



2019 ENTERPRISE ZONE ANNUAL NARATIVE REPORT

Table on Content:

South Metro Annual EZ Report	1-6
East Central Annual EZ Report	7-11
Larimer County EZ Annual Report	12-21
Adams County EZ Annual Report	22-24
San Luis Valley EZ Annual Report	25-31
Southwest EZ Annual Report	32-37
Weld County EZ Annual Report	37-40
Mesa County EZ Annual Report	41-46
Central Colorado EZ Annual Report	47-50
Denver EZ Annual Report	51-58
Pueblo County EZ Annual Report	59-61
Jefferson County EZ Annual Report	62-68
North Metro EZ Annual Report	69-71
Northwest EZ Annual Report	72-75
Pikes Peak EZ Annual Report	76-80
Region 10 EZ Annual Report	81-85
Southeast EZ Annual Report	86-91
South Central EZ Annual Report	92-96

2019 SOUTH METRO ENTERPRISE ZONE REPORT

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 2019, the number of businesses claiming tax credits through the Enterprise Zone numbered 96. These businesses reported a net increase of 34 (FTE) jobs in the Zone. The level of investment in the Zone decreased 5.1% to \$114.7 million. The average full-time salaries in the zone increased 6.5% to \$49,061.

Throughout 2019, 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 2019, 264 contributions for the Craig Hospital Foundation were processed with cash donations totaling \$1,010,726, with no in-kind contributions. Thirty-eight (38) certifications for the Habitat for Humanity Sheridan Square Development were processed with cash donations totaling \$198,686, with no in-kind contributions.

2019 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 2018 and 2019 Enterprise Zone certification forms, reflect the economic condition in the South Metro Enterprise Zone:

	2018	2019
Number of businesses filing Zone tax credits:	99	96
Number of jobs created in the Zone:	204	93
Health Insurance Tax Credit:	\$23,750	\$26,920
Number of Employees Trained:	2,249	2,200
Job Training Tax Credit:	\$398,834	\$322,593
Average Annual Compensation:		
Full Time	\$46,077	\$49,061
Part Time	\$14,207	\$14,620
Temporary	\$2,853	\$29,470
Contractual	\$109,984	\$42,304

Analysis of Capital Investment:

Rehab Expenses:	\$120,420	\$166,025
Rehab Tax Credit:	\$30,105	\$41,506
Investment Tax Credit Claimed:	\$952,506	\$985,007
ITC Capital Investment:	\$ 31,750,177	\$32,833,419
Total Capital Investment in the Zone:	\$120,852,043	\$114,716,177
R&D Expenditures:	\$1,870,404	\$4,232,868
R&D Tax Credit:	\$56,113	\$2,348,872

2019 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. Englewood developed a Business Resource Guide, which contains information about the various resources to support economic development activities including the benefits of the South Metro Enterprise Zone. Englewood also launched a series of promotional videos. Promoting the benefits of the Enterprise Zone 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. Finally, the City of Englewood sends all newly licensed businesses information about the South Metro Enterprise Zone.

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 2019.

Goal #1: Aggregate job expansion for Enterprise Zone beneficiaries to exceed 25 net new jobs over the previous year's total. During 2019, the number of businesses claiming tax credits through the Enterprise Zone numbered 96. These businesses reported a net increase of 34 (FTE) jobs in the Zone. Average full-time salaries in the zone increased 6.5% to \$49,061. 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 decreased 5.1% percent to \$114.7 million. This goal was not 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 2019:
 - Sheridan sales and use tax receipts increased 8% in 2019 over 2018.
 - Gross Sales Tax Revenue for 2019: \$4,117,461 2018: \$3,725,332
 - River Point saw a 2.9% increase in PIF sales in 2019 over 2018
- Englewood sales and use tax receipts increased 4.24% in 2019 over 2018.
 - Retail sales tax increased 5.49% in 2019 as compared to 2018.
 - Use tax (excluding building use tax) decreased 6.42% in 2019 as compared to 2018.

- Littleton reported the following information for 2019:
 - Retail Sales Tax: \$29,865,789
 - General Use Tax: \$1,863,348
 - Vehicle Sales Tax \$2,560,669
 - Building Use Tax: \$1,647,340
 - Issued 155 new business licenses

- Town of Parker reported the following information for 2019:
 - Gross Sales Tax \$43,500,000
 - Building Use Tax \$ 4,992,174
 - Issued 839 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:

In December 2019, Craig Hospital Foundation was approved for an Enterprise Zone Tax Credit under the Operations: Visitor Event/Attraction category where the primary Economic Development Goal is to retain and strengthen the existing business and employment base in Englewood.

Craig Hospital is the best rehabilitation center in the U.S. for spinal cord injury (SCI) and brain injury (BI) patients with over 50% of our patient population arriving to our Englewood facility from outside of Colorado to seek our expertise. Craig seeks to be the best in the world in patient outcomes. Enterprise Zone qualifying gifts help fund 1) Craig's research efforts to pursue more effective medical interventions and restorative solutions for those living with SCI and BI; 2) state-of-the-art facilities and equipment; 3) Patient Assistance to help patients and families with the cost of medical equipment or supplies, caregiver support, transportation services, and emergency assistance; and 4) our unique Culture of Care programs such as:

- The School Program
- Therapeutic Recreation
- Community Reintegration
- Assistive Tech Lab
- The PEAK Center
- Neurologic Music Therapy

These researched-based programs directly shape the trajectory of our patients' futures, sparking hope, opportunity, and empowerment in the lives of those affected by SCI and/or BI.

Craig Hospital's objective is to attract anyone living with a SCI or BI across the globe to seek our high-quality expertise, so as to gainfully achieve better long-term health outcomes and independence. In 2019, patients sought out Craig for rehabilitation and recovery from nearly three-quarters of the nation, not including Colorado.

With Craig's large and growing employee and patient base, consumer spending in and around Englewood and Arapahoe County is steady and rising. Furthermore, the Craig's Leadership have begun work on a five-year plan for the future of Craig and its patients and their families. This plan

will address future facility needs, patient services, and hospital programming which will allow Craig to serve more patients and positively impact job growth. Craig's tourism goals are:

- Maintain a minimum of 51 apartments or other leased living spaces on or around Craig's campus for long term visitors (30+ days) and 34 apartments or other leased living spaces on or around Craig's campus for short term visitors staying in the Enterprise Zone. (within 1/4 mile of Craig Hospital)
- Increase the number of apartments available in the Enterprise Zone for long term visitors by 10% and 26% for short term visitors over the next 5 years by either building additional units on campus or collaborating with a local developer to provide living units within Englewood.
- Quantify local economic impacts by tracking total number of visitors and length of stay in the Enterprise Zone. This will be conducted once every 3 years through an economic impact study to assess visitor impact on the local economy i.e. local transportation and restaurants.

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 boasts 63 energy-efficient homes and a brand new park for all Sheridan residents. The homes have taken the collective work of more than 40,000 volunteers to build and are providing stable and affordable housing for approximately 130 adults and 225 children. Sheridan Square will forever transform the City of Sheridan. Its 63 new homes have added 6% more owner-occupied housing units to the city, creating long-term and stable homeownership within this community. Habitat home buyers at Sheridan Square earn 35-80% of the Area Median Income and have qualified for an affordable home loan through Habitat for Humanity. Additionally, the community park is 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. For three years the construction site bustled with volunteers, construction staff, and partner families. 39 triplex units and 24 duplex units equaling 63 homes have been constructed. 62 families have moved in while the last remaining unit anticipates closing in mid-2020. Sheridan residents have been enjoying the new community park since its completion in June 2019.

Habitat Metro Denver is financed through limited government grants; earned income from mortgages and ReStores; and donations. The South Metro Enterprise Zone program helped encourage donation revenues to build Sheridan Square.

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 2019:

- Commercial Additions: \$ 277,008
- New Commercial Construction: \$ 1,291,592
- Commercial Remodel: \$ 664,411

City of Sheridan

The City of Sheridan reported the following activity for 2019:

- Additions: 2 permits / \$554,693
- New Construction: 5 Permits / \$3,726,629
- Tenant Improvement: 20 Permits / \$5,725,804
- Tenant Finish: 5 Permits / \$759,023

Town of Parker

The Town of Parker reported the following activity for 2019:

- New Commercial Construction 32 permits/\$62,886,971
- Commercial Remodel 874 permits/\$43,342,846

City of Englewood

Economic Development

Englewood's economic development efforts are 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 shifted funding and the staff work program toward attracting additional employers to the community. Elements of the economic development program include:

South Metro Enterprise Zone - The enterprise zone encompasses all of Englewood and the benefits of a business locating within the zone are integral to Englewood's economic development program.

Primary Employer Incentives - This program rebates use taxes or permit fees associated with the build-out of space to accommodate primary employers.

Business Initiation Grant - The Business Initiation Grant enables start-up businesses to receive a "leg-up" at the most critical time for the business.

Business Acceleration Grant - The Business Acceleration Grant enables businesses that have been established in Englewood at least two years to receive grant funding to expand or improve their operations.

Englewood Focused Business Training Programs - Englewood partners 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 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 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.

Englewood Medical Office Building – Construction is underway for a 105,000 square foot, 5-story medical office building, with ground floor retail at 500 East Hampden. The project is under construction after a 6-month planning phase and will take 18 months to construct.

Swedish Medical Center is investing in its existing facilities by adding new surgical centers and training facilities in Englewood. Swedish is proposing adding a new patient tower at their existing location. This project involves a substantial capital investment and will create an estimated 100 net new jobs.

Vacant K-Mart – A 190,000 square foot facility is underway with a remodel and re-tenanting for a new retail center, anchored with a national fitness tenant. This formerly vacant ‘big box retail’ building will be modernized and reconfigured to meet the changing demands of retail tenants by offering more marketable spaces.

Commercial Building Permits

	2018	2019
Additions	2 Permits / \$349,000	3 Permits / \$985,000
New	7 Permits / \$34,933,000	4 Permits / \$25,700,000
Remodel	100 Permits / \$27,348,259	68 Permits / \$26,793,000

Success Story

When Andrea Caroline was looking for her new location it was important that she found a location in one of the State’s enterprise zone. Andrea and her mother started Sweet Caroline Confections and found their perfect location on South Broadway in Englewood, Colorado (South Metro Enterprise Zone). This mother/daughter duo have created a business that sells gourmet / designer lollypops to buyers from around the world.

About: <https://sweetcarolineconfections.com/pages/about-us>

2019 EAST CENTRAL ENTERPRISE ZONE ANNUAL REPORT

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, Kit Carson and Cheyenne counties is within the zone. A boundary amendment was submitted and approved in 2019, which allowed all of Cheyenne County back into 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.

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, 2018 (latest available) population estimate for the region was 40,820, an increase of 711 persons from the year before. Of that increase, Elbert County had 624 new residents in their area. Elbert County consistently sees 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. Colorado's Central Plains experienced growth in each of the four counties and in eleven municipalities. Two of fifteen municipalities experienced population decrease and two had no change in population. In all, we gained more than we lost which is important in our region. 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 entities which has not changed. Local government and schools are still the largest employers. Much of the population is over age 65 in this region. Colorado has touted a low unemployment rate of 2.6% for October and November 2019 to a projected decline to 2.5% in December. The unemployment rate for each of our four counties ranged from 1.4 to 2.1% in December 2019 which may cause concerns for employers needing to hire staff.

Wind energy is evident throughout the whole region now, but wind farm development should end in 2021 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 2019 with limited exploration/ drilling activities in all four counties. There has been little change in the farming industry as they 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 (2019)

Repair work continued into 2019 and into 2020 for many residents from the 2018 multiple hailstorms. As weather is always a factor in farming and ranching operations, which are the mainstays in rural Colorado, we will wait to see what spring and summer weather brings.

Wind farms dot the landscape and the horizon with their massive towers and corresponding transmission lines. Construction of the towers across Cheyenne, Kit Carson, and Lincoln counties continues into 2021. The 2019 EZ Investment Tax Credits for the East Central Region demonstrate the growth in renewable energy with \$27,075,993 credits claimed.

Downtown main streets storefronts have been filled in a little however vacancies remain throughout the area. Online retail keeps growing, more small businesses struggle to adapt to the constantly increasing number of online shoppers. Considering entertainment like scavenger hunts, escape rooms, breweries and tasting rooms are on the minds of some local business owners to attract tourists to the towns along Interstate 70, Highways 24, 40, 86 and 287.

Broadband demands have not been met yet but we are seeing options through new companies. Agriculture and business needs for faster and more reliable connectivity speeds are in high demand.

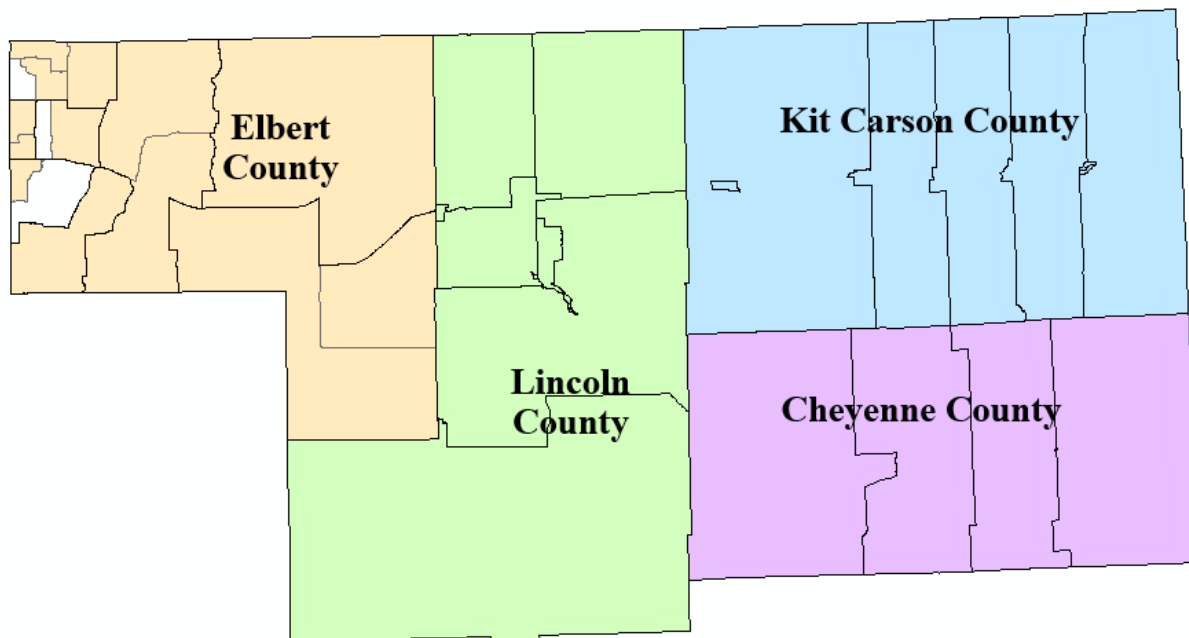
Western Elbert County has been blessed with booming housing development sites in the past two years and more are planned. Business development continues to grow in Elbert County near Walmart. Using the county's newly approved Economic Development Overlay process businesses are able to cut through the red tape much faster and be approved to operate sooner.

Heritage Tourism efforts implemented in 2019 that attract travelers off the major transportation corridors throughout the region were made. Adding 11 geocaching sites to the Our Journey Heritage Tourism museums was completed in 2019. A new digital storytelling app was used to increase tourism through our communities and will be expanded in 2020. Our contracted public relations professional markets our tourism locations to Denver and Colorado Springs residents annually. We need these tourism dollars to help sustain our communities and businesses. Each dollar turns multiple times as payments are received for hotel rooms, food purchases, souvenirs, and entertainment.

Our philosophy of creating jobs from within or "growing our own" is still our best mantra. It can be harder to attract a new business with new employees from a larger city to a small rural community based on many factors. Living at a slower pace with fewer amenities for those coming from a large city can be a challenge. 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.

In 2019, the helium production facility near Cheyenne Wells was purchased by a new company. We are excited to see what this could mean to the area and if it might create jobs in Cheyenne County.

East Central Enterprise Zone Boundaries as of May 16, 2019



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. We also partner with the Small Business Development Center of Greeley for business counseling services to improve business ideas through business plan development and access to capital.

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 2018 objectives were:

1. Increase the number and value of the EZ certifications in 2019 over those of 2018.

The number of certifications in 2018 were steady at 320. In 2019, there were 357 businesses who claimed tax credits. Kit Carson County had an increase in certifications during 2018 to 2019 for a total number increase of 37 worth \$22,250,920. Lincoln and Elbert counties increased by one credit while Cheyenne County decreased 2. In 2018, East Central EZ had 320 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.

Two rehabilitation credits were certified in 2019; one for Elbert County and one for Lincoln County. ECEZ approved the amount of over \$35,000.

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

No new EZ Contribution Projects were added in East Central in 2019 but work was begun with four projects for consideration in 2020. Four projects went inactive or did not reapply prior to the end of 2019. Some projects did not meet the contribution criteria or felt it was time to consider a new project for a new application. With the new criteria for contributions, we have seen the total contribution dollars shrink in 2019 from \$108,652 to \$65,112 while the number of contributions decreased from 64 to 54 which may be attributed to fewer projects or projects with definitive end dates. Contribution projects are promoting themselves better in 2020 to maintain active status.

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 May 16, 2019.

ECCOG's new website was live in 2018 and has been well received. Prairie Development Corporation's site was live in 2019. Both websites provide information on the Enterprise Zone and tax credits. Work in 2019 between ECCOG and the contribution projects was handled mainly by phone calls and emails to promote contributions and marketing. ECCOG staff is working with four contribution projects of which two have never been a project and two are re-evaluating their new focus to make a new application. A new EZ brochure was printed and distributed in 2019 to explain the criteria and to help promote the zone and contribution projects. Distribution included electronic and paper means by both the contribution projects and by ECCOG. 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 2019, 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, June and the fall of 2019, over 350 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 2019, 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 2019. Candace Payne and/or Eileene Andrews participated in most of the state initiated EZ conference calls throughout all of 2019. 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 5-14 calls per month in regard 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.

Our boundary amendment to include all of Cheyenne County in the EZ was successful in May 2019 at the Economic Development Commission meeting. We publicized the boundary change immediately to municipalities, counties, board members, accountants, tax preparers and businesses to increase the awareness of the boundary amendment's approval.

Winning story:

In 2019, one rehabilitation project is turning a dilapidated motel into studio units to improve access to affordable housing. The owner made an investment in this old property near the main thoroughfare in town. The tax credit may have only been \$13,000 but to the community this will be a blessing that fills the housing needs in Lincoln County Colorado.

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 and DOLA.
2. Develop affordable workforce housing – Thru PDC's funds 12-agricultural workforce housing units were constructed in Stratton and available in 2019.
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.

