado chart reflects a population growth based on a more diversified economy.

(Source: US. Bureau of Labor Statistics)
2. **Unemployment Rates**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Huerfano</strong></td>
<td>15.1</td>
<td>16.5</td>
<td>14.3</td>
<td>10.0</td>
<td>8.6</td>
<td>7.4</td>
<td>7.5</td>
<td>-5.5</td>
</tr>
<tr>
<td><strong>Las Animas</strong></td>
<td>11.6</td>
<td>13.1</td>
<td>10.1</td>
<td>8.6</td>
<td>5.9</td>
<td>4.7</td>
<td>4.9</td>
<td>-6.6</td>
</tr>
<tr>
<td><strong>Colorado</strong></td>
<td>8.2</td>
<td>7.4</td>
<td>6.0</td>
<td>4.3</td>
<td>3.5</td>
<td>2.8</td>
<td>3.0</td>
<td></td>
</tr>
</tbody>
</table>

Las Animas County Unemployment rates decreased from 13.1% in January 2013 to 4.9% in January 2018. Huerfano County Unemployment also decreased from 16.5% in January 2013 to 7.5% in January 2018. Both counties’ unemployment rates are less than half what they were 5 years ago, yet they remain much higher than the overall state’s unemployment rate of 3.0%.

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)

3. **Per capita Personal Income**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Huerfano</strong></td>
<td>$29,619</td>
<td>$30,225</td>
<td>$32,074</td>
<td>$33,416</td>
<td>$34,571</td>
<td>$36,553</td>
<td>$38,493</td>
<td>$39,851</td>
<td>$41,138</td>
<td>75.3%</td>
</tr>
<tr>
<td><strong>Las Animas</strong></td>
<td>$27,993</td>
<td>$28,707</td>
<td>$30,668</td>
<td>$32,098</td>
<td>$34,623</td>
<td>$37,040</td>
<td>$36,920</td>
<td>$37,959</td>
<td>$38,119</td>
<td>69.8%</td>
</tr>
<tr>
<td><strong>Colorado</strong></td>
<td>$39,851</td>
<td>$40,549</td>
<td>$43,502</td>
<td>$45,637</td>
<td>$47,308</td>
<td>$50,746</td>
<td>$52,228</td>
<td>$52,372</td>
<td>$54,646</td>
<td></td>
</tr>
</tbody>
</table>

Huerfano County had a 23.1% increase in per capita personal income and Las Animas County had an 18.8% increase between 2012 and 2017. During the same time period, the overall increase in the State of Colorado’s per capita personal income was 19.7% (from $45,637 to $54,646). But, Huerfano County’s per capita personal income remains at 75.3% of the State of Colorado’s and Las Animas County’s is even less at 69.8%.

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

(Source: US. Bureau of Labor Statistics)
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.

Resource:

South Central continues to serve as a resource across our two counties for Enterprise Zone questions, address verifications and certifications. 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 link. In the past year South Central has responded to an increasing number of EZ inquiries from potential business owners especially in reference to the vacant building rehabilitation tax credits. Certifications have increased as we do more outreach from responding to questions regarding the online system. Contribution certifications in 2018 continue to be reported and we had significant increase from the 2017 number reported throughout the period.

Throughout the year, South Central reaches out to newly opened businesses and provides one to one information for certifications and tax investment credits and jobs credits. South Central has also been working proactively with South Central counties and municipalities to incorporate EZ Tax Credits into comprehensive incentive packages targeted at bringing new business into the area. South Central has also worked very closely with the City of Trinidad in providing information concerning EZ tax credits to businesses that have applied with the City for their business rental assistance program.

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. South Central continues to partner across the region to strengthen the capacity to work together in developing and implementing an economic development blueprint that strategically builds on the current and emerging economic strengths of the region. The broadband service industry has been targeted as both critical to the area and as presenting opportunity for economic development across the South Central Enterprise Zone.

Continued Enterprise Zone outreach focuses on educating central business district community leaders about EZ resources that are available to assist in improving downtown viability and re-purpose existing spaces. Throughout the region, grassroots citizen efforts to renovate town centers, when supported by local and state government, are creating economic and community opportunity. South Central EZ meets on a regular basis with the planning and economic development staff from the City of Trinidad as well as reaching out to newly opened businesses and provides information for certifications, tax investment credits, and jobs credits. South Central EZ continues to partner with local initiatives such as the El Corazón de Trinidad Creative District, the Space to Create project, and the growing number of its affiliated businesses to leverage the creative district designation into an economic development driver. This is one of several partnerships that continues to lead to increased activity in Las Animas for vacant building rehabilitation tax credit.

Furthermore, the development and enhancement of state of the art connectivity and communications continues to expand markets for regional businesses across all sectors while affording better access to opportunities for higher education via the Internet.

The energy sector presents continuing opportunities for economic development across all three counties, and the overall Raton Basin. Efforts focusing on business growth and development in the solar and wind energy spectrums have been increasingly productive.

Health and wellness are emerging as an industry sector in most of the South Central enterprise zone, due in part to the increase in the population of seniors and semi-retired individuals as well as those coming to the area and choosing to remain. This has created a need for more services for this population. In response to trends toward an aging population in the region, healthcare services has been targeted as an industry presenting opportunities for economic development, and increasing job opportunities. Efforts have been made to attract more health professionals to the area and expand current healthcare resources through EZ Contribution capital projects and use of EZ credits.
Growing and enhancing tourism and capitalizing on the region’s abundant wildlife, outdoor recreation opportunities, climate, history, culture and agriculture have also been emphasized.

**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.

**Contribution Projects:**
As a result of increased outreach, South Central continues to be active and is seeing more questions and certification activity in the region. A concerted effort has been made during 2018 to inform communities in Huerfano County about the Enterprise Zone Contribution Project program. Private sector donations to contribution projects have increased significantly in spite of or perhaps because of the economic downturn. For many of the very small communities that do not have multiple large donors or “war chests” of funds and incentives to facilitate economic development efforts, the Enterprise Zone Contribution Project program can serve as the only incentive to encourage private public partnerships in economic development efforts.