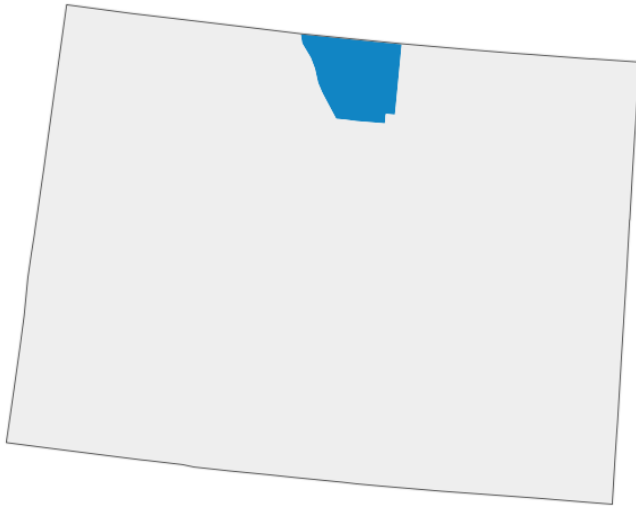
Objectives for Coming Year

East Central EZ chooses to renew these goals and objectives for 2020.

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.**
 - a. Annually share EZ brochures via email or mail to 20 new businesses in the region;
 - b. Attend at least two trainings/conferences that support these goals;
 - c. Annually partner with local banks to encourage business startup and expansion loans thru Prairie Development Corp loan funds;
 - d. Support the SBDC business counseling efforts in the region with \$5,000 annually and direct new businesses to their services
2. **Establish and/or grow regional tourism venues that attract visitors to patronize adjacent businesses.**
 - a. Conduct annual training for OJ museum staff on social media, event planning, Colorado Concierge course;
 - b. Hire a PR person annually to promote the region's heritage tourism;
 - c. Add two new tourism Contribution Projects in 2020;
 - d. Expand the digital storytelling tour across the region
3. **Develop infrastructure that expands multi-modal transportation, enhances commercial corridors, creates healthy communities and advances modern telecommunications networks.**
 - a. Attend three Transportation Planning Region meetings annually;
 - b. Partner with Foreign Trade Zone staff to attract business partnerships in the region using FTZ
4. **Improve/enhance job or career skills of workforce and assist businesses with obtaining qualified skilled/trained employees.**
 - a. Host two Sector Partnership meetings each year for healthcare and other local industries to diversify the careers and employment opportunity;
 - b. Promote via email/mail to businesses the EZ tax credits available;
 - c. Add three new Contribution Projects in 2020 related to healthcare
5. **Improve housing inventory focusing on affordability and safety.**
 - a. Continue housing loan programs thru Prairie Development Corp;
 - b. Reach out to each local bank annually to partner on housing loans and promote EZ tax credits;
 - c. Work with county and municipal staff to put property back on tax rolls and fill with residents;
 - d. Work with realtors and developers to build homes in the region

2019 LARIMER COUNTY ENTERPRISE ZONE ANNUAL REPORT

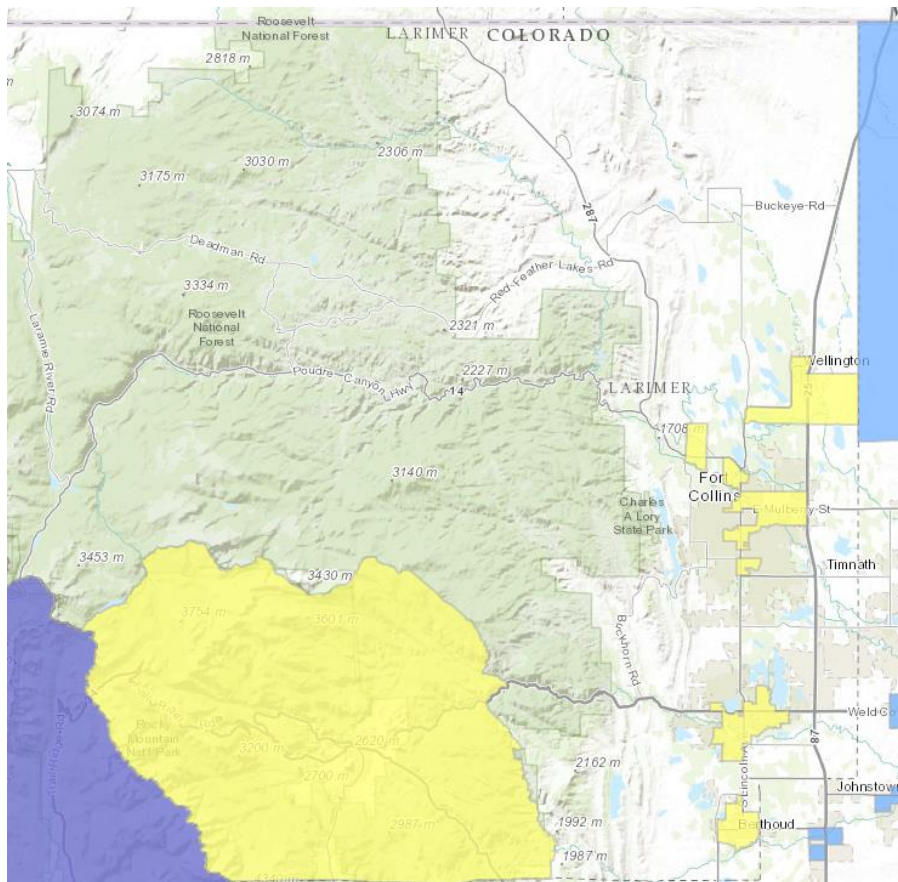
Overview



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.



A

detailed

interactive map of the Enterprise Zone can be accessed on the web at:

In 1993 the Larimer County Enterprise Zone was established in four separate geographies within the County. The establishment of the Enterprise Zones was based on the original criteria set forth 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. There have been no boundary changes or requests since 2015.

Past Year Observations and Data:

Population

356,604 2019 Population 6.2% of State	10% Population Growth for the Last 5 Years State Growth 8%
Jobs (2019)	188,291
Average Earnings (2018)	\$59,251
Unemployed (2018)	4,243
Completions (2018)	7,962
GRP (2018)	\$19.59B
Exports (2018)	\$20.39B
Imports (2018)	\$19.96B

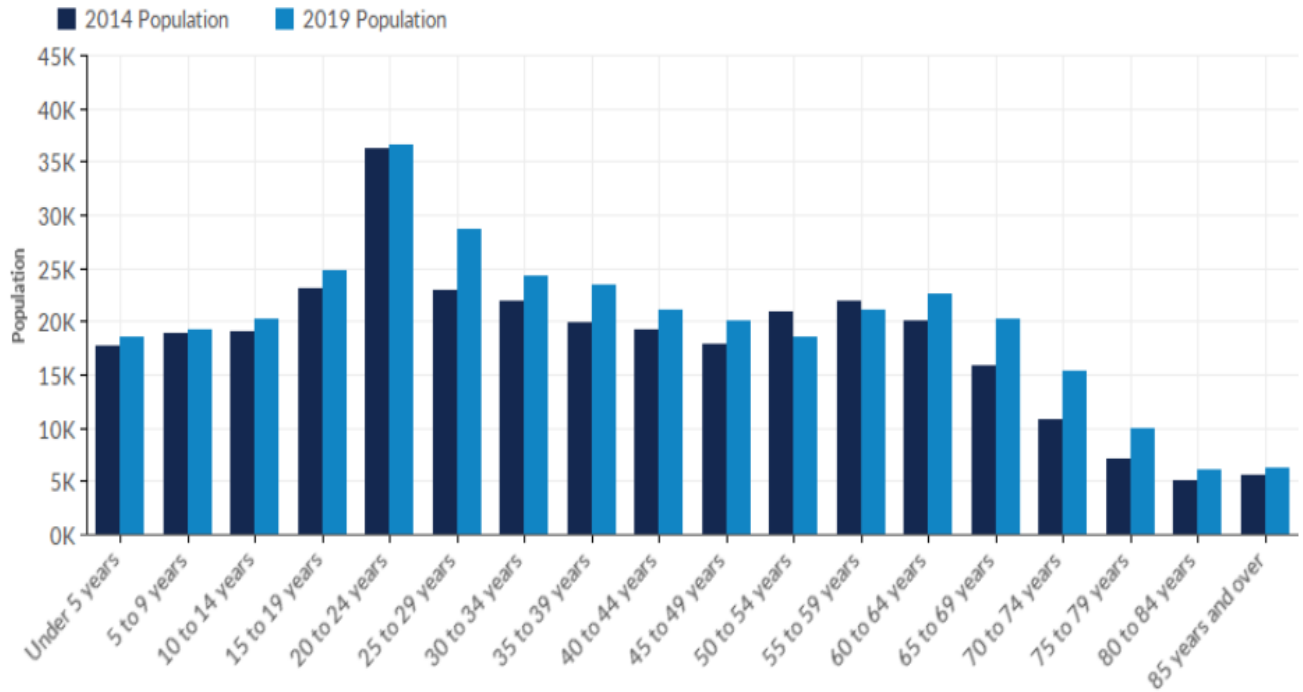
Emsi. Q1 2020 Data set. EconomicModeling.com

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%, nearly three percentage points above the state growth rate. The 2019 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

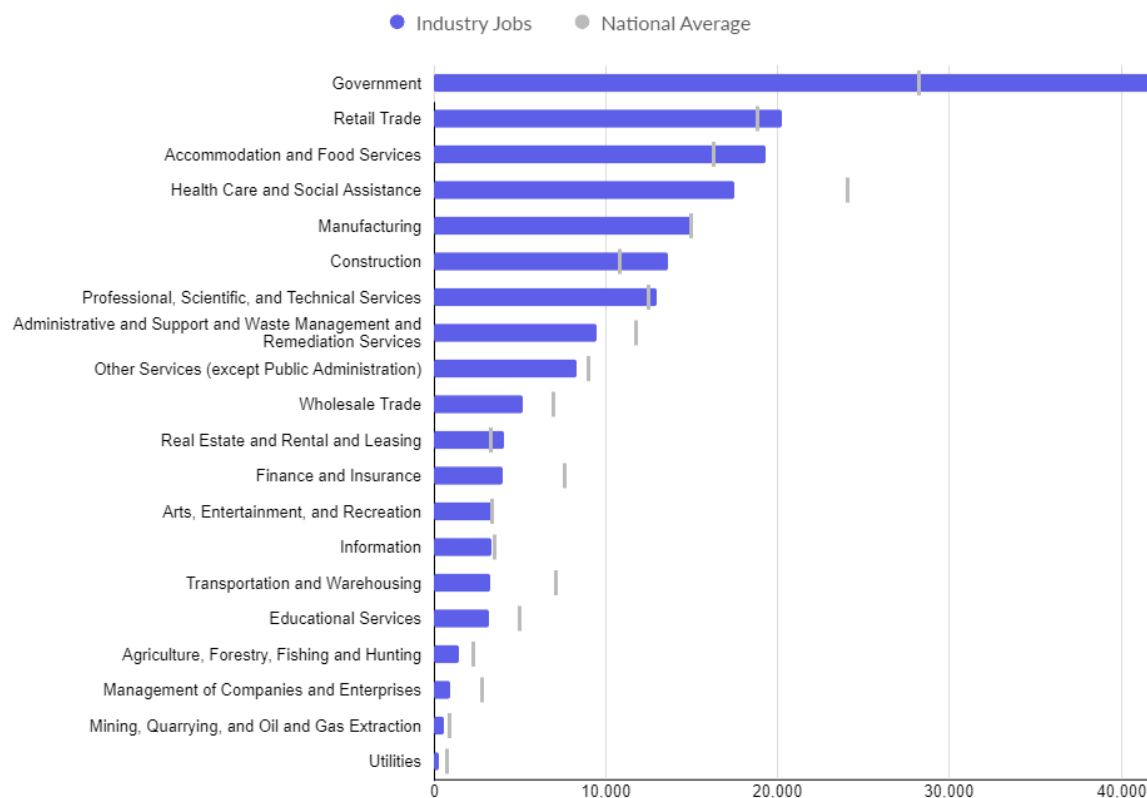


Emsi. Q1 2020 Data set. EconomicModeling.com

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 fall into government, retail trade, and food service industries.

Industry Summary for 21 industries:

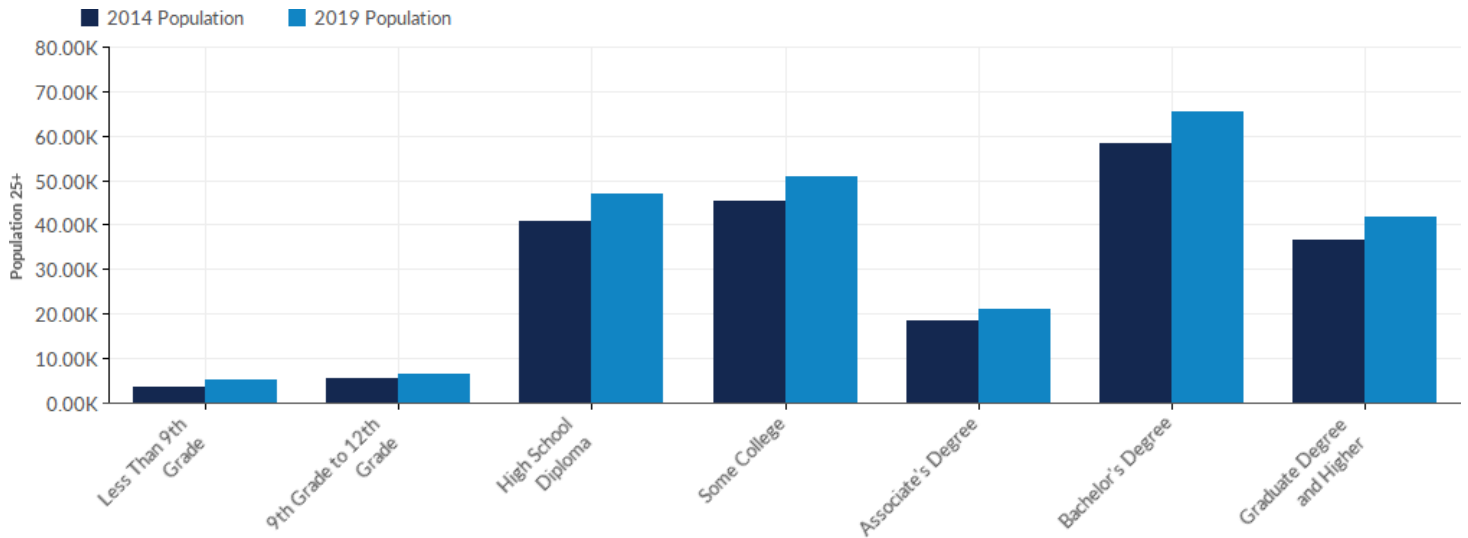
188,291 Jobs (2019)	1% % Change (2018-2019) Nation: 1%	\$59,251 Avg. Earnings Per Job (2019) Nation: \$67,979
--------------------------------------	--	--



Emsi. Q1 2020 Data set. EconomicModeling.com

For a county that has 46% of its population with a bachelor's degree or more, there are much fewer jobs that require that level of educational attainment. This type of mismatch is an indicator of underemployment and demonstrates a significant segment of the county's labor force is under-utilized.

Educational Attainment by Level



Education Level	Jobs Requiring Ed. Level	Population at Ed. Level	Difference
No Formal Education Required	20%	5%	15%
High School Diploma or Equivalent	40%	20%	20%
Some College, Non-Degree Award	7%	21%	-14%
Associate's Degree	2%	9%	-6%
Bachelor's Degree	26%	28%	-2%
Graduate Degree and Higher	5%	18%	-12%

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

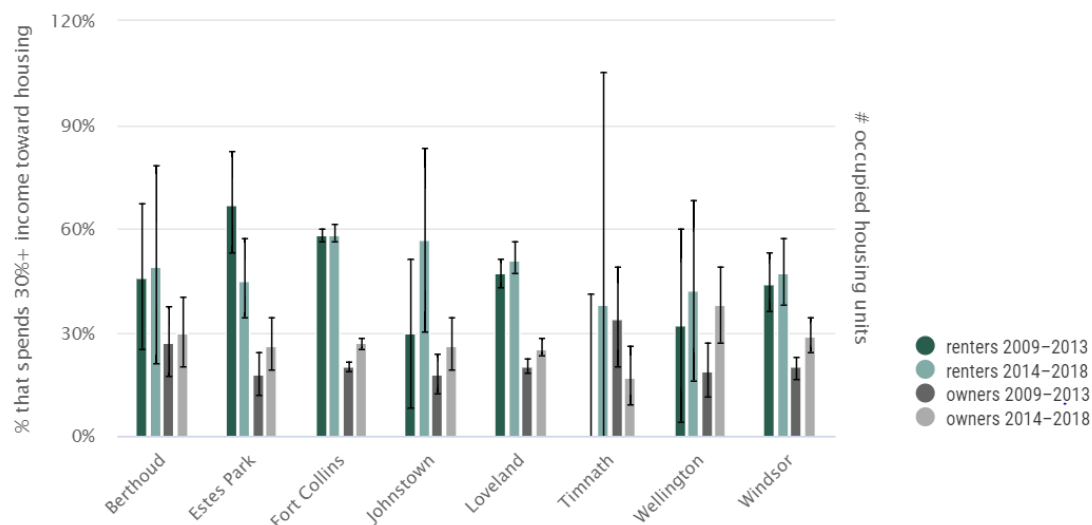
The occupations and earnings data reveal even more about Larimer County, and indicate an opportunity to help create more high paying jobs in the county- which is a primary goal of the Enterprise Zone program in Larimer County.

The average earnings in Larimer County are \$59,251, lagging the US average, but relatively strong compared to markets harder hit by the most recent recession and subsequent recovery. For the past three years, the Larimer County Enterprise Zone has created and worked toward goals to engage and grow the Manufacturing, Health Care, and Construction/Skilled Trades industries within the zone. Over the past three years the Manufacturing industry has increased the number of jobs within the Enterprise Zone by over 13%, the Health Care industry has added over 17% more jobs, and Construction/Skilled Trades have added 18% more jobs. These three industries combine to average \$75,232 per job per year. These positions offer residents a livable wage and present increasing opportunities to enter the workplace with a growing workforce.

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.

Percent of Households That Spend 30%+ of Income on Housing, Larimer Cities & Towns

Source: U.S. Census Bureau ACS, 5-year data, B25106, 2013 & 2018



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. We again refer to our goals to continue to grow these industries.

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 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 Economic and Workforce Development 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 development programs continue to indicate that there are still many residents in Larimer County that are in need of change and upward mobility.

A new partnership has been entered with our regional economic development partners. The Northern Colorado Regional Economic Development Initiative (NoCo REDI) represents a network of economic development organizations working to coordinate regional economic development efforts. We recognize that economic benefits in one community benefit all due to the interconnected nature of the regional economy. Working together allows for greater impact in the region- “We are one economy”. The objective of this collaboration is to increase the region’s economic resilience and improve the business ecosystem.