**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 217 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, and Huerfano Counties; the Cities of Trinidad, and Walsenburg; the Trinidad Chamber of Commerce; the El Corazón de Trinidad Creative District; Huerfano County’s Town of La Veta; Walsenburg Downtown Revitalization Committee; the Trinidad Tourism Board; the Trinidad Urban Renewal Authority; Mt. San Rafael Hospital - Las Animas County; Southern Colorado Repertory Theater - Las Animas County; Mount Carmel Health, Wellness, and Community Center - Las Animas County; and Trinidad State Junior College; just to name a few.

**Winning Story:**
This year’s South Central winning story focuses on an EZ Contribution Project which, through its efforts, did not necessarily influence a business to expand or locate in their community, but did have a major impact on preventing several local businesses from closing and leaving the community. The Stonewall Century Ride is an annual non-competitive 102 mile bike ride. The route follows Highway 12, a Colorado Scenic Byway known as the "Highway of Legends". Riders start in La Veta, climb to the top of Cucharas Pass, descend to the beautiful town of Stonewall and on to the lunch stop in Segundo, where the route reverses and returns to La Veta, where a BBQ dinner and massage tables await them.

2018’s ride, which was dedicated to the firefighters who battled the 2018 Spring Fire, had challenges because of that fire. Attendance was down because many people thought La Veta was destroyed during the spring fire; a perception that had to be overcome. In 2018, 168 cyclists rode in the event representing a 23% drop in ridership from the previous year. Because of the perception that La Veta had been destroyed, this broke an annual trend of increasing ridership which included a 16% increase in 2017 and a 32% increase in 2016. The long-term goal has been to get back to the number of riders experienced in 2011 which was 372.

2018 was the first year the event had vendors in the town park. The project hopes to grow the number of vendors each year when there is more time to plan ahead. Much of the planning and organization did not begin until the Spring Fire South was contained. Yet even with the obstacles presented by the fire; bringing those 168 cyclists and their respective supporters and families into La Veta for the weekend of the race, where they spent money in local retail businesses, made such a difference in the bottom line of those businesses. Several of the business have indicated that because of the business generated by the race they were able to stay open, rather than close their doors as they had planned due
to the loss of business resulting from the perception that La Veta had been destroyed by the fire. The race also helped get the message out that La Veta not only survived the fire, but that it remains a beautiful tourist destination.

2018 Objectives and Progress Report:

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.
   - In 2018 the pre-certification applications for Rehabilitation Tax Credits for Vacant Buildings increased from four (4) in 2017 to eleven (11) in 2018; a net gain of seven (7).
2. Increase the number of contribution projects in all 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.
   - In 2018 three contribution projects were renewed (2 in Huerfano County and 1 in Las Animas County) and one new contribution project was added in Las Animas County.
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.
   - South Central continued to meet 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. One grant application was developed and submitted by Huerfano County, but was not successfully funded.
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.
   - South Central has worked very closely with the City of Trinidad in promoting and providing information concerning EZ tax credits to businesses that have applied with the City for their business rental assistance program.
   - South Central has also worked with the City of Trinidad to link EZ Tax Credits to the City’s efforts to develop a major recreational tourism site based around the acquisition of Fisher’s Peak.
5. Support and advocate for the designation of at least one opportunity zone census tract in each South Central EZ County.
   - South Central was successful in advocating and getting two opportunity zone census tract designations in Las Animas County and one in Huerfano County.

Goals and Objectives for Coming Year (2019)

South Central EZ has three major goals each with associated objectives:

Goal # 1: Revitalize and Support vibrant downtown districts:
Objectives:
- Add at least one major EZ Contribution Project that focuses on downtown revitalization in both Trinidad and Walsenburg;
- Increase the number of buildings that utilize the Rehabilitation Credit by two;

Goal # 2: Promote regional historic, cultural and recreational tourism:
Objectives:
- Add at least one major EZ Contribution Project that focuses on cultural tourism;
- Add at least one major EZ Contribution Project that focuses on recreational tourism;

Goal # 3: Expand region-wide broadband:
- Work in partnership with county and municipal economic development directors and IT directors to link potential EZ Credits with regional efforts to secure funding (submit at least one grant application) to implement the recommendations from the regional Broadband study.
South Metro

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 2018, the number of businesses claiming tax credits through the Enterprise Zone numbered 99. These businesses reported a net increase of 28 (FTE) jobs in the Zone. The level of investment in the Zone increased 25.5% percent over 2017 investment levels to $120.1 million. The average full-time salaries in the zone increased 15.1% to $46,077.

Throughout 2018, 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 two contribution projects: Habitat for Humanity Sheridan Square Development and Craig Hospital Foundation. During 2018, 283 contributions for the Craig Hospital Foundation were processed with cash donations totaling $996,621 and in-kind donations totaling $1,281. One Hundred Five (105) certifications for the Habitat for Humanity Sheridan Square Development were processed with cash donations totaling $686,022 with no in-kind contributions.

2018 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 2017 and 2018 Enterprise Zone certification forms, reflect the economic condition in the South Metro Enterprise Zone.

<table>
<thead>
<tr>
<th>Number of businesses filing Zone tax credits:</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of jobs created in the Zone:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Health Insurance Tax Credit:</td>
<td>$55,370</td>
<td>$23,750</td>
</tr>
<tr>
<td>Number of Employees Trained:</td>
<td>2,156</td>
<td>2,249</td>
</tr>
<tr>
<td>Job Training Tax Credit:</td>
<td>$201,329</td>
<td>$398,834</td>
</tr>
<tr>
<td>Average Annual Compensation:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Full Time</td>
<td>$40,015</td>
<td>$46,077</td>
</tr>
<tr>
<td>Part Time</td>
<td>$12,269</td>
<td>$14,207</td>
</tr>
<tr>
<td>Temporary</td>
<td>$52,584</td>
<td>$2,853</td>
</tr>
<tr>
<td>Contractual</td>
<td>$0</td>
<td>$109,984</td>
</tr>
</tbody>
</table>
2018 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 2018, the number of businesses claiming tax credits through the Enterprise Zone numbered 99. These businesses reported a net increase of 28 (FTE) jobs in the Zone. Average full-time salaries in the zone increased 15.1% to $46,077. 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 25.5% percent over 2017 investment levels to $120.1 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 2018:
  - Sheridan sales and use tax receipts increased 8% in 2018 over 2017.
  - Gross Sales Tax Revenue for 2018: $3,765,464; 2017: $3,500,380
  - River Point saw a 2.1% increase in PIF sales in 2018 over 2017
- Englewood sales and use tax receipts increased 7.46% in 2018 over 2017.
  - Retail sales tax increased 9.85% in 2018 as compared to 2017.
  - Use tax (excluding building use tax) for Englewood decreased 9.63% in 2018 as compared to 2017.
- Littleton reported the following information for 2018:
The Town of Parker reported the following information for 2018:

- $28,698,756 Retail Sales Tax
- $1,712,647 General Use Tax
- $2,465,166 Vehicle Sales Tax
- $1,616,647 Building Use Tax
- Issued 492 new business licenses

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:**

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 1,000 people.

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. Given that roughly half of Craig Hospital patients come from out of state, there is an additional contribution from nonresident patient families and visitors. In collaboration with the University of Colorado Business School, a study was conducted in 2014 which totaled out-of-state visitor spending for lodging, food, transportation, and other expenses in Colorado due to Craig Hospital to be over $620,000 per year.

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 on average 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 39 triplex units and 16 duplex units equaling 55 homes have been constructed. The final 8 duplex units are in various stages of completion; 46 families have moved in while all remaining units anticipate move in dates in early to mid-2019. The community park is currently under construction with anticipated completion in spring 2019.

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 2018:
- Commercial Additions: $ 9,347,679
- New Commercial Construction: $24,622,537
- Commercial Remodel: $11,602,942

City of Sheridan
The City of Sheridan reported the following activity for 2018:
- Additions: 3 permits / $208,500
- New Construction: 19 Permits / $8,653,641
- Tenant Improvement: 12 Permits / $1,290,499
- Tenant Finish: 14 Permits / $2,595,307

Town of Parker
The Town of Parker reported the following activity for 2018:
- New Commercial Construction 43 permits/$70,029,826
- Commercial Remodel 909 permits/$15,247,363

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 located 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.

Opportunity Zone – Four census blocks in the South Metro Enterprise Zone received the federal Opportunity Zone designation. Portions of the designated Opportunity Zone include areas in both Sheridan and Englewood. The approved Opportunity Zone includes areas from General Iron Works to south of Oxford Station and Englewood Civic Center to the Medical District. The Opportunity Zone designation will attract capital investments and support the City’s revitalization and redevelopment initiatives.

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 apartments 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.

<table>
<thead>
<tr>
<th>Commercial Building Permits</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Additions</td>
<td>No commercial additions</td>
<td>2 permits / $349,000</td>
</tr>
<tr>
<td>New</td>
<td>9 permits/$19,419,799</td>
<td>7 Permits / $34,933,000</td>
</tr>
<tr>
<td>Remodel</td>
<td>89 permits/$38,828,298</td>
<td>100 Permits / $27,348,259</td>
</tr>
</tbody>
</table>

Page 72
Southeast

Overview
SECED and the Southeast Enterprise Zone (Baca, Bent Crowley, Kiowa, and Prowers Counties) challenge citizens and entrepreneurs to continually look to improve the economic conditions in their communities. The enterprise zone is a critical element in Southeast EZ’s economic development programs. It is one of many incentives in the toolbox making up a regional economic enhancement and retention package. The region has a multi-cultural economy and encourages citizens to utilize resources to their fullest potential. SECED assists in asserting a vigorous campaign for esthetic improvements to enhance enterprise development, business recruitment expansion 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 six counties to address the needs of area businesses. In addition, we work collaboratively with Southeast Business, Retention, Expansion and Attraction (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.

The business environment still struggles in Southeast Colorado, as rural areas have not experienced the expansion and growth that the urban areas of Colorado have experienced. Entrepreneurial confidence is still low as compared to other areas of the State. For that reason, we continue to market the enterprise zone and the enhanced enterprise zone as key incentives for investing and starting businesses in SE Colorado.

Past year Observations and Data
In 2018, Southeast Zone saw a large investment in renewable energy in the region. As demonstrated in the table, 2018 ITC Capital Total was three times the amount in 2017. With the continued push towards green energy in our area and the abundant natural resources and land, we see these investments continuing in future years. We consider the enterprise zone to be a valuable program for this reason.

<table>
<thead>
<tr>
<th>Year</th>
<th>ITC Capital Total</th>
<th>ITC Capital Qualified</th>
<th>Qualified Renewable Energy Investment</th>
<th>ITC Tax Credit</th>
<th>Job Training Investment</th>
<th>Trained Employees</th>
<th>Job Training Tax Credit</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>$184,041,118</td>
<td>$171,008,854</td>
<td>$131,173,020</td>
<td>$5,130,275</td>
<td>$195,170</td>
<td>645</td>
<td>$23,421</td>
</tr>
<tr>
<td>2017</td>
<td>$50,411,313</td>
<td>$35,597,558</td>
<td>$6,585</td>
<td>$1,067,932</td>
<td>$149,254</td>
<td>629</td>
<td>$17,911</td>
</tr>
<tr>
<td>2016</td>
<td>$40,524,951</td>
<td>$24,525,897</td>
<td>$2,637</td>
<td>$735,790</td>
<td>$247,551</td>
<td>873</td>
<td>$29,706</td>
</tr>
</tbody>
</table>

In 2018, Otero County transitioned to the Southeast Enterprise Zone. With the realignment, Southeast became a six county region. Otero County added 18,370 to the population in the zone. Based on
historical data, the region has experienced an increase in population growth from 46,797 in 2013 to 46,892 in 2017 based on ACS 5-yr data. A positive trend, albeit small, is welcomed as growth affects the general health of our member rural communities. Two of our smaller counties experienced positive population growths at or above 2%, while the other four showed negative percentages.