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 2020 to host a seminar on best practices and marketing the Enterprise Zone program. Two of the five Enterprise Zone goals in 2020 are tied to the creation and maintenance of successful contribution projects serving our identified key industries and our working poor.

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 2019 was \$67,979. It was \$59,251 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 12,011 establishments in Larimer County, up from 11,798 in 2018. This represents a net increase of 213 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 188,291 people. Among this labor force, 2.2% 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 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. Larimer County Enterprise Zone will support the Manufacturing, Health Care, Construction/Skilled trades, and other key industries identified by NoCo REDI by retaining and creating at least 50 net new jobs within the Enterprise Zone..
2. Identify, support, and/or encourage development of three contribution projects who provide Manufacturing, Health Care, and/or Construction/Skilled Trades and other key industries workforce training. Notes: Workforce training can be identified as industry recognized credentials, skill gains, and/or work-based learning opportunities.
3. Identify the economic needs of the homeless, unemployed, and underemployed within the EZ and support and/or encourage the development of three contribution projects that will utilize education/training to meet those needs.
4. Provide training and seminars to 50 individual businesses within the EZ that address alleviating access to talent and the recruitment of workforce as a systemic barrier to workforce development

**Appendix A: TIP Strategies, Talent
2.0**

**Appendix B: Workforce Development
Board Dashboard, Version 2.**

Appendix C: EconomicModeling.com

2019 Adams County Enterprise Zone Annual Report

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 an economic development agency whose mission is to be the business-centric hub in Adams County for economic growth, advocacy, and partnerships while promoting investments in our community. 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 collaboration programs, which has resulted in positive, measurable increases within the Enterprise Zone over time.

Past year Efforts to Improve Conditions

In 2019, ACED created a website promoting the Enterprise Zone program information and current legislative requirements. This website is linked to the State of Colorado Website and based on the ACED webpage, www.adamscountyed.com. ACED continued its efforts in educating the public about the program through direct outreach and marketing. Beyond individual meetings with businesses and local governments, ACED began developing a collaborative business outreach group to promote the Enterprise zone with. ACED still works with businesses learning about the electronic filing system, the calls and individuals seeking assistance for first time electronic filing are decreasing but still relevant.

Adams County approved approximately 1,077 pre-certifications in 2019. We attribute this drop in precertification's to multiple changes in our administration for the Enterprise Zone in the last twelve months.

Business Friendly Audits:

In 2019, 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, this has resulted in multiple small businesses being able to claim the appropriate credits, as well as resolving errors before approval.

Contribution Projects:

There are 12 contribution projects ACED is managing currently. One of the current contribution projects is Job Readiness Program through Growing Home. This program provides life skills and training through a two year program to assist individuals in being ready to re-enter the workforce with soft and hard skills. ACED actively verifies that projects were conducting approved contribution activity.

Information and Outreach:

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:

As the Adams County EZ Administrator, ACED serves as a county and statewide resource for Enterprise Zone questions, address verifications and certifications. In 2019, ACED received many inquiries for EZ information via phone and e-mail. Adams County inquiries were handled appropriately and inquiries about other counties and regions were directed to the appropriate administrator in the state. 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 daily and provide ACED with the platform to reach each one of them in a condensed timeframe. This allows us to more deeply penetrate the business community in our local municipalities. Currently ACED partners with nine municipalities, and multiple private sector business to provide Enterprise Zone information and materials to the Adams County business community.

Objectives Report:

Adams County's 2019 Goals

1. Attract Businesses to the County
2. Retain and grow existing business
3. Increase capital investment / infrastructure investment
4. Increase training programs / opportunities for workforce development
5. Create more contribution projects that help decrease the homeless population/ benefit the low income community by providing support services including assistance with job training and affordable housing

Report on performance against your EZ specific objectives.

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

1. ACED had 11 certifications from businesses with 2018 and beyond beginning dates for the 2019 year, we consider these certifications to be a conservative count of business attracted to the Enterprise Zone.
2. ACED continued its outreach initiatives to reach the business community through innovative and regional business retention practices. 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.
3. Between 2018 and 2019 there was an increase of 1.9 million dollars in invested capital claimed on Enterprise Zone certifications, and an increase of 1.02 million dollars in qualified capital investments made in the Enterprise Zone in Adams County.
4. This goal was not tracked through changes in administration of the EZ.

5. ACED is currently working with multiple local business to find eligible and outstanding projects to use to increase the number of contribution projects.

ACED's goals were met, even with administrative changes.

Objectives for Coming Year

1. Increase job training programs to up-skill workers and increase employment opportunity
Sub Goal: Improve/enhance job or career skills of workforce and assist businesses with obtaining qualified, skilled/trained employees. Increasing workforce alignment with job training programs, addressing critical industry needs.
2. Attract and retain contribution projects that help decrease the homeless population/benefit the low income community by providing support services including assistance with job training and affordable housing.
3. Support community amenity and facility development: Healthcare, tourism, culture arts, and outdoor recreation.
4. Attract, retain and grow Adams County businesses, encouraging and supporting entrepreneurial opportunities, job expansion and creation, and increasing economic access with global markets.
5. 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 Adams County.

SAN LUIS VALLEY 2019 ENTERPRISE ZONE ANNUAL REPORT

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. 8,200 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.

2019 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. Unemployment in the Valley continues to trend above the state average of 2.6%, with the exception of Mineral County. Rates for 2018 ranged from 2.4% in Mineral County, the region's least populous, to 3.7% in Rio Grande 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.

Critical to the viability of agriculture as the major economic contributor to the Valley's regional economy is the use of surface and ground water for irrigation. Potatoes and barley, particularly, rely upon groundwater irrigation from the Valley's 6,000 high capacity wells, which tap underground aquifers. The aquifers depend on recharge from a natural system, as well as leakage from ditches and canals located throughout the Valley. However, drought conditions in the last decade have reduced the recharge that occurs with natural runoff, and have reduced the diversions from the Rio Grande that provides additional recharge. Drought, coupled with increased groundwater use, has led to a decline in levels of the aquifers, a condition that will only worsen unless total consumption of groundwater is reduced.

The Colorado Division of Water Resources has promulgated new Rules Governing the Withdrawal of Ground Water in Water Division No. 3. Groundwater such that withdrawals from non-exempt wells can only occur if injurious depletions caused by the withdrawal are remedied and the aquifers are sustainable. One way to remedy those depletions is to participate in a recognized special improvement district (or sub-district) with a state- and court-approved groundwater management plan. Well owners outside of a sub-district will have to obtain an augmentation plan if it is determined their wells are responsible for depletions from area streams and rivers - otherwise the wells will have to be shut off.

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.

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.

2019 Efforts to Improve Conditions

Contribution Projects: San Luis Valley (SLV) projects that did not expire in 2018 were asked to re-apply for EZ Contribution Project status in 2019. The local strategy was to have all projects approved under the new guidelines in 2019.

The number of active EZ contribution projects went from an excess of 30 projects to 17 by year-end. Several projects expired and chose not to renew, some projects had been inactive for a long time, some desire to re-apply, but have not yet compiled needed items which leaves us with 17 active, engaged, outcome-oriented projects.

The SLV EZ showed strong steady support of active projects in 2019 for the remaining 17 projects. Staff conducts regular follow-up contact with active projects to encourage and assist with marketing and strategic utilization of contribution project status. Staff is proactive in addressing inquiries for new EZ contribution project status with an eye on focused outcomes that meet the economic support and development needs of the Valley while meeting 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. Outreach continues with the SLV Chapter of the Society of CPA's and presentations to several local civic groups.

Continued regular contact with EZ Contribution Projects have been held as noted in the preceding section.

SLVDRG/Region 8 has cultivated an outreach strategy less singular to the executive director, by broadening impact of empowering staff to represent the economic development efforts within their own specialties, disciplines and personal contacts. The organization has become the local SBDC sponsor, incorporating the activities of the SBDC into the diverse portfolio of services of the organization. Two VISTA's have been added to the organization with specific responsibilities within their Volunteer Activity Description, but will also work in coordinating a strategy and maximizes the synergies both internally within SLVDRG and our cooperating partnerships.

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/City of Alamosa
- 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
- San Luis Valley Transit Council

Objectives:

1. *Increased use of Enterprise Zone Tax Credits by businesses and agricultural producers as measured by the number of credits received.* 509 records were processed, up from 412 in 2018, which indicated increased awareness and usage of Enterprise Zone Tax Credit program. The region registered a net gain of 27 employees reported through the Enterprise Zone down significantly from 142 the previous year. On the upside nearly 300 employees benefited from the job training credits. The total of all Investment applying for credits were down significantly at \$93,974,860 from a 2018 total of \$144,487,376. Investment tax credits were correspondently down from \$3.4 million in 2018 to not quite \$2 million in 2019.

2. *The number of Contributions received in 2019 was down slightly compared to 2018, but flat compared to 2017. Projects received contributions totaling \$1,979,655. The process and guideline enhancements recommended by the State of Colorado Economic Development Commission that the SLVDRG is pushing for increased targeted investment within Enterprise Zone Contribution Projects with specific outcomes. These outcomes are monitored on an annual basis by maintaining contact with project administrators and annual reviews to determine progress towards goals, make adjustments and monitor progress.*

*Projects that do not have a minimum of three donors or \$5,000 in contributions are encouraged to meet with the EZ Contribution Project Administrator directly to re-direct energies for the upcoming year. If projects do not make adjustments and contributions do not meet minimum standards set by the State, the project may not be approved for the next calendar year. Active Contribution Projects with **donations** are shown below:*

<u>Project Name</u>	<u>Number of Contributions</u>	<u>Amount Contributed</u>
Adams State University Job Training	7	\$ 29,250
Alamosa County Revitalization--Expired	33	\$ 20,250
Alamosa Downtown Revitalization	7	\$ 3,000
Alamosa Senior Center	19	\$ 8,237
Astronaut Rominger Airport—Expired	4	\$ 5,000
Creede Repertory Theatre	129	\$184,877
Habitat Homes, Naranjo Subdivision	34	\$ 8,825
La Puente Home Homeless Services	374	\$729,877
Living Wisdom Village	11	\$ 16,708
Mineral County Health--Expired	9	\$ 13,250
Monte Vista Revitalization	2	\$ 1,177
Region 8 Economic Development of the SLV	2	\$ 2,000
Rio Grande Hospital	119	\$611,308
SLV Food & Farm Incubator	35	\$180,251
SLV Great Outdoors	6	\$ 15,029
SLV Health Cancer Treatment Center	199	\$122,483
SLV Housing Coalition—Expired	37	\$ 16,678
SLV SBDC	12	\$ 8,080
Society Hall	7	\$ 3,125
Tu Casa Domestic Violence—Expired	1	\$ 250
	1,047 records	\$1,979,655 (Includes In-Kind)

Enterprise Zone Contribution Project Success Story:
San Luis Valley Health opens cancer center



ALAMOSA — Over three years of fundraising efforts lead to the completion of San Luis Valley Health's cancer center, which opened to the public yesterday evening. The 5,000 square-foot expansion allows for 10 patients, up from four, to be treated simultaneously.

The ribbon-cutting reception focused on the themes of gratefulness and community. City of Alamosa Mayor Ty Coleman, the first guest speaker, thanked the staff of SLV Health and mentioned the importance of the facility.

"Due to the expansion of this cancer center," Coleman said, "people who live in the San Luis Valley now will have a wonderful place to come for treatment and not have to worry about travelling over a dangerous pass in the cold winter months."

SLV Health Foundation Board President Sheila Hicks is familiar with that trip.

"I have a personal vested interest in seeing this cancer center come to fruition because in 2007 I was diagnosed with breast cancer," said Hicks. "I travelled back and forth from Denver for many months. It's a blessing to see this come here. It really is."



Surrounded by San Luis Valley Health CEO Konnie Martin, SLV Health Foundation Board President Sheila Hicks, former Friday Health Plans CEO Cindy Palmer and nurse Ruth McWhirter, Dr. Penny Cooper cuts the ribbon to the hospital's new cancer center.

By moving the oncology department at Stuart Avenue to the hospital, the \$2.8 million center does hematology and infusion as well all under one roof. Dr. Penny Cooper, who was hired as their first full-time oncologist in 2014, oversees the treatment. Last year SLV Health served 1,341 cancer patients. The facility has infusion chairs equipped with tablets and televisions, a conference center, break room and space for friends and family to visit patients. Exam rooms are equipped with interactive displays to help patients visually understand their medical care.



A new, state-of-the-art infusion chair sits in the center awaiting patients. Next to each is a chair for caregivers that was donated by the Holder family.

Kelly Gurule, director of the foundation, thanked the donors for making it possible.

"We truly are a community cancer center," she said. "All donations, big or small, we're needed to complete this center. People throughout the state say the Valley is one of the poorest areas in the state. I disagree. Look at what we did! Look at how blessed we are!"

She spoke of how kids made and sold cotton candy at SummerFest on the Rio, donating the proceeds to the foundation. Gurule also recognized the accomplishments of the Boys and Girls Club of the San Luis Valley for fundraising with an art show and Adams State University's athletics.

Special thanks went to the Holder family, who raised over \$9,000 for the center in memory of the late Larry Holder. Last year the family hosted a golf tournament that \$16,000 for the foundation.

Additionally, each treatment chair has a caregiver chair for moral support that was donated by the family.

Gurule ended her speech by thanking former Friday Health Plans CEO Cindy Palmer, who donated \$1 million to the cancer center in June.

"It came from the people of the San Luis Valley, so it was only fitting that we put that money back into this community," said Palmer. "I can't say how much it means to us that we were able to contribute to this worthwhile cause."



A painted pink rock sits on a path of engraved bricks that leads to the cancer center. Bricks can be purchased from the hospital and the visitors are encouraged to take the rocks to spread their message.

SLV Health CEO Konnie Martin closed the remarks by saying a blessing and thanking the hospital's board of trustees, leadership team and other individuals.

"To each and every one of you who made whatever kind of donation you could make, I hope you have a special kind of ownership and pride in what you see today," Martin said. "It is collectively ours. We as a community own San Luis Valley Health and we own this cancer center. It is an incredibly prideful moment."

3. *Continue a minimum of 18 educational visits to discuss and promote the Enterprise Zone and its benefits to businesses and nonprofit projects.* We have been very successful providing education to CPA's and many organizations including the Upper Rio Grande Economic Development, SLV Council of Governments, Town of La Jara, SLV Community Action Agency, Town of Saguache, Town of Moffat, Town of Creede, Town of South Fork, Town of Del Norte, Town of Crestone, City of Alamosa, City of Monte Vista, Alamosa County Economic Development Corporation, Costilla County Economic Development Corporation, Saguache Chamber of Commerce, Baca Homeowners Association, Valley Community Fund, Alamosa Rotary, Kiwanis, and Optimist Clubs. SLVDRG will join an aggressive outreach in cooperation with the SLV SBDC,

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

The SLVDRG Enterprise Zone also considers the following 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:

- Cultivate and support a vibrant, trained local workforce
- Engage activities that retain, grow and recruit companies building a business friendly environment.
- Communicate a stronger San Luis Valley brand including of historical, cultural and recreational assets.
- Improve and expand community amenities and facilities
- Promote the expansion of public infrastructure and services.
- **Expanded definitions:**
 - Build an 18 community transit network in the six county region
 - Lead engagement in the SLV on mobility (air and ground)
 - Encourage a valley-wide lending network
 - Develop small business infrastructure
 - Improve engagement of entrepreneurs
 - Target under 40 entrepreneurs
 - Provide technical assistance for communities on housing needs
 - Seek opportunities for public/private partnerships
 - Better capitalize on ag and value-added ag opportunity
 - Increase leadership engagement
 - Create a new narrative way from poverty
 - Cultivate a "Valley Vision", (quality of life intent)

2019 SOUTHWEST ENTERPRISE ZONE ANNUAL REPORT

Overview

The Southwest Enterprise Zone is administered by the Region 9 Economic Development District of Southwest Colorado Inc. (Region 9) and covers the same five county service area as 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 loan fund of \$6M; 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 area is known for its scenic beauty, diverse landscapes, cultural resources, National Parks and Monuments, as well as its entrepreneurial spirit and business support. Tourism and outdoor recreation are the number one industry in the region with us having such well-known attractions as Mesa Verde National Park, Chimney Rock National Monument, Purgatory Ski area, and the Durango & Silverton Narrow Gauge Railroad. 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. The declining energy industry is looking to be somewhat offset by the resurgence in timber, due to some large contracts on National Forest land to improve forest health and fire mitigation. 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 inconsistent in with the number of tax credits, investments 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.

	Region 9		
	Tax	\$	Jobs
	Credits	Invested	Created
2011	\$ 673,131	\$ 22,501,542	268
2012	\$ 1,648,586	\$ 76,642,252	505
2013	\$ 4,199,768	\$ 183,347,978	(21)
2014	\$ 1,238,773	\$ 46,244,938	461
2015	\$ 2,699,282	\$ 66,073,593	89
2016	\$ 1,321,904	\$ 146,678,225	488
2017	\$ 618,920	\$ 12,568,831	140
2018	\$ 1,111,662	\$ 31,102,433	100
2019	\$ 1,185,896	\$ 34,402,991	(28)

Region-wide, in 2019 there were 30 designated Enterprise Zone Contribution Projects (4 newly designated and three renewing and two that ended). These Projects generated about **\$4.14 million** in economic activity through direct and in-kind contributions. This is comparable to 28 Projects in 2018 at \$2.8 million; 28 Projects in 2017 at \$3.3 million, and 30 Projects with \$3.7 million in economic activity in 2016.

County	Population Requirement	2013 - 2018 Pop. Growth	2018 Unemp.Rate	2018 PCI	EZ Qualify
Archuleta	Yes	No	No	Yes	Yes
Dolores	Yes	Yes	No	Yes	Yes

In the Southwest Enterprise Zone, three counties, Dolores, Montezuma and San Juan meet the EZ economic distress criteria on a

La Plata	Yes	No	No	No	No
Montezuma	Yes	No	Yes	Yes	Yes
San Juan	Yes	No	No	No	No
Data Source	DoLA	DoLA	CDLE-LMI	BEA	*

county level. In the 2016 redistricting, La Plata and Archuleta census tracts were 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.

Past year Efforts to Improve Conditions

Specific EZ activities included:

- Met with 13 organizations interested in applying as EZ Contribution Projects.
- Four new projects approved and three renewed with new goals. Region 9 distributes press on each new EZ Project.
- Provided EZ Annual Report and county specific EZ data to all Region 9's government jurisdictions.
- 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.
- Tracked EZ inquiries which totaled 456 in 2019 (previous year was 216). One of our goals was to increase the number of inquiries.
- Cited EZ information in Region 9 brochure and other materials, as well as in monthly updates distributed to our Board of Directors, funders and governments.
- Continually updated the Enterprise Zone Contribution Project email tree and provided information as necessary. This includes forms, deadlines, tips, 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 homeless policies and maps of eligible areas.
- Made seven EZ related presentations, including two Enterprise Zone project trainings (one with United Way agencies) and two in Enhanced counties. One of our organizational EZ goals was to conduct at least five presentations.
- Completed EZ Program rack card – 2019 goal. Also provided rack card to all EZ projects so they can highlight their individual projects on the back side for marketing purposes.
- Sent letter about EZ tax credits to all area accountants that were not in our salesforce system.
- Sent information about EZ tax credits to all Region 9 loan clients.
- Contacted the eligible top 20 employers in each county to make sure they knew about EZ tax credits.

Winning Story

Our **EZ program success stories** are around homelessness which is a priority throughout the State. First, Aspen House is a new EZ Contribution Project located in the Enhanced County of Archuleta/Pagosa Springs. Aspen House is an infrastructure project with the goal to build and open a home for adults with developmental disabilities, the first such facility in the county. In its 2nd year as a Project, the land has been secured and the campaign to build the home is underway.

Another homeless program located in Montezuma/Cortez has successfully constructed a “wet” shelter for homeless. The Bridge Emergency Shelter provides nightly shelter, even for those with alcohol or drug issues, to give them a safe place out of freezing temperatures. This Project also provides day laborer opportunities for residents. Neither of these projects would be possible without the EZ Contribution Status.

Objectives Report

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. We have worked to include them in our EZ goals for 2020.

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 456 in 2019, a huge increase over 216 in 2018 and 108 in 2017.**

	Region 9			
2019	# Businesses Filing	Tax Credits	\$ Invested	Jobs Created
Archuleta	49	\$ 93,963	\$ 1,756,585	23
Dolores	19	\$ 171,448	\$ 5,714,855	8
La Plata	22	\$ 141,820	\$ 4,399,164	-56
Montezuma	128	\$ 778,451	\$ 22,525,254	-3
San Juan	1	\$ 214	\$ 7,134	0
Total	219	\$ 1,185,896	\$ 34,402,991	-28

Year	# Participating Businesses	% change from 2005	% change from Previous
2005	228		
2009	232	2%	
2010	247	8%	6%
2011	249	9%	1%
2012	419	84%	68%
2013	297	30%	-29%
2014	286	25%	-4%
2015	270	18%	-6%
2016	295	29%	9%
2017	227	-0.4%	-23%
2018	200	-12%	-12%
2019	219	-4%	-4%

Objective #2 - Increase the number of businesses that participate in the EZ in each county using 2005 as a base year (228 participating businesses). We finally saw an increase over the previous year numbers and will continue to provide outreach.

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

	Archuleta	Dolores	La Plata	Montezuma	San Juan
2009 (base yr.) 36 Businesses	<u>5</u>	<u>1</u>	<u>18</u>	<u>11</u>	<u>1</u>
2010 -13 55 Businesses	<u>10</u>	<u>3</u>	<u>25</u>	<u>16</u>	<u>1</u>
2014-17 41 businesses	<u>8</u>	<u>7</u>	<u>14</u>	<u>10</u>	<u>2</u>
2018 8 businesses	<u>2</u>	<u>1</u>	<u>2</u>	<u>2</u>	<u>1</u>
2019 10 businesses	<u>3</u>	<u>0</u>	<u>2</u>	<u>5</u>	<u>0</u>

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. There is also at least a 2-year lag of when we notify a business about tax credits to when they actually show up as utilizing the credits.

Though Region 9 is fielding an increasing number of enterprise zone related inquiries, we cannot tie those numbers to our direct outreach to our own clients. It appears that even businesses that we can help pre-certify do not have tax credits each year.

Objectives for Coming Year

Our Enterprise Zone has had numerous internal program goals that we have provided in past reports but moving forward those goals have been included in our new 2020 regional EZ goals below.

1. Build the capacities of organizations that are directly cultivating entrepreneurship through the creation of jobs, business supports and economic development activities. - Our rural region has a strong entrepreneurial ecosystem including the SW Small Business Development Center, and the Southwest Colorado Accelerator Program for Entrepreneurs - both that are EZ Contribution Projects. Region 9 supports “business support” infrastructure because job creation rather than job recruitment has been more successful in our region. We track the number of jobs created through SBDC, SCAPE, EZ businesses, and our own regional loan program and make sure all these businesses are aware of EZ tax credits. **Our measurable goal is to double the number of businesses (from 10 to 20) in which we directly work with through our loan program and partner organizations (SCAPE & SBDC) to claim tax credits (measured by looking at the annual EZ certification list).**

2. Ensure that southwest Colorado has the physical infrastructure and job training needed to plan for, compete, and meet economic challenges and workforce needs. – More than half of our 30 EZ Contribution projects focus on job creation and physical infrastructure. Region 9 will outreach all nonprofits that are looking at capital campaigns to see if they might be appropriate EZ projects. As the

job training guidelines are updated, we will look at possible projects around job training that might be a fit. **Our measurable objective is to recruit two more EZ Contribution Projects that focus on job training or infrastructure in 2020.**

3. Meet the diverse Housing needs (affordable and workforce) in the five counties of Southwest Colorado. Eight of our Contribution projects focus on housing programs and service covers all five counties. With the newly adopted EZ policies around homelessness and job training, **our measurable objective is that a Region 9 staff person will serve on a regional housing Board to stay involved and figure out ways to make an impact.**

4. Support and assist key industry sectors in southwest Colorado that bring in new money to strengthen the local economy (agriculture, tourism & healthcare). We have two new EZ Projects that work with the local food movement, three rural healthcare facilities and two visitor attraction Contribution projects that fit this goal. Keeping our healthcare facilities viable is a high priority in our rural region, especially with the number of uninsurable and aging population that results in a higher than average Medicare population. We have four health related projects and **our measurable objective will be to outreach our regional clinics, medical providers and related businesses through a direct marketing effort about EZ tax credits.** Region 9 will also seek to increase the number of our key industry sector businesses (ag, tourism, and healthcare) over the previous year. **Our measurable objectives will be to a) increase the total number of participating businesses, in each county, particularly in our enhanced counties of Archuleta, Dolores and San Juan over this year and b) Make sure our eligible top 20 employers know about EZ credits.**

5. Facilitate the creation, enhancement or expansion of community amenities or attractions which make southwest Colorado an attractive place to live and visit. With the updated EZ policies we have outreached our tourist attractions about their possible fit as EZ Contribution Projects. We currently have two projects that are visitor attractions. **Our measurable goal will be to provide an Enterprise Zone information session in each county.**

2019 WELD ENTERPRISE ZONE ANNUAL REPORT

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 developed 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 locations, significant residential growth, all 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 2019 annual, unadjusted Weld unemployment rate was 3.7%, down from 3.9% in 2018 (*source: BLS*). The 2018 Weld County per capita personal income was \$46,172 up from \$44,173 in 2017(*source: BEA*). And, the Weld County nine-year population growth rate was 27.3% from 2010 (254,230) to 2019 (323,637), which is the most current reported (*source: CO Demography Office*).

In 2019, the overall Weld economy continued to see modest growth at least partially due to our robust energy sector. With oil prices remaining relatively strong, drilling continued at a slower pace, but total production values remained consistent with 2018 activity. However, with the new state oil/gas regulations in place, we saw a significant decline in requested drilling permits in 2019, which indicates a fossil energy slowdown in the future. With the surety of the federal production tax credit, the renewable side of the energy sector continued to show strong growth. However, Vestas who employs over 2,000 in Weld, has concerns with the long-term cost viability of manufacturing wind turbine components in the state, as compared to foreign locations, primarily due to a very tight labor market, higher wages, etc. History has repeatedly shown that both sides of the energy sector can be extremely volatile, which remains an underlying concern and need for continued industry diversification. The large J M Smucker food processing facility became operational in late 2019, further diversifying and strengthening our manufacturing sector. Several key existing employers also completed expansions/ equipment retooling projects in 2019 to remain competitive. With the legalization of agriculture hemp, we've seen increased crop production and several CBD processing operations have opened. Hopefully

this new crop opportunity will be sustainable to further strengthen/diversify our ag sector. Our health care sector saw additional job growth with the new UC Health hospital opening. But there is significant concern/uncertainty with the proposed new state health care regulations. A tight labor market continues to plague many employers and 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 the global market. While the average annual wage for all industries continues trending slightly higher from previous years, the cost of living, primarily due to housing costs, continues to out-pace wage growth. We've seen an increase in housing availability as new single/multifamily construction projects are at, or near completion, which will hopefully stabilize housing costs in the future.

Past Year Efforts to Improve Conditions

1. Business Retention & Expansion Program: Through this on-going program, Upstate and community partners contact existing Weld employers to identify companies with expansion plans/concerns and offer/explain various assistance, including the EZ, to encourage their growth in Weld. In 2019 we had contact with 43 employers of which 38 were doing business within the EZ. Fourteen (33%) had projects/needs that received in-depth assistance and five had expansion projects. An email outreach campaign was also completed to 188 businesses resulting in a 24.5% open rate. All outreach activity included information on various assistance programs/services, including the EZ.

2. Business Attraction Program: In 2019, Upstate staff worked with 48 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, 21 (44%) became qualified prospects, 3 announced location plans and one continues to be an active prospect in 2020. Upstate marketed the benefits of doing business in Weld to numerous national site consultants via co-hosting the Metro Denver ED Site Selection Conference and Domestic Market Visit along with attendance at the National Industrial Asset Managers Conference and Site Selectors Guild.

3. EZ Marketing: Through marketing efforts tied to our Business Retention/Expansion and Attraction programs, plus independent EZ marketing activities, we roughly estimate that EZ benefits were marketed to representatives of over 300 companies in 2019 to encourage their location or expansion/retention. This activity ranged from questions regarding how to calculate a specific credit(s), response to new lead/prospect inquiries, personal EZ meetings with key existing employers, EZ program review with area realtors marketing properties within the EZ and local ED community partners who are meeting with companies, etc. In many cases labor, real estate, demographic, finance, etc. information was also provided. The 2019 EZ certification records show that 175 Weld companies collectively invested approximately \$1.75 billion, created 273 new jobs, retained 9,673 jobs and earned approximately \$13.9 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, incentive information, data about communities and opportunities throughout Weld. Detailed EZ information/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. In 2019 there were 6,689 website users, 1,109 property search views and 568 EZ page views.

b). Educational Publications: We distribute a variety of marketing/educational materials that 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 informational emails to local business and municipalities.

4. EZ Contribution Projects: We continued to provide administrative assistance to 12 approved contribution projects who provide services that help meet our EZ development goals to improve conditions within the distressed EZ areas. Projects help improve zone conditions via marketing the business opportunities of locating within the EZ, labor force development, enhanced tourism, providing business support services, further development of public facilities, homeless assistance, etc. In 2019, we certified 1,583 contributions totaling roughly \$2.2 million to these approved projects. Contributors collectively earned and estimated \$540,406 in state income tax credits.

Winning Story:

System's Undercover is a small mechanical insulation contractor and product fabricator. In 2016 they employed 12 and had outgrown their leased Greeley facility. They found the old vacant, former Western Sugar building within the EZ boundaries in Eaton. This old building, which required significant rehabilitation to be usable, met their needs because it was affordably priced and the company was able to cost-effectively complete most of the improvements themselves. The Building Rehab credit provided significant assistance in keeping the rehab costs affordable, which resulted in an affordable lease/purchase price. We provided a working capital loan through the Weld/Larimer Revolving Loan Fund which also helped put the company in a financial position to exercise the purchase option, which they began early 2020. The company has created 23 new jobs and currently employ 35.

Objectives Report:

1. Support efforts that facilitate & result in the creation of new primary sector jobs and employment opportunities in the EZ, over the previous year: Through 2019 business retention/attribution program efforts described above; Upstate provided in-depth assistance to eight new and existing companies that created or announced plans to create 583 new FT jobs. All these companies (see below) were located or planned to locate within the EZ. New employment opportunities, including jobs outside of the EZ, benefit EZ residents by offering increased employment opportunities, which positively impact the unemployment rate and help provide a variety of workforce opportunities for residents. *Goal Met*

- *Vestas Blades & Nacelles (Windsor/Brighton) – wind turbine blade & nacelle mfg – 127 new/2,319 retained jobs and \$189.1M announced investment over several years*
- *Vantage Hemp (Greeley) – CBD oil processing – 30 new jobs and \$21M investment*
- *Intersand Cat Litter (Windsor) – cat litter mfg – 36 new jobs and \$18.3M investment*
- *Motherload Provisions (Hudson) food/beverage co-packing – 45 retained/45 new jobs and \$6M investment*
- *Old School Industries (Dacono) microscope fixture/stand mfg – 41 retained/25 new jobs and \$600,000 investment*
- *Wells Concrete (Brighton/Weld) – concrete components mfg – 200 relocated/250 new jobs and \$45M investment over several years*
- *Basalite Concrete Products (Fort Lupton) – concrete product mfg – 60 relocated/25 new jobs and \$55.7M investment*
- *Rocky Mtn Midstream/DJ Lateral (Weld) – oil/gas pipeline expansion – 41 existing/25 new jobs and \$40M investment*

2. Support efforts that facilitate and result in new business investment in the EZ, over the previous year, to realize a diverse and growing tax base: Through business retention/attribution program efforts described above; the eight new and existing companies that Upstate worked with invested, or announced plans to invest, \$375.6M into the Weld economy. While all projects (see above) are located

within the EZ boundaries, it's important to note that all new investment, including that occurring outside of the zone, benefits Weld residents by growing a strong, diversified tax base. Goal Met.

3. Support economic development & business assistance programs that help business retain/grow jobs:

a) *Financial 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. Three loans totaling \$557,000 were successfully paid off in 2019. These three companies created/retained 44 FT jobs (33 jobs in the EZ). We continue servicing six active loans totaling \$2.2 million. These employers expect to create/retain 163 jobs. Goal Met.

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 organizations and EZ Contribution Projects (Greeley Downtown Development & Greeley Philharmonic Orchestra) hosted numerous events in the downtown Greeley EZ area (17 Friday Fests, Blarney on the Block, Monster Day, Multicultural Festival, Trick-or-Treat Street, Holiday Open House, 9 Philharmonic Concerts, etc.) that attracted thousands of people resulting in a 1.6 % s/u tax increase over 2018 tax collected for the downtown EZ area. Goal Met.

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 2018-19. 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. Goal Met.

b) *Homeless Assistance* – The Greeley Transitional House, Guadalupe Community Center/Shelter and the Weld Cold Weather Shelter/Housing Navigation Center provided over 10,000 nights of shelter and temporary/emergency housing to meet the needs of over 1,110 homeless persons in 2019. All are EZ Contribution Projects. They also provide numerous additional services including meals, employment and housing assistance, job training support, etc. which collectively helped a significant portion of this population remain or get employment. Goal Met.

Objectives for Coming Year

Below are Weld County EZ Development Goals that will be reported on in 2020, 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.).

2019 MESA COUNTY ENTREPRISE ZONE ANNUAL REPORT

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 historically very dependent on energy development (oil and gas). The recession which started in 2008 had a devastating and long-lasting impact on our county, with many critical industries coming to a near standstill, including construction and energy, two of the largest employers. Well permits in 2008 were 225, but in 2019 there were 5. Government agencies have been impacted by significantly reduced sales taxes. Schools lost students and had to lay off teachers. A mass exodus of workers (more than 10,000 jobs lost, and 24,000 individuals outmigrated) resulted in a huge backlog of bankruptcies and foreclosures. Social Services were maxed out with a 94% increase in food assistance requests and caseloads for work training and job assistance rose nearly 200%. Tourism tanked.

Even with growth since 2008, Mesa County is still significantly behind the eastern part of the state with regard to recovery. County sales and use tax revenue in 2008 was \$45,104,156; in 2019 it was \$38,529,478*, still lagging by \$6.5 million.

*Mesa County Reports: Sales and Use Tax

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. Retail and tourism jobs have grown, but many are part time and have a lower pay scale and limited or no benefits, leaving gaps in living wage potential for a large segment of the county.

Our workforce is aging as well. Per the Department of Local Affairs, Mesa County's population between 2018 and 2025 is projected to increase by more than 22% for age 65-74, 40% for residents 75-84 years old, and age 85 and over by 18%, which will continue to tax our medical services. Prime employment age residents (age 16-54) are only expected to grow by 12% or less in that same period, with age 55 to 64 residents – again, in a high employment range, expected to decrease by more than 10%.

Past year Observations and Data

R&D tax credits were up 324%, but all other business tax credits were down (jobs created/jobs tax credit down by 53%, overall investment tax credit down by 32%, health insurance down by 65%, and jobs training down 26%). I attribute these drops to the continued stagnation of our local economy/business growth in the Zone, and/or low/no business profits which leave no state tax liability to apply tax credits to. I believe the R&D increase is due to better marketing of the program, as well as an increase in manufacturing companies in the area due to it being one of the major areas of ED focus. Rehab credit (0 in 2019) has historically been low due to a glut of commercial buildings left behind when the energy sector collapsed. We expect it to take several years for that inventory to be depleted enough to encourage more rehab of older buildings.

Mesa County is actively working to bring in more higher-paying jobs in the manufacturing, technology and medical sectors. CMU, WCCC, and the WorkForce Center have added workforce training and education tracks in these areas to grow the trained workforce and retain those workers. However, Mesa County must still put significant focus on agriculture, retail, and tourism, because they are large segments of the existing business in the county, but don't provide as many full time, living wage jobs as other sectors. There are also still a number of energy industry service jobs due to existing producing wells and transport needs.

These metrics are based on certifications submitted for 2018 fiscal year taxes. 2019 certifications will not be filed until at least 2020, once the 2019 fiscal years are complete. I'm hopeful we'll begin to see improved economic conditions in those filings.

Contribution project results were very positive. Although we had the same overall number of projects in 2018 and 2019, certificates issued were up 51%. Cash donations were up 121%, and in-kind donations were up 209%. Part of that would relate to more capital campaigns, which historically generate more/larger donations since it's something the community can see happening, vs. an operations project that fewer "general public" see results from.

Past Year Efforts to Improve Conditions

Business Efforts in 2019

- Actively contacted 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 incorrect address, 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 advised that the Colorado Department of Revenue would be producing new FYI information to replace the outdated ones; it was year end before the documents were provided, so education about the new information was pushed into 2020.
- Responded to hundreds of e-mails and phone calls from tax advisors/business owners reviewing problems with pre-certifications or certifications which had been entered and needed revisions/clarifications

Contribution Projects

Submitted 7 projects for approval/all were approved. Four of the projects had previously been in the program but expired at the end of 2019. Three brand new project were approved. Two existing projects opted to drop at the end of 2019 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:

- Nearly 350 all project e-mails with updates or important information and individualized reports of prior month activity
- Nearly 1,000 e-mail conversations with specific project administrators regarding questions on specific donations or to make corrections to incorrect or incomplete certification applications

- Information regarding the Department of Revenue changes to in-kind donations
- Annual agreements between projects and Mesa County EZ
- One-on-One counseling/training as needed for new projects, new/replacement administrators, or to clarify the programs while staying in compliance for what their project/the program was approved to do

Opportunity Zone

I continue to receive questions regarding the Mesa County Opportunity Zone, which I refer to the Grand Junction Economic Partnership, the lead for Mesa County's OZ. I attended a local multi-county meeting with presentations by state, county, and local entities to keep abreast of the program to better serve my Zone.