Jobs in SE Colorado are diverse and comprised of health services, government, education and agriculture and some manufacturing. The SE EZ area’s collective unemployment rate as of December 2018, was 6.48%. The state unemployment rate was 5.2% for that same time period. According to the Colorado Demographer’s office, the employment percent change in southeast showed >4% fewer jobs in Bent county, 0-2% more jobs in Baca, Crowley & Otero counties, and 2-4% more in Kiowa and Prowers counties.

Per capita income data for 2017 showed an increase overall in the region of 6.38% over 2016. However, each of the counties continues to meet the economic distress criteria at the county level (see the following table):

<table>
<thead>
<tr>
<th>County</th>
<th>Population</th>
<th>Growth Rate Qualify</th>
<th>Unemployment Rate Qualify</th>
<th>Per Capita Income Qualify</th>
<th>EZ Qualify Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Baca</td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Bent</td>
<td>Yes</td>
<td>No</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Crowley</td>
<td>Yes</td>
<td>No</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Kiowa</td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Otero</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Prowers</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
</tbody>
</table>

Annual regional retail sales data is not available for 2018, as the Colorado Department of Revenue has experienced a system problem that prevents retail sales reports from being produced.

**Past year Efforts to Improve Conditions**

Efforts to improve conditions in the EZ are a top priority for Southeast EZ. Partnerships are in place to help with the multitude of requests for information and assistance within the six county region.

**Southeast EZ as a Resource:**

Southeast EZ has fielded approximately 1.5 enterprise zone questions per week since January 1, 2018. With the implementation of the Salesforce program, the process of certifications has become simplified. However, with our remote locations, verifications/validations of locations have increased our contact with those pre-certifying in the zone. On average we had been contacting easily 8-10 businesses per month to get clarification/verification of addresses. With the addition of Otero County that number has jumped to approximately 10-15 businesses per month.

Over the course of the last twenty-seven (27) years, SECED’s Business Loan Fund (BLF) has assisted 292 business loan needs in the amount of $16,490,143 with leveraging from private sources totaling $13,021,000. For 2018, eighteen (18) loans were funded in the amount of $1,312,551.00. 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, $5,547,924 funds have been loaned benefiting 321 households and 2018 resulted in 3 loans funded to the amount of $48,932.
In 2018, the Southeast EZ processed 286 ITC certifications. The sum of capital investments amounted to $184M with $171M in qualifying investments which generated $5,130,275 in tax credits. A total of 645 employees were trained generating credits to the employer of $23,421. Net Enhanced Tax Credits amounted to $64,660, demonstrating that businesses took full advantage of the Enhanced EZ designation.

Net Enhanced Tax Credits amounted to $64,660, demonstrating that businesses took full advantage of the Enhanced EZ designation. Southeast EZ makes a concerted effort to make all businesses and tax preparers aware of the designation to maximize the incentives.

**Contribution Projects:**
The Southeast EZ has various certified contribution projects in our six county areas. These projects generated $109,478 in contributions giving contributing taxpayer credits of $27,369. In 2018, with the addition of Otero County, Southeast EZ added four new contribution projects, however Southeast EZ closed four inactive projects. Southeast EZ now oversees 13 active projects. At the end of 2018, Southeast EZ, worked with 3 existing projects (economic development organizations), to renew for another 5 years. All of Southeast EZ projects help to promote tourism and economic development in a very rural area of the state by increasing commerce through tourism, events and activities. Particularly important to the Southeast EZ are partners such as the economic development organizations (also funded through contributions as approved projects) that work in the counties served to promote economic development. They are deeply engrained in their communities, working on job creation, business assistance, attraction and retention services. They help the Southeast EZ to provide enterprise zone information and work with businesses through the entire process to ensure that job creation is reached.

**Presentations:**
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. SE Enterprise Zone, held several trainings to help area economic developers and project manager help understand the change to processing contributions on the Salesforce portal. In addition, we offered training for completing the annual report. Southeast EZ has done one-on-one training on Salesforce portal for new businesses as well as accountants registering for and using the portal to pre-certify and certify credits. Southeast EZ admin attended 6 meetings over the course of 2018 to present enterprise zone information to groups, including but not limited to economic development agency boards, Business after-hours groups, town councils and at commissioner’s meetings. Southeast EZ provided an enterprise zone annual report to each of its six county’s government jurisdictions to demonstrate the benefits of the enterprise zone.

**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, Otero and Prowers) informational / marketing brochures to Welcome Centers, State Parks, Economic Development Agencies, Hospitals, Tour Groups and area County Clerks, and all municipalities.
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.

Southeast EZ (SECED) provides and updates information regarding enterprise zone on its regional website for access by businesses, accountants, economic developers, governmental entities, and the general public.

Partners:
Southeast EZ (SECED) in has many partners. It associates closely with Southeast Colorado Workforce Center, Small Business Development Center, Colorado State Demographer, and all local economic development agencies, to 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:
In Southeast Colorado, we have experienced a rural economy that can be strongly influenced by the typical economic forces, population, labor force, and technology, but let's not forget on the strongest influences...mother nature. Drought, and/or the lack of abundant water, has been an ongoing issue that has affected our highly agricultural economy. Unfortunately, rebounding has been a slow process. However, with challenges come brainstorming and solutions to best expose other natural resources. Instead of dwelling on what we are unable to control (rain or snowfall), Southeast has made efforts to utilize another prominent natural resource...WIND. While wind farms have been in Southeast for many years, in 2018, large investments were made in an effort expand green energy operations. ITC Capital Totals for 2018, topped $184M with qualified capital investment totaling $171M. Of that, qualified renewable energy investment was $131M resulting in ITC tax credits of $5.1M. Without the enterprise zone, these investments would not have occurred. Furthermore, an additional 11 full-time jobs would not have been created. Enterprise Zone designation is a vital tool in our incentive toolkit at this critical turning point. We have begun to see its benefits across the region for attracting businesses that might have otherwise located elsewhere.