Resources provided during 2019

- Processed 1,303 business pre-certifications
- Processed 357 business certifications
- Issued 6,585 contribution project certificates for \$9,396,655 in donations
- Responded to more than 1,300 e-mail from businesses or tax advisors requesting information
- Responded to hundreds of phone calls from businesses or tax advisors regarding the program
- Participated in 106 of 107 total peer reviews for state-wide contribution projects, the highest level of state EZ admins *(state fiscal year)
- Provided EZ policy and procedures and draft applications to several non-profits for help in determining if they would be eligible for Contribution Project status

Education and Presentations

- Use in-person meetings, e-mail, mailers, 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
- Three presentations to the Mesa County Commissioners regarding Enterprise Zone Contribution Project applications
- 2 full in-person meeting and one e-mail meeting with the Mesa County EZ Committee on EZ issues, update reports, and review of new EZ project applications; MCEZ Committee includes all Mesa County Economic Development Partners
- 12 presentations 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/Contribution Project:

All our Contribution Projects have served to improve the area's economic conditions. One in particular—Westsprings Hospital Expansion—has had a really significant impact. Mesa County has historically had a very high suicide rate. Westsprings is the only psychiatric hospital between Denver and Salt Lake City. This capital campaign project has increased the footprint 4-fold, and increased the bed capacity from 32 to 74, meaning more of our locals are able to get help locally, rather than being sent far away from families and support systems. The facility includes special care centers for children and adolescents. 50% of the patients come from Mesa County, and the balance from surrounding counties and eastern Utah, bringing in more visitors to our area, and helping to support other business, including retail, hospitality, tourism, and other medical facilities. In addition, the facility employs more than 400 individuals, most with higher-than-average wages and benefits, as well as giving a big boost to the local construction industries, with 85% of labor and materials purchased locally. An impact study by the Grand Junction Economic Partnership estimated the facility would create 125 new jobs in the first 5 years as well as bring in more than \$1.4 million in tax revenue. Total county economic impact is estimated at \$35 million.

Winning Story/Business:

Mesa County, including the Enterprise Zone, has been focusing on more jobs in the fields of technology, manufacturing and medical, along with other types of business, as these fields generally have higher rates of pay as well as full time work and benefits. Having Enterprise Zone tax credits available is a significant draw. In a population of approximately 150,000 total in the county, even a few jobs which would have no impact in a large front range urban area makes a big difference in our much more rural (but still classified as urban) area. We are seeing results from these efforts from the following “jobs created” tax credit:

- Bulldog Machine & Production (manufacturing) = 10.66 jobs created
- KAART Group (technology) = 18.2 jobs created
- Leitner-Poma of America (manufacturing) = 10 jobs created
- MMI Holdings, Inc. (medical) = 10.25 jobs created
- West Star Aviation (manufacturing and aeronautics/technology) = 18 jobs created

These 5 companies created nearly 70 full time jobs in the county last year. I believe each of them seriously considered the benefits of the EZ when making decisions to add jobs. KAART is also building a new building within the zone near the downtown area which will add even more jobs to the Zone.

Objectives Report

Mesa County's economic development goals in 2019 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

2019 efforts to meet specific trackable objectives:

Objective #1: Expand the number of Capital Campaign Contribution Projects by 2 through contacting potentially qualified programs and encouraging them to participate.

✓ **5 Capital Campaign Contribution Projects were approved in 2019.** Two of them were completely new, never-before-in-the-program, projects.

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 \$142,170 to \$280,144 from 2018 to 2019.**

Objective #3: Maintain or Increase the number of pre-certifications applied for through continued outreach and education to businesses and tax advisors.

☐ **Pre-certification went down less than 1%.**

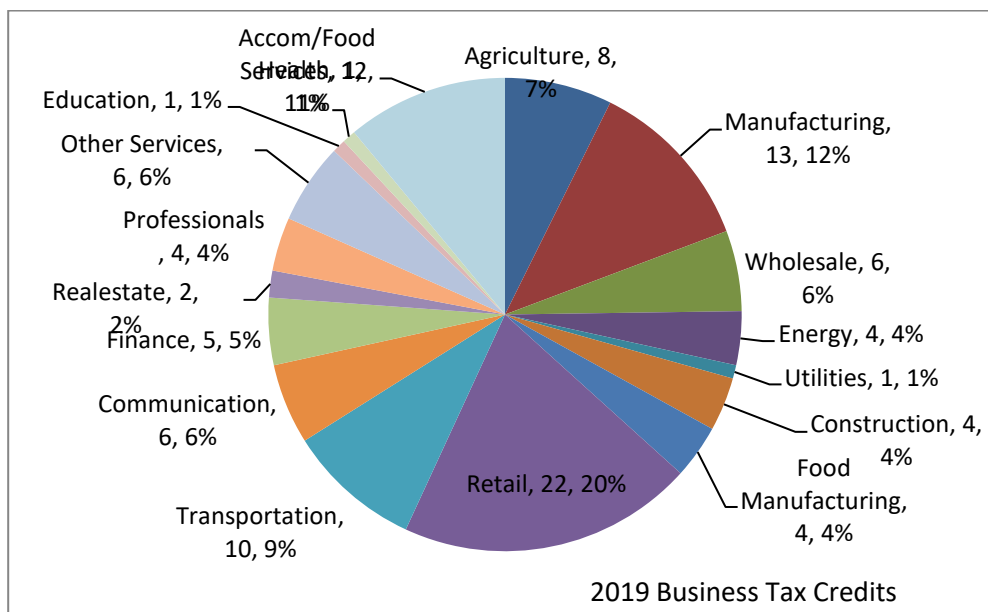
Objective #4: Add at least three new contribution projects.

✓ **Added 7 projects in 2019.**

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 2019**

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.**

2019 Annual Report: Central Colorado Enterprise Zone

Overview:

Central Colorado Enterprise Zone (CCEZ):

Beginning January 1, 2016 the Central Colorado Enterprise Zone (CCEZ) became composed of the upper Arkansas River Basin counties, plus Park County, 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. 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 (Cañon City, Florence, Penrose, Brookside, Coal Creek) and Park County (Fairplay, Hartzel, Alma).

Organization:

The CCEZ is administered by the Upper Arkansas Area Council of Governments (UAACOG) with program oversight and management provided by their subsidiary, the Upper Arkansas Area Development Corporation (UAADC). The UAADC Administrator serves as the Zone Administrator. Both entities are non-profit organizations and are governed by a board of directors consisting of community members and leaders from the participating counties. The UAADC Board of Directors serves as the EZ Advisory Committee.

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.

Historic common economic drivers are: seasonal outdoor tourism and recreation (winter and summer), residential and commercial construction, healthcare services, aggregate and rare-earth metals mining and exploration, 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.

Overall, the economic condition of the region has been trending in an upward direction for the better part of a decade. Throughout the region there has been development in various industries including but not limited to: new natural resource exploration, agriculture, information technology, biological technology and professional services. The entire region has been fortunate to experience growth in multiple industries which increases its economic resiliency when the inevitable economic recession occurs.

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 and more of a benefit); lack of availability of a skilled workforce; lack of availability of affordable housing; seasonality of business activity that precludes consistent cash flow that leads to marginal profitability; awareness of business support services; lack of broadband infrastructure; and reduced year-around employment opportunities. This leads to a low than average number of primary jobs available in the zone.

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. Pueblo Community College, Colorado Mountain College and private businesses have provided essential assistance with training the workforce. This includes providing the necessary infrastructure to support it in the form of affordable housing and high-speed 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 2019 but not enough to fill the gap in supply and demand. Private developers have begun to start affordable housing projects which is positive but brings its own set of challenges.

2018 Observations and Data (current unemployment and per capita income data to be provided by OED&IT Staff): Observations of trends and changes 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 2020 Development Objectives section below: see objective's measured and status of objectives narratives.

Per capita income data:

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 average 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. It is important to note that this also leads to a 30% lower cost of living compared to the front range.

The CCEZ county unemployment rates:

Some projections indicate that the region's unemployment rate may remain flat or decrease over the next 5 years. The 2018 DOLA Demography Annual Report, presented in October of 2019, indicates the region has a higher unemployment rate than the state's average of 2.8%.

2019 Efforts to Improve Conditions: A summary of 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 2019: The CCEZ has a balanced number and type of eligible projects, 18 as the Zone enters 2020. The Zone Administrator purged several projects from the program that were not meeting the minimum annual donation requirement in order to insure the program is being used effectively and appropriately. Eight (8) new Central Colorado Enterprise Zone Contribution projects were approved by the Economic Development Commission in 2019. Four (4) of them were rural hospital districts for Fremont, Chaffee, Lake and Custer counties. Hospitals are an essential service in order to continue economic growth of rural communities. The region has been experiencing an increased number of individuals moving from the front range. Coming from metropolitan areas, these new residents expect healthcare services to be available for their families. Additionally, the larger than average retirement community appreciates higher-quality healthcare. Two (2) workforce housing contribution projects were approved in 2019. The Chaffee County Habitat for Humanity has been a leader for creating affordable housing since 2000. They have built or rehabilitated more than 20 homes that are housing low-moderate income families. Summit Habitat for Humanity developed a project in Park County. They are building several duplexes intended to serve low-moderate income individuals and families. One (1) tourist attraction project was approved in 2019. The Cloud City Wheelers are a non-profit organization responsible for developing the outdoor recreation trail system in Lake County. Home of Leadville Colorado, Lake County is an outdoor recreation hotspot for winter and summer activities of all varieties. One (1) Homeless Support project was approved in 2019. Loaves and Fishes of Fremont County is the only full service homeless support organization in the community. They provide temporary and transitional housing to individual experiencing homelessness as well as employment and training services.

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 provides specific credit information from OED&IT and Department of Revenue guidance 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 credits most likely to be accessed.

CCEZ Informational Publications and Presentations: 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. The CCEZ plans, and is working, to update its 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 CPA's, Chamber's and EDC's by attending meetings, maintaining contact through the year and providing in-person assistance with each organization's publications and web sites containing updated written EZ tax credit information. In 2019 the CCEZ worked with the Climax-Freeport McMoRan Community Partnership Panel (Lake County), 'Cliffs Business District (Custer County), Chaffee County EDC, Lake County EDC, Custer EDC and Fremont EDC.

CCEZ 2018 (coming year) Development Objectives:

Improve per capita income: Among the 16 enterprise zones in Colorado, the Central Colorado 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 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. Recently, there has been significant progress made toward creating primary jobs in the Zone. Startups and relocating or expanding business have been moving to the area. A large biotech company is based out of Chaffee. The information Technology sector has been growing rapidly in Fremont and Chaffee which draws location-neutral worker with relatively high salaries. A Broken Hill-type formation of rare-earth metals has been discovered in Fremont. These types of deposits produce the highest quality and largest volume of natural resources used in manufacturing goods such as vehicles, batteries and computers. These are only some examples of the new employment opportunities being developed in the zone.

Improve the percentage of non-residential assessed valuation: The 4 ½ county zone has historically had a low percentage of non-residential assess valuation in comparison to most other Colorado rural counties. This metric has contributed to enhanced rural county designation for Lake, Custer, Park and Fremont counties 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 and quality of commercial buildings in the zone which is feasible if the zone has services and organizations to support new or relocating businesses. In Fremont County, the repurposing of the Fremont High School is a prime example of progress

being made on this objective. The property was purchased by a group of private business for the purpose of developing high-quality, class B office space. Another example of an increase in non-residential assessed valuation is Harrison Avenue in Leadville. There has been significant investment in commercial property including the creation of a co-working space and refurbishment of the Tabor Opera House.

Attract, retain, develop and support businesses and entrepreneurial ventures by fostering and encouraging investment in correlating infrastructure and services:

Some communities 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 in the zone. Establishing partnerships and impactful contributions projects with community service and infrastructure providers is the primary objective.

2019 DENVER ENTERPRISE ZONE ANNUAL NARRATIVE REPORT

OVERVIEW

Denver Economic Development & Opportunity (DEDO) coordinates planning and implementation of initiatives to lead an inclusive and innovative economy. Its mission is accomplished through three 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

Until mid-2019, DEDO also included the Housing Division which was established as a separate department known as Housing Stability or HOST. HOST remains a closely aligned agency with DEDO as stable housing is integral to DEDO's mission statement: Creating opportunities for everyone to make a home, get a job, and build a future. Thus, DEDO will continue to advocate on behalf of HOST and its goal to respond to changing housing needs of Denver's residents.

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 College View, East Colfax, Elyria-Swansea, Globeville, Montbello, Northeast Park Hill, Sun Valley, and Westwood as well as the newly identified Cole, Clayton, Villa Park, West Colfax and Valverde. All other designated EZ areas continue to receive focused program delivery as well.

In these neighborhoods, grants have been made to our nonprofit community partners to carry out the objectives outlined for Denver's EZ. Many of these same community partners are designated Enterprise Zone Contribution Projects and their activities greatly expand the capacity of DEDO's Workforce and Neighborhood programs. Additionally, DEDO's Business Impact Opportunity Fund (or BIO Fund) provided grants and customized technical assistance to eight businesses impacted by significant nearby construction and changing neighborhood conditions. DEDO's revolving loan fund program continues to provide low-cost loans to businesses in the target neighborhoods and a newly formed partnership with CEDS Finance will complement this program with \$400,000 in micro-loans to small businesses.

These programs are augmented and enriched by the tax credits provided by the State Enterprise Zone program which rewards the start-up and expansion needs of Denver businesses and offers a critical incentive in DEDO's continuum of business support services.

PAST YEAR OBSERVATIONS AND DATA

A comparison between 2017, 2018 and 2019 is provided below.

		Unemployment Rate	Per Capita Income	Population	Pop Growth Rate
2017	Enterprise Zone	4.40%	\$23,776	117,449	1.93%
	City & County of Denver	3%	\$37,825	699,791	2.14%
2018	Enterprise Zone	5.30%	\$24,920	119,645	1.87%
	City & County of Denver	3.50%	\$39,671	714,848	2.15%
2019	Enterprise Zone	5.60%	\$27,215	123,467	3.19%
	City & County of Denver	4.20%	\$43,962	730,600	2.20%

Table 1 Source: 2019 ESRI estimates

Comparison of Pre-certifications Between TYE 2018 and 2019

	Tax Year Ending 2018 as of 12/31/2018	Tax Year Ending 2019 as of 12/31/2019
Pre-Cert Appl - Approved	1,184	1,156
Pre-Cert Appl - Denied	140	67
	1,324	1,223
Percentage of Pre-Certified Businesses to all Businesses in the EZ	12.52%	11.57%
EZ Businesses	10,571	10,571

Table 2

As Table 2 above demonstrates, pre-certifications for TYE 2019 were only minimally lower than those for TYE 2018 and, as a percentage of all businesses in the EZ, declined slightly. One possible explanation may be that businesses did not anticipate a qualifying activity for 2019 and may not indicate necessarily a lack of awareness. DEDO conducted extensive outreach in 2019 and has planned additional outreach activities for 2020.

Comparison of Certifications Between TYE 2017 and 2018

	Tax Year Ending 2017	Tax Year Ending 2018
	as of 12/31/2018	as of 12/31/2019
NET Employees (AP)	608	640
Employee Change (AY)	743	453
# Biz took Training Tax Credit (Col V)	58	55
\$ Training Investment (Col W)	\$25,608,206	\$25,329,259
# Employees Trained (Col X)	6,784	6,736
\$ Capital Investment (Col R)	\$174,855,370	\$184,642,858
# of Cert Applications	293	315
Approved	288	315
Denied	5	0
	Tax Year Ending 2017	Tax Year Ending 2018
Certifications as a Percentage of Pre-Certifications	24%	28%
Pre-certs	1,184	1,143
Certs	288	315

Table 3

As Table 3 above demonstrates, certifications and nearly all tracked performance indicators were similar for TYE 2018 compared to TYE 2017. The figures demonstrate greater counseling and information-sharing from DEDO EZ Administrators to EZ businesses. Nearly 40 of the 315 certifications were new businesses or businesses new to the Enterprise Zone. Enterprise zone businesses also invested substantially in employee training.¹

PAST YEAR EFFORTS TO IMPROVE CONDITIONS

See the Objectives Report below.

WINNING STORY

Sally Herbert, CEO of Altius Farms, participated in DEDO's 2018 Scale-Up Network (DSUN). DSUN is an annual post-accelerator program that supports a small, diverse group of emerging Denver CEOs. Herbert is a military veteran who prioritizes hiring veterans. She received the new employee EZ credit in 2018 for four new hires after learning about EZ from our presentation. There also has been press coverage of her work:

- <https://denver.cbslocal.com/2019/10/11/agrihood-development-brings-urban-farming-to-denver/>
- <https://www.5280.com/2019/10/can-altius-farms-convince-denverites-to-pay-more-for-ultra-local-aeroponic-produce/>

¹ Certification applications for TYE 2019 are still being received and won't be evaluated until late 2020.

- <https://www.thedenverchannel.com/news/local-news/photos-altius-farms-uses-vertical-farming-to-supply-local-colorado-restaurants-and-stores>

OBJECTIVES REPORT

This section reports on the “Objectives for the Coming Year” that were outlined in DEDO’s 2019 report for 2018 activities.

The 2019 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 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. Below is a reporting of performance against specific objectives outlined in last year’s report.

Business Tax Credits

In 2019, 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:

Information & Outreach

- The EZ team provided Enterprise Zone technical assistance to 178 unique clients in 2019 on 512 occasions.
- DEDO website; resource fairs
 - DEDO website regarding business incentives and the EZ updated in August <https://www.denvergov.org/content/denvergov/en/denver-office-of-economic-development/build-your-business/incentives.html#fd41349e-e7cd-47e0-a1b7-0a5430f319c2>
 - Promoted the EZ at two of Denver’s quarterly “Bridging the Gap to Success” resource fairs for certified MWBE businesses.
 - Provided EZ resources at Denver’s Neighborhood Planning Initiative focus groups for the East Area Plan in January (1) April (2) and May (1)
 - Provided EZ resources at three (3) public meetings for Denver construction projects where businesses would be impacted by construction: November (2); October (1)
- Featured the EZ in three BID Connection newsletters to nearly 20 Denver business improvement districts to inform their members: September, October, December
- East Colfax Partnership CDC creation and outreach – survey team promoted EZ when surveying 65+ businesses in the East Colfax neighborhood.
- Presentations regarding the EZ to the East Colfax Neighborhood Organization (Feb and May)
- EZ mention in attraction/retention collateral and EZ mention when providing technical assistance to five businesses interested in expansion to Denver and considering EZ location.
- Under-represented industries were identified from Denver’s EZ Salesforce database. Targeted outreach will be conducted to those groups in Q1 of 2020.