Objectives Report:

2018 Objectives (as submitted on previous report)

1. Southeast, in conjunction with their economic development partners in the six county area, made renewed efforts to disseminate information regarding EZ ITC to manufacturers. Approximately 25 businesses were contacted, and we worked with them directly as well as through accountants to get information to them regarding EZ credits. In doing so, we have noted that investment credits rose from $35M to $40M for 2018. While ITC Capital Qualified for the year was $171M, $131M was renewable energy investment, resulting in $40M for all other ITC Capital Qualified investment. This was $5M over the amount from 2017.

2. Southeast’s effort to help in the efforts to increase the total number of jobs created in the EZ were on-going throughout the year. SECED funded 19 businesses through its Business Loan Fund (BLF) program. The businesses loans ranged from startup, expansion, or retention. Twenty-seven jobs were created/retained. This effort helped in the retention of the 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 780 in 2017 with an average current unemployment rate of 2.65% region wide. 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)

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 six 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. The result of our efforts resulted in job training for 645 employees with a job training investment of $195,170 and a job training credit of $23,421. This increased over 2017’s investments of $149,254 for 629 employees and job training credit of $17,911.

4. Information has been disseminated to realtors in the area to help increase the number of buildings that utilize the Rehabilitation Credit. In 2018, we had two building owners who have indicated that in 2019 they will utilize the credit for the rehab of two existing buildings. This helps with a goal of reducing blight by putting old, vacant buildings in the EZ back to a commercial use.

Report on performance against your EZ specific objectives.

**Objectives for Coming Year**

1. Build the capacities of county-level economic development groups that are working to accomplish prioritized, locally defined economic development projects. We will continue to require economic developers to document their efforts in their counties, with job creation/retention efforts. They will be the first point of contact and will disseminate enterprise zone information and work with the businesses offering technical assistance in utilizing resources and incentives. In each county, we would like to see at least 1-2 new contacts made with new and existing businesses each month.

2. Ensure that southeast Colorado has the physical infrastructure and job training needed to plan for, compete, and meet challenges and workforce needs, including but not limited to vocational training offered from colleges and homeless support agencies. Southeast will continue to work with current projects such as the junior college and homeless support agency in our region to document the number of individuals receiving job training and subsequently being placed in available positions in businesses in Southeast zone. We would like to see an increase in trained individuals over the previous year by 5%.

3. Maintain, develop and diversify the key industry sectors in the region that bring in outside money to strengthen the local economy (agriculture, tourism, manufacturing & healthcare). Southeast will support efforts to enhance key industry that help to attract investment in these sectors that provide essential and enhanced services within the region, with the intent that to keep residents from seeking services outside the region. Southeast proposes to contact at least one key industry sector per month with the assistance of economic development partners.

4. Meet the diverse Housing needs in southeast Colorado. Southeast EZ intends to help in the development of a regional prospectus on a regional basis. The hopes are to encourage opportunity fund investment. In conjunction with OZ designation, Southeast will support projects that address the diverse needs for housing, from affordable to attainable housing as projects develop. It is a goal for the coming year to have at least 1 project specific to housing in place to help address this need.
5. Facilitate the creation, enhancement, expansion or infrastructure development to upgrade to regional amenities & attractions that strengthen tourism (both cultural & agricultural) by enhancing, creating and/or expanding those facilities to meet the need of the communities and attract visitors to SE Colorado. Southeast would like to see a 5% increase in tourism/visitors to the region in 2019 over 2018 based on data provided by retail sales,
Southwest

Overview
The Southwest Enterprise Zone is administered by the Region 9 Economic Development District of Southwest Colorado Inc. (Region 9). Region 9 is a nonprofit, 501 (c) 6 public/private partnership that 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) as a federally designated economic development district; serving as a State Data Affiliate with the Colorado Demography Office; Southwest Enterprise Zone Administrator; and special programs such as the Southwest Accelerator Program for Entrepreneurs (SCAPE).

The Southwest Enterprise Zone covers the same five county service area as Region 9. Wildfire and drought have dramatically impacted Southwest Colorado’s economy this past year where tourism is 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 being home-based and/or location neutral. 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 that have declined, dramatically impacting the tax revenues of La Plata and Montezuma counties. 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
Business participation in the EZ Program has been continually declining in our region (demonstrated by the chart on page 3) but the number of tax credits, investment and jobs created vary widely each year. Several business high density areas are no longer EZ eligible since the 2016 boundary update, which has impacted participation numbers. However, we are seeing more participation in our small distressed communities.

<table>
<thead>
<tr>
<th>Region 9</th>
<th>Tax Credits</th>
<th>$ Invested</th>
<th>Jobs Created</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>$ 673,131</td>
<td>$ 22,501,542</td>
<td>268</td>
</tr>
<tr>
<td>2012</td>
<td>$1,648,586</td>
<td>$ 76,642,252</td>
<td>505</td>
</tr>
<tr>
<td>2013</td>
<td>$4,199,768</td>
<td>$183,347,978</td>
<td>(21)</td>
</tr>
<tr>
<td>2014</td>
<td>$1,238,773</td>
<td>$ 46,244,938</td>
<td>461</td>
</tr>
<tr>
<td>2015</td>
<td>$2,699,282</td>
<td>$ 66,073,593</td>
<td>89</td>
</tr>
<tr>
<td>2016</td>
<td>$1,321,904</td>
<td>$146,678,225</td>
<td>488</td>
</tr>
<tr>
<td>2017</td>
<td>$ 618,920</td>
<td>$ 12,568,831</td>
<td>140</td>
</tr>
<tr>
<td>2018</td>
<td>$1,111,662</td>
<td>$31,102,433</td>
<td>100</td>
</tr>
<tr>
<td>% Change 17-18</td>
<td>80%</td>
<td>147%</td>
<td>-29%</td>
</tr>
</tbody>
</table>

Region-wide, in 2018 there were 28 designated Enterprise Zone Contribution Projects (1 newly designated). These Projects generated about $2.8 million in economic activity through direct and in-kind contributions. This is comparable to 28 Projects in 2017 at $3.3 million, and 30 Projects with $3.7 million in economic activity in 2016.
In the Southwest Enterprise Zone, three counties, Dolores, Montezuma and San Juan meet the EZ economic distress criteria on a county level. In the 2016 redistricting, La Plata and Archuleta were not eligible on a county level, so instead each census tract was evaluated individually on the economic distress criteria. There are 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. However, Archuleta joins Dolores and San Juan Counties as being designated as Enhanced Rural Enterprise Zones (EREZ) through 2020.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Archuleta</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Dolores</td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>La Plata</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Montezuma</td>
<td>Yes</td>
<td>No</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>San Juan</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Data Source</td>
<td>DoLA</td>
<td>DoLA</td>
<td>CDLE-LMI</td>
<td>BEA</td>
<td>*</td>
</tr>
</tbody>
</table>

**Past year Efforts to Improve Conditions**

With the transition of Enterprise Zone Contribution Projects to the on-line Salesforce system, Region 9 focused primarily on training our EZ Contribution Project staff. Two Zoom trainings were held in March 2018 to familiarize the staff with Salesforce and individual follow-up trainings were held. Our EZ Administrative staff participated in monthly peer reviews at the State level and traveled to Denver to attend the Colorado Department of Revenue Division of Taxation stakeholder work group to discuss potential rule revisions. The new EZ policies also resulted in five of our projects having year-end end dates. We worked with all five on their options. Four reapplied and were approved and the fifth did not make it through the Peer Review process. We also met with two projects expiring in 2019 to strategize regarding their applications.

Specific EZ activities included:

- Met with eight 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.
- 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.
- Began work on an EZ information brochure. It will be completed in 2019 now that we have Dept. of Revenue guidance on in-kind contributions.
- Continually updated the Enterprise Zone Contribution Project email tree and provided information as necessary. This includes forms, deadlines, tips, recertifications, organizational MOUs 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 new policies and maps of eligible areas.
- Assisted La Plata and Montezuma counties with adding an Enterprise Zone GIS layer on their websites.
- Made six EZ related presentations, including at the SW Women’s Conference. One of our organizational EZ goals was to conduct at least five presentations.
- Provide marketing verbiage to all local Contribution Projects to promote EZ credits, many which were used in their organizational newsletters. The United Way of SW Colorado promoted all regional EZ Contribution Projects that were United Way partners as an example.

One EZ program success story is KSUT public radio, an approved infrastructure project. Their EZ Project designation helped them reach their fundraising goal of collecting $1 million by September 30th. This solidified a matching grant of $1 million from the Southern Ute Indian Tribe.
Region 9 also worked with Tailwind Nutrition, a 2017 Colorado Company to Watch, that is seeking larger facilities and looking to purchase in Enterprise Zone eligible areas.

Objectives Report

Internal organizational Enterprise Zone objectives were identified several years ago to make sure Region 9 was doing our part educating the region about EZ eligible areas.

Internal Objective #1 - 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 216 in 2018 as compared to 108 in 2017 and 144 different contacts in 2016.

Internal Objective #2 - Increase the number of businesses that participate in the EZ in each county using 2005 as a base year (228 participating businesses).

<table>
<thead>
<tr>
<th>Year</th>
<th># Participating Businesses</th>
<th>% change from 2005</th>
<th>% change from Previous</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005</td>
<td>228</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2009</td>
<td>232</td>
<td>2%</td>
<td></td>
</tr>
<tr>
<td>2010</td>
<td>247</td>
<td>8%</td>
<td>6%</td>
</tr>
<tr>
<td>2011</td>
<td>249</td>
<td>9%</td>
<td>1%</td>
</tr>
<tr>
<td>2012</td>
<td>419</td>
<td>84%</td>
<td>68%</td>
</tr>
<tr>
<td>2013</td>
<td>297</td>
<td>30%</td>
<td>-29%</td>
</tr>
<tr>
<td>2014</td>
<td>286</td>
<td>25%</td>
<td>-4%</td>
</tr>
<tr>
<td>2015</td>
<td>270</td>
<td>18%</td>
<td>-6%</td>
</tr>
<tr>
<td>2016</td>
<td>295</td>
<td>29%</td>
<td>9%</td>
</tr>
<tr>
<td>2017</td>
<td>227</td>
<td>-0.4%</td>
<td>-23%</td>
</tr>
<tr>
<td>2018</td>
<td>200</td>
<td>-12%</td>
<td>-12%</td>
</tr>
</tbody>
</table>

Internal Objective #3 - Target businesses involved in other Region 9 programs. Inform them about all EZ tax credits. Track how many utilize the credits.

<table>
<thead>
<tr>
<th></th>
<th>Archuleta</th>
<th>Dolores</th>
<th>La Plata</th>
<th>Montezuma</th>
<th>San Juan</th>
</tr>
</thead>
<tbody>
<tr>
<td>Year 2009 (base yr.) 36 Businesses</td>
<td>5</td>
<td>1</td>
<td>18</td>
<td>11</td>
<td>1</td>
</tr>
<tr>
<td>Year 2010 10 Businesses</td>
<td>3</td>
<td>0</td>
<td>3</td>
<td>4</td>
<td>0</td>
</tr>
<tr>
<td>Year 2011 19 businesses</td>
<td>3</td>
<td>1</td>
<td>8</td>
<td>6</td>
<td>1</td>
</tr>
</tbody>
</table>
This table lists the number of non-duplicative businesses utilizing EZ tax credits that Region 9 has documented that we 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 higher 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.