NAICS Sector	Industry	# of Companies
44-45	Retail Trade	190
31-33	Manufacturing	162
51	Information	117
42	Wholesale Trade	88
72	Accommodation and Food Services	65
23	Construction	59
54	Professional, Scientific, and Technical	44
81	Other Services (Except Public Service)	37
53	Real Estate Rental and Leasing	35
52	Finance and Insurance	35
62	Health Care and Social Assistance	26
56	Administrative and Support and Waste	19
48-49	Transportation and Warehousing	7
71	Arts, Entertainment, and Recreation	7
22	Utilities	4
21	Mining	4
55	Management of Companies and Enterprises	3
11	Agriculture, Forestry, Fishing and Hunting	3
61	Educational Services	1

- Completed 4 presentations at The Commons on Champa (March, May, August, October)
- Partnerships with industry associations, i.e.- Manufacturer's Edge
Informational sessions offered to Manufacturer's Edge (Mar), Rockies Venture Fund (Mar), Food Truck Symposium (Apr) and Commercial Real Estate Marketing Network (Aug), Stratagem CPA firm (Nov)
- Continued to educate our partner divisions within DEDO (Housing, Workforce, Neighborhood Equity & Stabilization Team (NEST), and Small Business Opportunity) on the leveraged and collective impact our agency has achieved by seeking EZCP designation for the same nonprofits they are supporting. A significant effort was the engagement of our Housing team with OEDIT to create a new policy for homeless support operations under the EZCP.

Support of EZ Businesses Challenged by Gentrification and Construction Impacts

In February of 2019, outreach was conducted with personal visits to 96 businesses within 500-ft. north/south of the Central 70 alignment to invite them to apply for the Business Impact Opportunity Fund (BIO Fund). All businesses are located within Denver's Enterprise Zone and those who applied were referred to DEDO's small business tools including the EZ business tax credits. Additional outreach was made by direct mail in April of 2019, informing 134 businesses of the BIO Fund program and other DEDO tools including the EZ tax credits. Blurbs promoting the Enterprise Zone and BIO Fund were included in eight weekly e-newsletters from the Elyria-Swansea-Globeville Business Association October through December.

Business Retention Survey

Initially, DEDO had planned to design and administer a small, neighborhood-serving business retention survey. The survey was a subset of a larger business retention survey being deployed by the Business Development team of DEDO. However, with the establishment of the City's Neighborhood Equity & Stabilization Team (NEST) and its creation of the Business Anti-Displacement & Stabilization Team, it was determined this program could better assess the needs of such businesses and develop a toolbox suited to assist them. Over 20 small businesses in Denver EZs have been consulted one-on-one, and 65 businesses (30%) responded to a survey in the east Colfax corridor EZ. Additionally, a greater number of businesses provided input as part of the City's East Area Neighborhood Planning Initiative.

Denver WorkNOW Program & Sector Partnerships

Outreach about the EZ was made to the Metro Denver Retail/Hospitality/F&B Sector Partnership and its 60+ members as well as businesses participating in WorkNOW (Denver focus on job training and certification for the Central 70 Project). This collaboration has allowed DEDO to identify suitable workforce development partners from the non-profit sector that have been invited to propose as EZCP partners.

Affordable Housing & Mixed-Use Projects

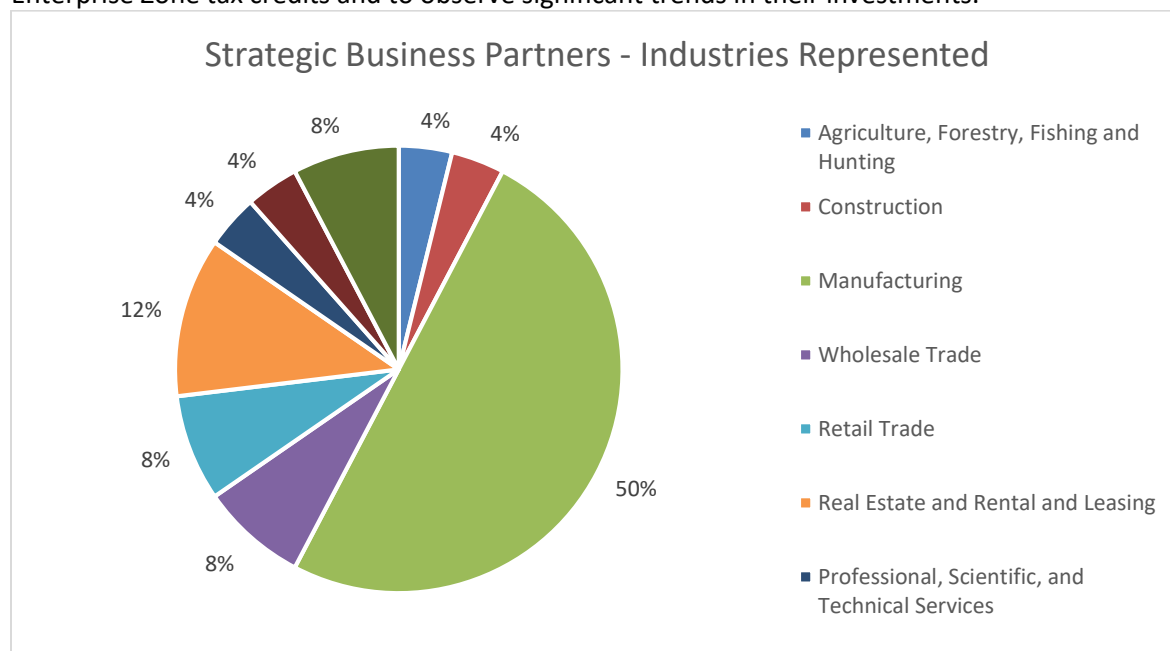
This strategy has proved to be difficult to achieve but for good reasons. Denver's affordable housing partners are required to provide a portion of affordable units with other mixed income or market rate units in their projects. Additionally, the city encourages development of affordable housing in areas that promote residential integration by income. As a result, few of its partners are developing housing in Enterprise Zone areas. However, one partner Columbia Ventures LLC is undertaking a \$250 million transit-oriented development with permanent affordable housing options and community-serving commercial space, including our EZCP partner, Clinica Tepeyac. A 1:1 consultation was conducted with Columbia Ventures and EZ administrators advised them on the benefits of the EZ business tax credits for their project.

Outreach to MWBE Certified Firms

Outreach was made to over 300 MWBE firms informing them of the benefits of EZ tax credits and encouraging them to pre-certify for 2020. Staff also participated in monthly MWBE certification trainings to explain the program.

Tracking of YOY Investments – Strategic Business Partners

The EZ admin team began tracking investments for its strategic business partners who have participated in other DEDO Business Development programs and are also located in the Enterprise Zone. Over 25 unique businesses will be tracked and monitored to ensure they are taking full advantage of the Enterprise Zone tax credits and to observe significant trends in their investments.



Contribution Projects

2019 marked the third year the Contribution Project functions were administered by DEDO after transitioning from Mile High United Way (MHUW) in 2017. Bringing the functions in-house contributed significantly to projects better aligned with DEDO goals and activities and quantifiable outcomes and performance measures.

New EZCPs in Collaboration with Neighborhood Equity & Stabilization and Workforce Services

In collaboration with NEST & Workforce Services, EZ program staff assisted 4 organizations that were approved for EZCP status: Clinica Tepeyac (Capital Campaign), Latino Cultural Arts Center (Operations), Mile High Ministries -Clara Brown Commons (Workforce Housing) and CrossPurpose (Job Training). Collective efforts also helped identify additional projects in target neighborhoods that may seek designation in early 2020.

Re-Designation of EZCPs for New Term

At annual recertification, Denver worked diligently to persuade EZCPs whose activities lacked direct connections to job creation/retention and expanded business activity or whose fundraising efforts had not been robust to terminate their EZCP designation. By way of comparison, in 2018, Denver had 72 EZCPs; in 2019, 66. We will begin 2020 with 59 projects.

- 14 EZCPs with term end date were assisted.
- 2 training sessions held
- 11 approved
- 3 opted out or were no longer eligible under new homeless support policy.

OBJECTIVES FOR THE COMING YEAR

DEDO is proposing the following to evaluate and benchmark the success of its efforts in administering the EZ tax credit program and improving EZ economic conditions. The objectives are drawn from DEDO's 2020 strategic plan and initiatives that are specific to its target neighborhoods which are aligned with the Enterprise Zone areas.

OBJECTIVE 1: Build upon objectives from 2019.

OBJECTIVE 2: Support 8 organizations with a 2020 term end date, aiming to have 4-5 approved for a new term. DEDO will work to identify and terminate projects that are not active, misaligned with EZCP policy and DEDO goals, and/or not meeting threshold requirements.

OBJECTIVE 3: Participate in EZ Administrator process to create a policy recommendation for Workforce/Youth eligibility.

OBJECTIVE 4: Implement DEDO's new Salesforce CRM which will increase organizational capacity and allow the EZ team to better track the number of businesses and nonprofits that receive technical assistance.

OBJECTIVE 5: Identify and conduct outreach to 200+ Enterprise Zone businesses challenged by changing neighborhood conditions 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 assist them towards achieving long term sustainability through a combination of financial and technical assistance. Assistance will continue in the pilot neighborhoods of Cole, Clayton, Elyria-

Swansea, Globeville, and Northeast Park Hill. Assistance will be expanded to the neighborhoods of East Colfax, Sun Valley and Valverde.

OBJECTIVE 6: Design and implement a two-track small-business capacity building program. One track would assist MWBE-certified businesses in developing capacity to better respond to contracting opportunities with the City and other procurement authorities. One track would assist displacement-vulnerable businesses to respond to changing neighborhood conditions and new market opportunities

OBJECTIVE 7: Work with other City agencies to develop a local procurement policy to commit to greater local procurement of small businesses under P-Card spending, e.g., catering, small services.

OBJECTIVE 8: Pilot a commercial rehabilitation and/or adaptive reuse program tied to landlord incentives to stabilize rents for small business tenants.

The above objectives support **DEDO's goals** (below) as outlined in the City & County of Denver's 2020 budget and previous year budgets.²

1. Attract, retain, & grow Denver businesses, by encouraging & supporting entrepreneurial ventures, increasing contract & procurement opportunities for minority/women-owned firms and increasing economic access to global markets.
2. Promote job & career skills of Denver's current & future workforce and assist Denver businesses with obtaining qualified, productive employees.
3. Respond to the changing housing needs of current & future families focusing on affordability, workforce and special needs population groups.
4. Through an equity lens, increase opportunity & choices for residents by ensuring access to programs and services that catalyze inclusive economic prosperity for residents, families & businesses in Denver.
5. Develop multi-modal options, enhance commercial corridors, preserve place-making elements and establish venues for global & regional tourism.

² The last goal was created by the EZ Team to cover other activities and projects that DEDO funds as part of its economic development mission but aren't articulated in the agency's goals. This goal also reflects activities and projects allowed under the EZCP policy.

2019 PUEBLO COUNTY ENTERPRISE ZONE ANNUAL REPORT

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. The County works with a number of organizations throughout the area to foster business expansion and location in the Enterprise Zone.

Past year Observations and Data

The population of Pueblo County continues to grow, coupled with an increase in housing and median household income. The County's unemployment rate has dipped slightly to 4.5%, compared to the state rate of 3.5% and the national rate of 3.8%. The area continues to see small gains in additional businesses and jobs, including the recent addition of MissionSide, a census call center looking to fill more than 500 customer service representative jobs in Pueblo, and indieDwell, a manufacturer of modular affordable housing, which is opening a new 100,000 sq. ft manufacturing facility, guaranteeing 171 new full-time jobs.

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:

One project of recent interest is the vocational training program at Pueblo Community College. They have taken over a tower of a local hospital and are increasing the number of healthcare programs they can offer in nursing, medical assisting, and more. This will help to address the severe nursing shortage that is projected, and will also help to increase economic activity in the area as students walk nearby for lunch or to pick up items before heading home for the day.

Presentations:

The Pueblo EZ administrator presented Enterprise Zone information to Rotary Clubs, Chamber of Commerce meetings, and other more informal small business gatherings.

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 and 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 2019 included PTAC, PEDCO, Pueblo Workforce Development, SoCO Manufacturing Cluster

group, the Greater Pueblo Chamber of Commerce, the Pueblo West Chamber of Commerce, and the Latino Chamber 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:

Our local TR Toppers have been able to grow and expand their operation chopping up candy to ship out to a variety of companies to use in their own products, such as Dairy Queen blizzards. They have used the Enterprise Zone credits to continue to hire new employees, and to offer them health insurance as well. They are also continuing to invest money back into their company for expansion thanks to the Enterprise Zone, exporting their product and bringing outside money back into the community as they work with local transportation services.

Objectives Report:

1. Focus on opportunities that increase retention and expansion of industry and small business.
 - Presentations were done specifically at Chamber events to help educate smaller businesses to the opportunities given by Enterprise Zone incentives
 - In 2019 there were 113 tax credit certificates issued to businesses, a slight decrease from 2018's 128 certifications, but ITC Capital total increased
 - The total capital investment in the EZ was much higher in 2019. Total ITC in 2019 was \$61,682,299, a 32% increase from 2018
 - More companies who filled out a precertification came back and completed an official certification than in 2018
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.
 - An increase of 235 primary jobs was seen in 2019 overall by certified businesses
 - The Pueblo EZ approved the Pueblo Zoo Tourism Expansion project and the Sangre de Christo Arts Center Tourism Operations 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 Vocational Training at Pueblo Community College has expanded its reach in several ways, from meeting with local manufacturers to understand what their exact needs are and modifying their training programs to meet those needs to adding a BS in nursing to its program and enlarging their nursing program overall

4. Support the development of affordable workforce housing and urban infill.
 - The NeighborWorks capital contribution project continues to operate 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 \$3,764,898, providing job training for 4,959 employees, a huge increase over 2018's \$674,617 which provided training for 719 employees
 - Posada continues its contribution project and support of homeless youth, families, and veterans every night in Pueblo, empowering them to become self-supporting members of the community
 - Pueblo Diversified Industries continues to offer people with significant disabilities opportunities for employment and vocational training

Objectives for Coming Year

1. Increase retention and expansion of industry and business in Pueblo County
2. Support, create and expand workforce training programs, especially those addressing critical industry needs in the area, in addition to homeless support services
3. Increase primary jobs and economic activity with an emphasis on key industry sectors: advanced manufacturing, creative industry, healthcare, cannabis, agriculture, renewable energy, tourism, and transportation
4. Expand tourism in the region to aid in the revitalization and improvement of the economy for the benefit of the broader community
5. Improve the attraction of Pueblo as a location for new companies and workforce by expanding community service offerings, improving infrastructure, developing affordable workforce housing and supporting urban infill

2019 JEFFERSON COUNTY ENTERPRISE ZONE ANNUAL REPORT

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 \$ 1.3 billion in new capital investment and have created 10,560 new jobs within the zone.

Past year Observations and Data

In 2019, Jeffco EDC pre-certified over 789 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

- Boundary amendment in 2019 expanded the EZ in several existing areas and added new areas to communities that were not previously part of the EZ
- 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 2019, Jefferson County renewed three contribution projects – Colfax Marathon Partnership, Developmental Disability Resource Center, and Family Tree and added one new project – Rocky Mountain Children's Health Foundation. We continued working with existing projects on the new online system for entering donations that will receive an EZ tax credit. For tax year 2019, we processed 925 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 tradeshow 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 2019 decreased by 1.3%**
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 in 2018, we missed our 2019 capital investment totals - decreased by 26% from 2018**
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 2019 increased by 8.5%.**

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.

2019 NECALG ENTERPRISE ZONE ANNUAL REPORT

Overview

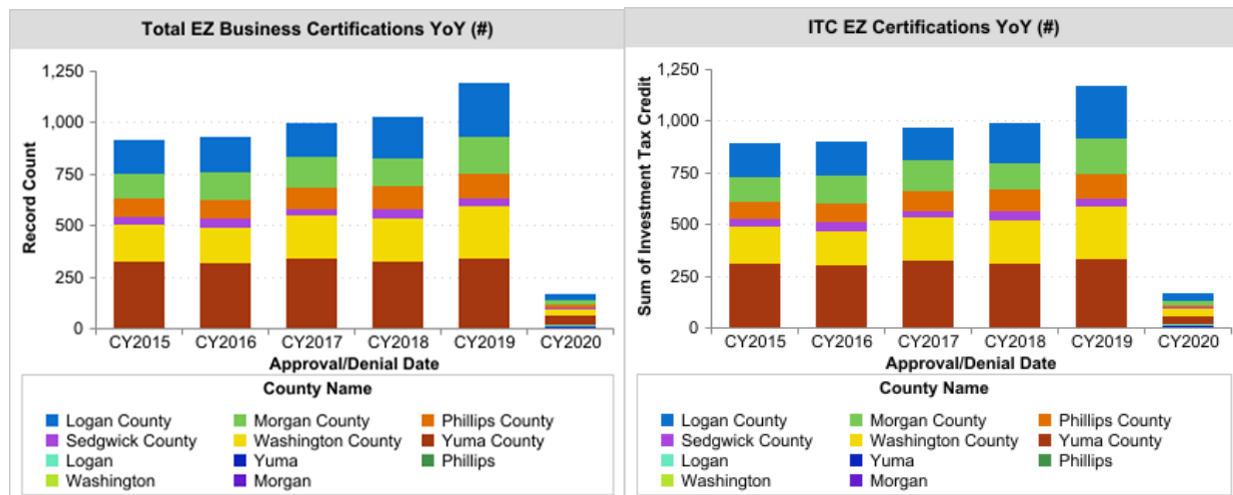
The Northeastern Colorado Association of Local Governments, NECALG, has served as a sub-Zone of the North-East-Central Enterprise Zone nearly since the inception of the Legislation. The Organization is a Public Non-Profit that provides programs and services to the Northeastern Counties of Logan, Morgan, Phillips, Sedgwick, Washington, and Yuma. It is governed by a County Commissioner and a municipal representative from each of those Counties. Dues paid from member Counties and a fee collected from contributions collected from donations to the various EZ Contribution Projects help meet the required matching funds to State allocations of administration grants.

This Region located in the Northeastern corner of Colorado is a 9,300 square mile geographic area. The Region has 22 incorporated municipalities and 21 school districts of varying sizes. 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 as 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 western edge of the region while there are eight 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. 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.

There are 10 health care facilities throughout the area, ranging in size and scope with the largest facilities located in Sterling, Fort Morgan, Brush, and Yuma. Support of medical facilities is a high priority and frequently a benefactor of various EZ Contribution Projects through supporting Foundations.