We also expected to see Internal Objectives #2 and #3 reflect our direct outreach efforts but the data doesn’t support that. Though Region 9 is fielding an increasing number of enterprise zone related inquiries, our participating businesses are not growing. It appears that even businesses that we can help pre-certify appear to not be following up with certification.

**Objectives for Coming Year**

Our Enterprise Zone has internal program goals as well as regional economic development objectives. The internal goals for this next year include:

1. Complete EZ Program Brochure.
2. Increase the number of EZ inquiries made to the Region 9 office over the previous year’s 216. This includes either a direct referral or just interest about the program.
3. Target businesses involved in other Region 9 programs and inform them about the EZ tax credits, and then track how many of these businesses utilize the credits.
4. Increase the number of participating businesses, particularly in our enhanced counties of Archuleta, Dolores and San Juan by providing an Enterprise Zone information session in each county.

The Regional EZ economic development objectives and activities include:

1. Facilitate the creation, enhancement or expansion of community amenities or attractions which make southwest Colorado an attractive place to live and visit. –Region 9 will outreach 5 new business contacts in each county and provide them information on Enterprise Zone tax credits.

2. Meet the diverse Housing needs in southwest Colorado. Six of our Contribution projects focus on housing programs and service covers all five counties. These organizations have directly impacted the number of affordable housing options available; from small Habitat organization projects to a multi-million-dollar multi-family housing. In 2019, Region 9 will update regional housing data for distribution and to keep the community informed about this key economic issue. SW Enterprise Zone Administrator will also serve on sub-committee to define and revise EZ polices around homelessness and job training.

3. Maintain, develop and diversify the key industry sectors in the region that bring in outside money to strengthen the local economy (agriculture, tourism & healthcare). We have three rural healthcare
facilities and two visitor attraction Contribution projects that fit this goal. Region 9 will see the number of our key industry sector businesses (ag, tourism, and healthcare) increase over the previous year.

4. Ensure that Southwest Colorado has the physical infrastructure and job training needed to plan for, compete, and meet challenges and workforce needs. Ten of our 28 EZ Contribution projects focus on job creation and physical infrastructure. In addition to the building campaign of KSUT’s new media center mentioned earlier, a new Engineering and Sciences building at Fort Lewis College, and Hospice Residence have also been built due to Enterprise Zone tax credits. Region 9 will outreach 5 organizations that could possibly be approved as Enterprise Zone Contribution Projects for their capital campaigns or job training in 2019.

5. Build the capacities of county-level economic development groups that are working to accomplish prioritized, locally defined economic development projects. There are county-level economic development groups in each of our five counties, that Region 9 helps to support and mentor in our rural region. Two are designated EZ Projects and provide “boots-on-the-ground” to promote the availability of the Enterprise Zone as one of our business incentives. These groups were critical with the 416 wildfire this summer as well as providing business resources through on-going drought conditions. This next year, each of these groups will provide Enterprise Zone information, electronically, in paper and through community presentations.
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, lower 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 location’s significant residential growth, all of these community’s 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 most currently reported statistics show the 2018 annual unadjusted Weld unemployment rate was 2.7%, down from 3.4% in 2017 (source: BLS). The 2017 Weld County per capita personal income was $44,080 up from $42,701 in 2016 (source: BEA). And, the Weld County eight-year population growth rate was 19.7% from 2010 (254,230) to 2017 (304,435), which is the most current reported (source: CO Demography Office).

In 2018, the overall Weld economy continued to see growth and stability, at least partially due to the growing and stable (for now) energy sector. With oil prices remaining relatively strong, drilling continued and total production values increased significantly over 2017. While several oil/gas related ballot measures failed in 2018, efforts to further regulate the industry are expected in 2019 and could have a significant negative impact on this important industry, depending upon outcome. With the surety of the federal production tax credit through at least 2020, the renewable side of the energy sector continued to show strong growth and stability. However, Vestas who employs over 2,000 in Weld, has significant concerns with the long-term cost viability of manufacturing wind turbine components in the state primarily due to a very tight labor market, higher wages, etc. While we anticipate continued energy sector activity in 2019, history has repeatedly shown that both sides of the energy sector can be extremely volatile, which remains an underlying concern. The large J M Smucker food processing facility will become operational in late 2019, which is a step in the right direction in efforts to further diversify and strengthen our manufacturing sector. Several key existing employers also completed expansions/equipment retooling projects in 2018 to remain competitive. Low commodity prices continue to hurt the very important agricultural sector, which continued to struggle in 2018. With the legalization of hemp, we’re hopeful new crop and processing opportunities will help our ag sector. Our health care sector is poised for additional job growth with the new UC Health hospital under construction and slated for opening mid-2019 – a delay from the original 2018 opening primarily due to key workforce shortage issues, which is plaguing many employers. This tight labor market could pressure wages to increase further and/or result in more automation as employers struggle to find employees with the right skill.
sets/education levels at wage rates that are sustainable and competitive in global market. While the average annual wage for all industries continues trending slightly higher from previous years, the cost of living, primarily due to rapidly rising housing costs, continues to out-pace wage growth. We expect to see improvement, as housing availability has increased due to significant construction projects of both single and multifamily housing, which will hopefully stabilize housing costs.

**Past Year Efforts to Improve Conditions**

1. Business Retention & Expansion Program: Through this on-going program, Upstate contacts existing Weld employers to identify companies with expansion plans/concerns and offer/explain various assistance available to them, including the EZ. In 2018 we had contact with 44 employers of which 28 were doing business within the EZ. Twenty (45%) had projects/needs that received in-depth assistance and five had expansion projects. All received EZ program information, as warranted.

2. Business Attraction Program: In 2018, Upstate staff worked with 64 company leads 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, 24(38%) became qualified prospects, 2 announced location plans and several continue to be active prospects in 2019. 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 to assist companies and their lending partners meet company financial needs. As of 12/2018 we are servicing 11 active loans (the majority located within the EZ) totaling about $2.2 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 2018. 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. 2018 EZ certification records show that 177 Weld companies collectively invested approximately $422.9 million, created 291 new jobs, retained 9,519 jobs and earned approximately $9.3 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 materials are available electronically from our web site and in hard copy form.

5. EZ Contribution Projects: We continued to provide administrative/marketing assistance to 14 approved contribution projects who provide services that help meet our EZ development goals.
to improve conditions within the distress EZ areas. Assistance includes compliance with all state applications/reporting, local contributor questions, certification form completion, etc. Projects help improve zone conditions via marketing the opportunities of locating within the EZ, labor force development, enhanced tourism, providing business support services, further development of public facilities, homeless assistance, etc. In 2018, we certified 1,791 contributions totaling $2.3 million to these 14 approved projects. Contributors collectively earned $586,321 in state income tax credits.

Winning Story:
Vestas employees roughly 2,000+ employees in three Weld County manufacturing facilities located in the EZ in Windsor & Brighton, making them one of our largest employers. As the renewable energy sector continues to mature resulting in a tightening price structure and federal tax credits that will sunset in 2020, the EZ has been a critical incentive in helping the Weld Vestas operations make the case that CO is a cost-effective location to manufacturer the blade and nacelle components, as compared to Vestas locations around the world. Historically, the EZ has helped company officials successfully compete within the corporate structure to win the latest technology (equipment) investments which helps keep the CO locations viable. This is becoming more difficult, as many Vestas locations around the world offer wage rates and business costs that are significantly lower than the US and CO making it a constant battle to keep manufacturing jobs here.

Objectives Report:
1. Support efforts that facilitate the creation of new primary sector jobs and employment opportunities, over the previous year: Through 2018 business retention/attraction program efforts described above; Upstate worked with seven new and existing companies that created or announced plans to create 405 new FT jobs. Five of these companies (see list below) were located or planned to locate within the EZ, creating 325 (80%) of the new jobs announced by companies Upstate worked with. All new employment opportunities, including jobs outside of the zone boundaries benefit EZ residents by offering increased employment opportunities. These new employment opportunities positively impact the unemployment rate within the zone and throughout the county.
   - Vestas Blades (Windsor) – wind turbine blade manufacturing – 100 new/991 retained jobs/$27 million invested
   - Rimrock Energy Gas Plant (Nunn) – gas processing/distribution – 20 new jobs/$110 million invested
   - Owen-Illinois (Windsor) – glass bottle manufacturer – 208 retained/$3.7 million invested
   - URSA Mayor Tech (Berthoud & Frederick) – small rocket engine mfg.– 15 retained/5 new jobs/$2 million invested
   - Vestas Nacelles (Brighton) wind turbine nacelle manufacturing – 235 retained/200 new/n/a 2.

2. Support efforts that facilitate new business investment, over the previous year, to realize a diverse and growing tax base: Through 2018 business retention/attraction program efforts described above; the seven new and existing companies that Upstate worked with invested, or announced plans to invest, a total of $166.7 million into the Weld economy. The new investment of the five projects (see #1 above) located within the EZ boundaries totaled $142.7 million (85%) 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 growing a strong, diversified tax base.

3. Support economic development & business assistance programs: a) Financial Assistance - through administration of the Weld/Larimer Revolving Loan Fund and the Greeley Community Development Fund, Upstate reviewed several company finance projects, but was not able to
qualify a new loan in 2018. We continue to service 11 active business loans with a balance of $2.1 million. Increased program marketing with the financial community, SBDC and community partners, etc. will be completed in 2019.

4. Support tourism events, facilities and attractions that increase s/u tax revenue, assessed valuation and/or business permits, etc., over the previous year: a) Tourism Events – Two non-profit community partner organizations and EZ Contribution Projects (Greeley Downtown Development & Greeley Philharmonic Orchestra) hosted numerous events in the downtown Greeley area (17 Friday Fests, Blarney on the Block, First Friday Art Walk, Bike to Work Day, Monster Day, Multicultural Festival, Trick-or-Treat Street, Holiday Open House, 9 Philharmonic Concerts, etc.) that attracted thousands of people supporting a 23% s/u tax increase for this EZ area from 2016-17 (most current statistics available).

5. Support development of community amenities/facilities and workforce housing to enhance the business climate: a) Workforce Housing Development – the Greeley Area Habitat, an EZ Contribution project, has built seven new homes in the EZ in fiscal year 2017-18. They were sold at no profit and financed through a zero-interest loan to help working families get into affordable homes, which helps to stabilize the workforce. b) Homeless Assistance – the new Cold Weather Shelter/Housing Navigation Center became fully operational to help meet the needs of the homeless community in 2018. They joined the Greeley Transitional House, A Woman’s Place, and Guadalupe Center in providing thousands of nights of shelter and temporary/emergency housing. All are EZ Contribution Projects. They also provide numerous services including job training support to help the homeless get in a position for successful employment.

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

1. Support efforts that facilitate the creation/retention of primary sector jobs and new employment opportunities.

2. Support efforts that facilitate business investment to maintain and grow a diverse tax base.

3. Support economic development/business assistance programs to help businesses prosper/grow. (i.e.: financing/loan funds, job training/labor force development, advocacy/counseling, incubators, etc.).

4. Support tourism events, facilities/attractions to increase s/u tax revenue, assessed valuation, permits, etc.

5. Support development of community amenities/facilities and workforce housing to enhance the business climate. (i.e.: downtown revitalization, homeless facilities/assistance, infrastructure, event centers, recreation, etc.).