Past year Observations and Data

Within the Region, as noted in chart below, Investment Tax Credit and overall Business Certifications processed continues to grow in the Northeast Region. NECALG, as the EZ Administrator, reaches out to the various tax preparation business and those that previously submitted an EZ Certification annually to issue updated information generated through the Department of Revenue and/or OEDIT keeping not only the information fresh, but also as a reminder of the various tax benefits available via the Enterprise Zone legislation. Below in Chart format, the increase over time of both number of Certifications process and the totality of Investment Tax Credit.



In a snapshot of time, for the calendar year of 2019 the value of qualified capital and the eventual investment tax credit taken by County is as follows:

County	Qualified Capital Investment	Investment Tax Credit
Logan	\$21,741,060.97	\$652,243.00
Morgan	\$57,781,181.75	\$1,733,441.00
Phillips	\$13,700,973.94	\$411,029.00
Sedgwick	\$3,969,779.13	\$119,095.00
Washington	\$18,766,657.31	\$563,003.00
Yuma	\$35,330,780.37	\$1,059,924.00

Utilizing the Contribution Project component, local citizens work with Regional non-profits and foundations to help improve conditions on a local level. For the period of 2018 and 2019 those projects that have had a lengthy period of operation, some in the 20-year range were closed in favor of new projects with definitive application and a completion lifespan of five years or less. This process produced an overall lower level of donations through the local EZ Administrator.

In another snapshot of time, for the calendar year 2019 the contribution generated by County are as follows:

Northeast Enterprise Zone	Total Contributions
Logan County	\$16,200.00
Morgan County	\$138,002.00
Phillips County	\$21,150.00
Sedgwick County	\$24,890.00
Washington County	0.00
Yuma County	\$28,490.00
Total of ALL Counties	\$228,732.00

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 borders) 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. NECALG as noted above is governed by a Board comprised of elected officials of the six-member counties and municipalities. Information is shared on a regular basis to these officials as course of regular business This is of financial importance as well as information sharing importance as funds necessary to match State provided administration 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 web-site resources (www.advancecolorado.com/ez) being the most effective information source. 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.

As noted, all Contribution Projects that have operated for a period longer than five years were cycled through and either closed or new projects created. NECALG worked with several groups in developing local projects that have a great impact upon the local well-being of the community serve to maintain or

increase economic conditions in the area. Sometimes that may seem to be a small project in comparison to some, but none the less have significant impact to a small rural area.

In 2019 EZ Administrator worked with the Melissa Memorial Foundation to enhance services offered at the Melissa Memorial Hospital in rural Holyoke Colorado.

It was identified that with not having a local ambulance service capable of meeting local demand, the facility was losing upwards of \$930,396. in just ten months in 2018. Further, due to changing regulations, the Facility was no longer able to provide Chemotherapy leading to a financial loss to the community of over \$2,565,800. Not able to provide these services also put a strain on patients that are now required to travel to other community facilities to receive the needed treatments.

Creation of a Contribution Project to procure an ambulance and create a space to mix and administer medications is of great significance to this community. In total, the budget is estimated at \$345,000, but worth so much more to this rural city of the NE plains.

Objectives Report:

Five of the six northeastern Colorado Counties that makeup this designated sub-Enterprise Zone have at least one central economic development office, and two municipalities also employ E.D. staff. In creation of the overall goals and objectives of NECALG Enterprise Zone, it is desirable to fit within and support the framework of those partner economic development offices. Keeping this Region of many economic development efforts under specific goals and objectives creates a palate of not overly specific but four overarching objectives for the Region. They are:

1. Encourage Job Creation and support education and training of current and new workforce. Support initiatives to help rural workforce attraction and retention.
2. Support the non-profit sectors with community engagement in the development of new or existing programs and special projects that aid in mitigating local economic challenges such as, but not limited to, homelessness, healthcare, and housing.
3. Support and encourage communities and non-profits in development of community facilities and infrastructure that aid in mitigating local economic challenges.
4. Encourage sustainability and development of existing services and new services for zoned residents *with focus upon current and new entries to the workforce.*

In keeping with a more generalized approach, we can work within Morgan Community College and Northeastern Junior College's desire to expand and update while Holyoke can improve their health care system and Yuma County can improve and expand use of fairground facilities. Growth or even sustainability in rural Colorado has many directions and indeed different meaning for each community.

In 2019 local objective concentrations were:

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.

Overall, we still strive to locate those business that do not at least Pre-Certify for eligible EZ credits. The Administrator does indeed Pre-Certify a huge number of businesses annually, as our outreach efforts and follow-through by tax professionals work to assure proper usage of the Program. While it is most certain that there are businesses in the Region that may not have contacted the information for which they need to help support and grow their business. We will continue to seek these outliers.

As noted above, County Commissions are part of NECALG's governing board. It has been offered to visit locally to discuss with officials the benefits and workings of EZ, which to date has not been accessed. Information is presented as needed at monthly Board meetings.

Work with Regional Contribution Projects closed the last of long-term projects concluded several and worked to create new projects with others. Several new Projects were created and new applications are being developed.

Objectives for Coming Year

The overall Goals/Objectives for 2020 remain the same as we continue to work with local resources to improve economic conditions in the Region.

1. We will work with local business to identify EZ opportunities not currently served.
2. Continue to work with elected and economic development professionals to market the EZ.
3. Continue working with area Non-Profits to grow projects that support the goals of our Region and support local economic stability and growth.

2019 NORTH METRO ENTERPRISE ZONE ANNUAL REPORT

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 dropped 3.4% to 2.1% from year end 2018 to year end 2019 based on the most recent preliminary projections. The cities of Lafayette and Longmont saw a change in unemployment from 3.1% to 2.0% and 3.6% to 2.3% respectively. Boulder County as a whole saw a change in unemployment rate from year end 2018 to 2019 from 3.2% to 2.0%.

According to EMSI data, Boulder County population in 2019 was 329,432. As of 2019, the region's population increased by 5.2% since 2014, growing by 16,179. Broomfield County population in 2019 was 71,134. As of 2019, Broomfield's population increased by 15.2% since 2014, growing by 9,362.

Bureau of Economic Analysis data shows that per capita personal income in Boulder County increased from \$69,298 to \$73,394 from 2017 to 2018, while Broomfield County per capita income increased over the same period from \$63,170 to \$66,410.

Past year Efforts to Improve Conditions

In 2019, Longmont EDP and our partners in Lafayette in Broomfield continued to put significant effort into promoting the availability and benefits of the EZ program in our communities. The North Metro Enterprise Zone was established in 2016, and 2019 was the third-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 two new Contribution Projects– Center for Integrated Manufacturing took on new objectives specific to the purchase of equipment for the Center. EForAll was also designated a contribution project in 2019.
- 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.
- In Longmont, we are identifying all new business license holders and informing them individually of the EZ opportunities.

Winning Stories:

St. Vrain Manufacturing – With the \$376,634.22 in tax credits received through the North Metro Enterprise Zone, St. Vrain Manufacturing has been able to invest in new equipment purchases. This allows them the opportunity to maintain/grow their employee base; and support their companies continued growth.

EForAll – Entrepreneurship for All (EforAll) applied for and received North Metro Enterprise Zone Contribution Project status for their first expansion site in Colorado in 2019. EforAll is a non-profit whose mission is to accelerate economic development and social impact through inclusive entrepreneurship in communities that are often overlooked for investment. EforAll provides technical assistance, mentorship, and access to capital for underrepresented populations (women, immigrants, people of color, refugees) who want to start small businesses. EforAll is based in Massachusetts and is expanding across the country with Colorado serving as our first expansion state. “Working with the Longmont Economic Development Partnership (LEDP) for our launch in Longmont was a true blessing as they led us through the process with ease and collaboration. The LEDP recommended that we apply for EZ Project status and receiving this status led EforAll to being instantly credible in Colorado as a trustworthy organization in the state and one worthy of support” states EforAll Executive Director, Harris Rollinger.

Objectives Report:

The 2019 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.** Longmont EDP is participating in the Boulder County Talent Collaborative, a unique nexus between Workforce Boulder County, the Boulder Chamber and Economic Council, both regional school districts, Front Range Community College and other workforce partners to successfully form and steward

sector partnerships and industry-led talent pipelines. There will be a focus on businesses in the Enterprise Zone. Additionally, we have seated a community working group to achieve the Talent priority in our new economic development strategy, Advance Longmont 2.0, to build career pathways and talent pipelines for our local community. This working group has numerous public and private partners at the table. Finally, we formally partnered with CareerWise in 2019 to open up opportunities for youth apprenticeships in local industry.

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.** The Innovate Longmont startup accelerator (an Enterprise Zone Contribution Project) offers training, mentoring, funding, exposure and growth to startup companies within the Enterprise Zone and existing companies to become more successful, which directly contributes to job creation. In 2019, Innovate Longmont starting work with 7 new startup companies and launched Innovate Campus, a summer accelerator for students enrolled at Front Range Community College.
4. **Encourage redevelopment and beautification of targeted areas within the Enterprise Zone designation area.** Clinica Campesina Family Health Services in Lafayette received North Metro Enterprise Zone Contribution project status for the new construction of a 65,000 square foot building in 2017. Clinica Family Health - Clinica Family Health is a community health center that exists to assure that low-income members of the community have access to high-quality and affordable medical, dental, behavioral health and pharmacy services. In 2017, Clinica purchased seven acres of undeveloped land in Lafayette's tech center to build a new medical, dental and administrative facility. The property was treeless, covered with weeds and was home to an active prairie dog colony. The new facility features a patio with a play area for children, an outdoor meeting space, trees, cultivated planters and benches. Gone are the weeds and prairie dogs, replaced with more trees, native grasses and a clean, safe, well-lit parking lot that is used many evenings by parents teaching their teens how to drive. In all respects, Clinica has encouraged redevelopment and beautification of its property within the Enterprise Zone.
5. **Build minority participation in the business community.** EForAll – Entrepreneurship for All (EforAll) applied for and received North Metro Enterprise Zone Contribution Project status for their first expansion site in Colorado in 2019. EforAll is a non-profit whose mission is to accelerate economic development and social impact through inclusive entrepreneurship in communities that are often overlooked for investment. EforAll provides technical assistance, mentorship, and access to capital for underrepresented populations (women, immigrants, people of color, refugees) who want to start small businesses. EforAll is based in Massachusetts and is expanding across the country with Colorado serving as our first expansion state. "Working with the Longmont Economic Development Partnership (LEDP) for our launch in Longmont was a true blessing as they led us through the process with ease and collaboration. The LEDP recommended that we apply for EZ Project status and receiving this status led EforAll to being instantly credible in Colorado as a trustworthy organization in the state and one worthy of support" states EforAll Executive Director, Harris Rollinger.

Objectives for Coming Year

2020 North Metro Enterprise Zone objectives are:

1. Build industry relevant talent pipelines to respond to current demands and design effective career pathways to meet future demands.
2. Ensure residential affordability for current and future workers.
3. Cultivate innovation and entrepreneurship enhancing job creation and retention.
4. Create engaging and colorful urban centers, epically in downtown areas.

2019 NORTHWEST ENTERPRISE ZONE ANNUAL REPORT

Overview

Associated Governments of Northwest Colorado (AGNC) is the council of governments designated for Region 11 including the counties of Garfield, Mesa, Moffat, Rio Blanco, and Routt. The Northwest Enterprise Zone (NWEZ) is comprised of Garfield, Moffat, Rio Blanco, Routt, Jackson, Grand, Clear Creek and Gilpin Counties. The counties that make up the NWEZ are 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. Recovery from the 2008 recession has been a long and arduous process. The communities are just now reaching recovery levels and, from that standpoint, are behind in economic growth. While our communities have realized the need to diversify their economies and have been working toward that goal, they are facing serious economic challenges as coal and energy jobs are lost in the coming years. Moratoriums on permits for Oil & Gas extraction and the war on coal severely threaten not only our way of life in Northwest Colorado, but the entire State's economy and budget. Announcements of closures in the coal industry have already begun to ravage cities and counties, sending them scrambling to search, once again, for long sought-after assistance from the State, finding very little. AGNC has turned to Utah and the federal government for assistance to research other possible, clean uses for coal; research that may be utterly useless if the State legislature has their way by essentially forcing coal mines to close through regulation and tax increases. AGNC is working with other interested parties to create a report to speak to how devastating the impacts of just the closures in Northwest Colorado are forecasted to be. We already know, the indirect impacts of these economic catastrophes will resound throughout Colorado for many years to come with the brunt of it falling on Northwest Colorado. It is unclear at this time if these towns, cities, and even counties will be able to survive these legislative attacks on our communities. Before passing these bills, neither the administration nor the legislature is not communicating with Northwest Colorado or are they even considering the impacts that will be endured because of these uninformed laws.

Past year Observations and Data

Although there was a decrease in the use of Enterprise Zone Certifications for the NWEZ, the overall Capital Investments for 2018 were \$97,550,056 which was up from 2017 and Investment Tax Credits were also up in 2018 with total credits of \$2,520,114. However, there was a significant reduction of Trained Employees in 2018, down to 271 from 308, and Job Training Investments slightly down at \$192,852 from \$196,292. There has been a reported change in the number of employees of only a positive 220, compared to the positive 666 in 2017.

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 of the struggle NW Colorado communities have endured while recovering from the 2008 recession.

Past year Efforts to Improve Conditions

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 150 contacts made for this reason in 2019.

Contribution Projects:

In 2019, the NWEZ had one new project approved. The one organization approved in 2019, Steamboat Adaptive Recreational Sports AKA STARS, was a previously approved as a Contribution Project for the

Capital Campaign of their new Ranch – A Place for Hope and Healing, which expired in 2018. We worked together to show the economic value of the organization as a whole and were able to continue the Capital Campaign as the construction of The Ranch was not done and expanded this to cover 100% of the activities of the organization. They only expected to collect \$162,500 in contributions in 2019, but through the use of the Contribution Project status was able to collect \$1,557,191, 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 surpassed the previous year's at \$2,952,841 in cash and \$492,287 in-kind in 2019. AGNC has been working several organizations to provide information and/or apply for this status.

Information and Outreach:

Presentations were made throughout the region during 2019, 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 Board of County Commissioners Meetings
- Rio Blanco County Office of Economic Development Business Roundtable
- Hemp Symposium in Moffat County
- AGNC Economic Development Summit

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 Rifle Regional Economic Development Corporation, Rifle Chamber of Commerce, City of Glenwood Springs Economic Developer, Glenwood Springs Chamber of Commerce, Carbondale Chamber of Commerce, CoVenture, Garfield County Economic Development Partners, Steamboat Springs Chamber, 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, Grand Junction Area Chamber of Commerce, Grand Junction Economic Partnership, Colorado Mountain College, Colorado Northwestern Community College, Colorado Mesa University, Northwest SBDC, OEDIT, DOLA, local State Representatives and Senators, Federal Colorado Representative Scott

Tipton and Senators Bennet and Gardner, CHFA, Region 10, Economic Development Administration, United States Department of Agriculture to raise awareness of enterprise zone benefits and opportunities.

Winning Story:

Word of the Contribution Project status is traveling around the Colorado Non-Profit network and it is a great joy to speak with new organizations and learn more about what they are doing to contribute to economic development in NWEZ. We are contacted frequently by these organizations that heard about the program from a board member or fellow Non-profit. The Contribution Project program continues to show us every year that it is working to assist our local Non-profit organizations to expand their economic impact within our region. As Moffat County is facing major economic declines, we were able to assist Routt County United Way and Integrated Communities on a combined Capital Campaign to expand their building, and therefore their services. In turn, Moffat County had already contacted Integrated Services to assist employees facing displacement with employment training and opportunities. This type of collaboration between the two counties has been a goal of AGNC's to help foster. Prior to the designation, the organizations had 70% of their project pledged out and hoped the status would give them the extra edge to finish their fundraising. The Steamboat Chamber has reached out thanking the NWEZ Administrators for all of their support and efforts stating that this specific project was very well received and much desired in the community. Furthermore, he updated us that he personally stopped by the STARS Ranch, which is now complete, and remarked at how amazing the project turned out. The Non-profits in our region utilizing this program have appreciated how helpful designations have been in their fundraising efforts.

Objectives Report:

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.

RESULT: Finally, most of the counties in our region have recovered to pre-recession workforce and income levels, through myriad opportunities including expansion of tourism, small business, and agriculture. AGNC successfully obtained the designation of Economic Development District which will expand opportunities for this region to access federal grants and loans for economic development. AGNC has worked very closely with communities, OEDIT, and investors to identify availability and access to Opportunity Zones within our region.

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.

RESULT: Improved mental health capacity through the new West Springs Mental Health Hospital which will serve a majority of the NWEZ with inpatient and outpatient treatment. It is well-known that mental health capacity can be key in the prevention of, along with serving, homeless. This region has had higher than average suicide rates and the expansion of these mental health services have dropped those rates, whereas there were 8 teenage suicides in 2017, there were none in 2018, in Mesa County, where the hospital facility resides. Access to healthcare has been expanded throughout our region, through various expansions and efforts of each of our local hospitals as demonstrated through requests for information on Contribution Projects to support these expansions. AGNC was supportive of the healthcare reinsurance legislation sponsored by west slope legislators to provide premium relief for those insured individually on the healthcare exchange. The bill has passed and been signed into law, resulting in approximately 30% premium reductions in our region.

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.

RESULT: Working with NW Colorado community and education leaders, the NW Colorado Air & Space Coalition has been formed. The group is connecting and interacting with aeronautic and aerospace industries to address the shortage of airline pilots and mechanics as well as identifying future workforce needs for the aerospace industry in and effort to create programs to fulfill those needs here in NW Colorado. We are working with communities to establish location-neutral job opportunities for underemployed and displaced workers in NW Colorado.

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.

RESULT: AGNC was integral in the effort and planning to move BLM headquarters to Grand Junction. The move will result in better public land management decisions supporting multiple use as BLM leaders will be more involved in addressing local concerns related to public lands. Yampa Valley Electric is working to do a private model for the expansion of broadband services in their service territory which will include Moffat and Routt Counties.

Objectives for Coming Year

1. Assist with existing business expansions and new company start-ups and relocations in order to promote job creation and retention in the Northwest region of the state to avoid any measurable reduction of total jobs.
2. Support projects that promote and enhance infrastructure, community facilities, and overall community livability in avoidance of any reduction on livability index or population loss within the Northwest region of the state.
3. Encourage efforts to develop and support events and activities, to enhance economic opportunities such as arts, tourism, and outdoor recreation to maintain current total job and population statistics.
4. Programs that train, retrain, and retain, including community college assets, vocational training, workforce ready programs, and remote jobs to maintain current total job and population numbers.
5. Develop opportunities for agriculture, natural resource development, and multi-use lands to maintain current total job and population metrics.

2019 PIKES PEAK ENTERPRISE ZONE ANNUAL REPORT

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. One boundary amendment was approved in May 2019 to encourage commercial business growth as well as workforce housing development in the Divide area.

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 Executive Director, 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 2.8% and 2.5%, respectively, as of December, 2019, compared to 2.5% for the State of Colorado. While El Paso County’s unemployment rate is higher than the statewide average, the unemployment rate gap closed slightly in 2019 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 714,398, according to Colorado Department of Local Affairs, an increase of more than 13,000 over the prior year, maintaining its place as the second most populous county in the state. Teller County’s population was estimated to have increased to 25,057, an increase of more than 430 individuals over the previous year.

In a March 2019 estimate from the U.S. Bureau of Economic Analysis, 2018 per capita income in El Paso County was \$48,467 and \$49,197 in Teller County, representing an increase of \$1,956 annually in El Paso County and an increase of \$2,167 in Teller County. El Paso County’s per capita personal income is nearly 83%, and Teller County’s is 84%, of that of the state as a whole at \$58,456. 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, City of Victor, the Pikes Peak Small Business Development Center, and the Procurement Technical Assistance Center.

El Paso County's website dedicates pages to the Enterprise Zone Contribution Projects, as well as business credit information. These pages include valuable EZ program information, EZ boundary maps, EZ Fact Sheet, as well as links to the state's website, thereby allowing businesses to easily gather EZ program information and to also complete annual pre-certification and certification applications.

Contribution Projects

Approved as a Pikes Peak Enterprise Zone Contribution project in September 2018, Mary's Home Extreme Dream Capital Campaign project successfully constructed a Family Life Center in the fall of 2018 for community space for shared program activities including toddler space, a room for grade school age children, and a large space for education and events for the entire Mary's Home community. Mary's Home also completed construction a Family Services Center, where staff offices, case management, counseling, and other program services take place.

The Mary's Home Extreme Dream project has strengthened Dream Centers' ability to deliver a high-quality, high-challenge, high-support program. It has also allowed three new families to join Mary's Home, thereby further reducing homelessness in our community. Finally, the mission of Mary's Home is to break family generational cycles, exit homelessness permanently, and enter into productive careers where they add to the tax base and creative contributions to our Enterprise Zone and Colorado Springs community.

One new eligible contribution project was added to the Pikes Peak Enterprise Zone in 2019. Dream Centers' *Mary's Home Capital Campaign: Phase 3 – Independent Living* is a Capital Campaign: Community Facility project. Dream Centers will purchase and rehabilitate an adjacent property to the west of Mary's Home main housing building. This will open four new housing units for mothers, and their children, who are ready to move to Phase 3-Independent Living, while working on their careers and achieving financial independence.

Three term-limited contribution projects were approved for renewal in the Pikes Peak Enterprise Zone in 2019: *Colorado Springs Fine Arts Center at Colorado College* is an Operations: Visitor Event/Attraction project whose mission is to provide innovative, educational, and multidisciplinary experiences while elevating the individual spirit and inspiring community vitality. Located in the downtown Colorado Springs EZ district, the FAC is a cultural destination and an anchor of the Colorado Springs Creative District; Catholic Charities' *Homeless Support: Marian House and Family Connections Campuses* is an Operations: Homeless Housing and Employment Services project. It will provide services ranging from providing a safe daytime haven for families and meeting emergent needs, to providing case management to connect individuals and families with employment, housing and healthcare; *The Place: Youth Exiting Homelessness to Live Self-Determined, Fulfilled Lives* is an Operations: Homeless Housing and Employment Services project. The Place provides the following support and services to homeless

youth: shelter, street outreach, case management, education and employment programming, health and medical care, as well as supportive housing, rapid re-housing, and transitional housing.

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, as well as the Colorado Springs Chamber and EDC, Colorado Springs Downtown Partnership/Downtown Development Authority, Pikes Peak 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 staff educated prospective businesses, interested in locating their new business or relocating existing companies to El Paso County, about the benefits of the Enterprise Zone, and also encouraged site selections within the Enterprise Zone boundaries. Economic Development staff took part in educating local business owners about the benefits of the Enterprise Zone during the Tri-Lakes Chamber Business Expo, the Pikes Peak Library District's Business Resource Fair, and a Southeast Colorado Springs RISE Coalition meeting. On an on-going basis, Economic Development staff continues to educate businesses about EZ benefits at one-on-one meetings, email correspondence, prospect meetings, phone conversations, as well as public meetings.

Winning Story:

A locally owned industrial 3-D printer manufacturing company on the west side of Colorado Springs was quickly outgrowing its existing operational business space outside the Pikes Peak EZ boundaries. In their quest to find a larger space for the business to grow to meet national product and service demand, they sought out a location within the Pikes Peak EZ boundaries in Colorado Springs. El Paso County Economic Development staff met with the 3-D printing company to discuss the benefits of the Enterprise Zone and also confirmed that the site they had selected in central Colorado Springs was indeed within the Pikes Peak EZ boundaries. County staff also discussed the various tax credits with the business representatives, and stressed the importance of completing the EZ pre-certification prior to beginning any new investment or hiring activities at the new business location. The 3-D printing company has now completed its business relocation and is actively hiring additional staff and purchasing new equipment to further expand their 3-D printer manufacturing business.

Objectives Report for 2019:

Goal #1:

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

- Pikes Peak EZ added one new contribution project addressing these targeted categories: Dream Centers' *Mary's Home Capital Campaign: Phase 3 – Independent Living*. Dream Centers will purchase and rehabilitate an adjacent property to the west of Mary's Home main housing building. This will open four new housing units for mothers, and their children, who are ready to move to Phase 3-Independent Living, while working on their careers and achieving financial independence.

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.

- Pikes Peak EZ did not have an opportunity to add any new EZ Contribution projects focused on job training programs.
- Credits certified during calendar year 2018: 81 businesses trained 1,542 employees within the Pikes Peak EZ. Credits certified during calendar year 2019: 91 businesses trained 2,274 employees within the Pikes Peak EZ, resulting in a 12% increase in the number of EZ businesses training their employees, and a 47.5% increase to the number employees trained in the Pikes Peak EZ than in 2018.

Goal #3:

Strengthen relationships and collaboration with economic development partners.

- Economic Development staff continue to participate in monthly prospect update meetings with local economic development partners and key stakeholders. Staff also continues to share EZ benefit information with the group, stressing the importance of annual pre-certification, and also encouraging existing and prospective businesses to locate within the EZ boundaries.

Goal #4:

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

- Pikes Peak EZ added two contribution project focused on Homeless Housing and Employment Services: Catholic Charities' *Homeless Support: Marian House and Family Connections Campuses* and *The Place: Youth Exiting Homelessness to Live Self-Determined, Fulfilled Lives*.

Goal #5:

Encourage economic redevelopment in distressed areas through rehabilitation and business expansion.

- Pikes Peak EZ did not certify any Vacant Building Rehab credits in 2019.
- Credits certified during calendar year 2018: 674.03 Net New Employees. Credits certified during calendar year 2019: 840.83, an increase of more than 24% additional New Employee credits certified in 2019 than the same time frame in 2018.

Objectives for 2020:**Goal #1:**

Support business opportunities – and increase the number of out-of-area visitors to EZ contribution projects, by at least 5% - that promote the region's heritage, unique cultures, scenic beauty, wildlife, arts, sporting activities, and other tourism opportunities.

Goal #2:

Support and encourage increased employment opportunities by partnering with economic development focused agencies and businesses in marketing, recruitment, and training efforts, resulting in 1,000 new or increased job opportunities within the EZ.

Goal #3:

In partnership with community stakeholders, support the revitalization of existing business districts through rehabilitation and business expansion, resulting in 100 businesses advanced.

Goal #4:

Support Workforce Housing Capital Campaigns and Homeless Housing and Employment Services Operations, promoting a variety of housing and job opportunities in the region, resulting in an increase of successful housing outcomes and job placements.

Other Objectives for 2020:

Economic Development staff has developed a targeted EZ marketing plan to increase its rural outreach and plans to offer additional EZ informational sessions with Chambers of Commerce in the region, as well as in tandem with Pikes Peak SBDC events.

2019 REGION 10 ENTERPRISE ZONE ANNUAL REPORT

Overview

Region 10's Enterprise Zone covers six counties in Western Colorado, including Delta, Gunnison, Hinsdale, Montrose, Ouray and San Miguel. The area covers over 9500 square miles and extends from the Continental Divide westward to the Utah border. The total population of the region is just over 103,000, with the majority of the population (approximately 70%) residing 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 & startup businesses. As host to the Colorado West Central Small Business Development Center (SBDC) Region 10 supports and educates 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.

Past year 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 three of its four coal mines and Tri-State Generation closed the Nucla power plant under agreement with CDPHE. Russell Stover, based in Montrose and employs over 400 people from the region, announced it will be closing its Montrose plant in Spring of 2021, which has prompted a coordinated effort to respond, which Region 10 is involved with. The historic number of avalanches, snow levels and flooding risks heavily impacted Hinsdale County and surrounding areas with the need for disaster planning and a late start for the summer tourist season negatively impacting the local economy.

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.

The 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 2019 (July 2018-June 2019).

Enterprise Zone Business Tax Credits				
County	FY19 Investment	FY19 Tax Credits	FY18 Investment	FY18 Tax Credits
Delta County	\$7,904,940	\$237,152	\$ 4,206,019	\$126,183
Gunnison County	\$2,245,150	\$67,359	\$ 3,055,415	\$ 91662
Hinsdale County	\$106,159	\$3,185	\$ 187,031	\$ 5611
Montrose County	\$9,111,530	\$ 273,349	\$ 8,343,608	\$ 250,313
Ouray County	\$460,265	13,807	\$ 119,568	\$ 3,587
San Miguel County	\$ 134,436	\$4,034	\$ 210,319	\$ 6,310
Total	\$ 19,962,481	\$ 598,885	\$ 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 \$2.6 million in donations to projects.

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

County	Census 2010	2018	% Change
Delta	30,899	30,935	.12%
Gunnison	15,309	17,173	12.18%
Hinsdale	843	807	-4.27%
Montrose	41,188	42,263	2.61%
Ouray	4,446	4,804	8.05%
San Miguel	7,356	8,177	11.16%
Colorado	5,050,332	5,694,311	12.75%

**Colorado State Demographers Office*

Although the rate of unemployment has decreased in areas, many of these jobs tend to be in lesser paying industries, such as tourism and personal/health care, while many of the jobs lost have been in higher paying industries, such as construction and mining. Some of our counties experienced a slightly higher unemployment rate in 2019 (as did the State). Per capita income has increased, but for the larger population areas, remain significantly below the state average.

24 Month Unemployment Rate*		
County	2018	2019
Delta	3.84	3.63
Gunnison	2.27	2.44
Hinsdale	2.4	3.01
Montrose	3.43	3.39
Ouray	3.14	3.22
San Miguel	3.14	3.25
Region 10	3.26	3.24
Colorado	3.0	3.05

US	4.12	3.78
----	------	------

Per Capita Personal Income*		
County	2010	2019
Delta	\$ 28,691	\$ 38,855
Gunnison	\$ 33,706	\$ 47,149
Hinsdale	\$ 34,579	\$ 56,980
Montrose	\$ 29,697	\$ 39,930
Ouray	\$ 38,658	\$ 59,639
San Miguel	\$ 48,703	\$ 85,432

* statsamerica.org

Past year 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, such as chamber events, business competitions, local business and not-for-profit meetings.
- Business Loan Fund Director and the SBDC Director informs clients of EZ Tax Credits when meeting with businesses.
- Assistance with contribution project applications and training.
- Coordination with development organizations and governments in recruiting efforts to Enterprise Zone areas.
- 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, and closing 22 loans in 2019 for a total of \$540,925.00. Region 10 Small Business Resource Center is gaining efficiency and creating more impact by providing clients a base of knowledge/understanding on a variety of functional area topics through our workshops and following up with one-on-one SBDC consulting that pairs clients with functional/industry experts to address the specific questions and needs of the business.

SBDC Consulting by County

2019	Clients	Sessions	Hours
Delta	51	141	215
Gunnison	39	80	140
Montrose	70	136	203
Ouray	6	10	48
San Miguel	25	37	57

Workshops	number	participants
2019	40	573

Region 10, in an effort to support existing and new businesses, along with state and local partners, has invested approximately \$15 million dollars in regional Broadband infrastructure. Partners include DOLA, EDA, DMEA, local government, and others. Five local internet service providers are now obtaining services from Region 10 in our region and in turn, are offering advanced broadband services to their communities.

Winning Story:

The contribution project: City of Montrose Trails Expansion and Improvement Project was able to secure a donation of land (41.262 acres valued at over \$505,000) for public open space. This donation allowed for the construction of the Connect Initiative Recreation Trail which is now completed and open to the public. This project expanded trails, with underpasses, on both ends of town to connect more of the public with parks and recreational opportunities. People will be able to bike or walk from the Colorado Outdoors Project on the north end of town to the Montrose Community Recreation Center on the south end. The EZCP project enhances the Colorado Outdoors (mixed use) Project which focus is on the revitalization of Uncompahgre river corridor in Montrose, Colorado. The goal is to provide the region with three things:

- A desirable location for business relocation and commercial enterprise, bringing skilled jobs;
- A restored and enhanced river for the benefit of our community;
- Quality, workforce housing for local residents.

Objectives Report:

Region 10 Enterprise Zone 2020 Objectives

1. Support a diverse economy including support for agriculture, tourism, outdoor recreation, healthcare and manufacturing to increase number of regional jobs and maintain employment levels.
2. Support entrepreneurship with training, access to capital and innovative models of service such as incubators, innovation centers, co-working, etc. to increase number of jobs and median income.
3. Create communities that attract and support residents, businesses, and visitors including vibrant downtowns, affordable housing, quality air and transit services, and community facilities to maintain and grow population and sales taxes.
4. Maintain and improve infrastructure including aviation, broadband, transportation, trails, water/sewer facilities, public lands, and renewable energy to attract visitors and support residents and businesses measured by public and private investment.
5. Develop and attract a skilled and talented workforce including training and educational opportunities, support for emerging and transitioning workforce including homeless, displaced and other vulnerable populations to increase median income.
6. Assist communities in creating atmosphere to support retention/relocation, including housing, main street, downtown improvement, access to healthcare, recreation and other opportunities to attract new population and businesses.

In 2019, Region 10 established the following objectives, with the progress listed below each objective:

- 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.

- Region 10 Business Loan Fund closed 22 loans in 2019 for a total of \$540,925.00.
- 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.
 - Progress: Montrose Regional Airport (MTJ) has been the fastest growing airport in Colorado for the past five years, with 58% growth in passengers and 55% growth in seats during that period. Commercial air service was recently re-established and Telluride Regional Airport (TEX). City and county taxes and job growth throughout the supported region show corresponding trends.
- 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.
 - Progress: Region 10 supported 43 Enterprise Zone Contribution Projects which received a total of \$2,662,662 of donations eligible for EZ Tax Credits in 2019, a \$482,650 increase over 2018.

Objectives for Coming Year

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

- 1. Support entrepreneurship with training, access to capital and innovative models of service such as incubators, innovation centers, co-working, etc. to increase number of jobs and median income.**
 - a. Increase the number of Region 10 Business Loans and track jobs created and retained.
 - b. Increased use of Enterprise Zone Tax Credits by businesses as measured by the number of credits received
 - c. Increase the number of Entrepreneurial Enterprise Zone Contribution Projects by at least one
- 2. Create a dynamic region for diverse and sustainable tourism experiences and activities**
 - a. Add at least one EZ Contribution Project that focuses on visitor attraction and tourism
- 3. Assist local communities in creating atmosphere to support retention and relocation to attract new population and businesses.**
 - a. Increase the number of donations to EZ Contribution Projects.

2019 SOUTHEAST ENTERPRISE ZONE ANNUAL REPORT

Overview

SECED and the Southeast Enterprise Zone (Baca, Bent Crowley, Kiowa, Otero 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 31 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, but does seem to be making some headway for attracting businesses who wish to be located in an area where there are lower operating costs. SECED and its regional partners 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. In 2019, the investment was not as large, but still was higher than the 2017 investments. As demonstrated in the table, 2019 ITC Capital Total was about 25% higher than in 2017. With the continued push towards green energy in our area and the abundant natural resources and land, we anticipate that we will see green energy investments continue sporadically in future years. We consider the enterprise zone to be a valuable program for this reason.

	ITC Capital Total	ITC Capital Qualified	Qualified Renewable Energy Investment	ITC Tax Credit	Job Training Investment	Trained Employees	Job Training Tax Credit
Year							
2019	\$61,878,840	\$41,339,593	\$35,216	\$1,241,996	\$261,729	700	\$31,407
2018	\$184,041,118	\$171,008,854	\$131,173,020	\$5,130,275	\$195,170	645	\$23,421
2017	\$50,411,313	\$35,597,558	\$6,585	\$1,067,932	\$149,254	629	\$17,911

The Southeast Enterprise Zone encompasses the six counties in Southeast Colorado with a total population of 47,042 (according to Colorado Demography Office) as of July 2018. This is an increase over 2017 of

approximately 140 people. Based on the most current historical data, the region has experienced a slight increase in population growth through 2018. A positive trend, albeit small, is welcomed as growth affects the general health of our member rural communities. Only one of our smaller counties experienced positive population growth at or above 1% and only one showed a decrease in population. The remaining four showed a growth rate of less than 1%.

Jobs in SE Colorado are diverse and comprised of health services, government, education, agriculture and some manufacturing. The SE EZ area's collective unemployment annual rate in 2018, was 3.82%. The state unemployment rate was 3.3% for that same time period. For the month of December, 2019, the area's collective unemployment rate was 2.54% as compared to state unemployment rate of 2.5%. It is hopeful that this is an indicator of an improving economy for the region in 2019 and the future.

Per capita income data was only available for 2018 and it showed an increase overall in the region of 1.5% over 2017. However, each of the counties continues to meet the economic distress criteria at the county level (see the following table):

County	Population	Growth Rate Qualify	Unemployment Rate Qualify	Per Capita Income Qualify	EZ Qualify Status
Baca	Yes	Yes	No	Yes	Yes
Bent	Yes	No	Yes	Yes	Yes
Crowley	Yes	No	Yes	Yes	Yes
Kiowa	Yes	Yes	No	Yes	Yes
Otero	Yes	Yes	Yes	Yes	Yes
Prowers	Yes	Yes	No	Yes	Yes

Annual regional retail sales data for 2019 per the Colorado Department of Revenue reported gross sales of \$1.44B with \$1.16B being retail sales, compared to \$290B in gross sales and \$217B for the remainder of the State of Colorado. This equates to \$11.9M in sales tax revenue for the region.

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 3.2 enterprise zone questions per week since January 1, 2019. With the implementation of the Salesforce program, the process of certifications has become simplified. However, with our remote locations and the addition of Otero County, the verifications/validations of locations have increased our contact with those pre-certifying in the zone. On average we had been contacting easily 14 businesses per month to get clarification/verification of addresses.

Over the course of the last twenty-eight (28) years, SECED's Business Loan Fund (BLF) has assisted 303 business loan needs in the amount of \$17,881,061 with leveraging from private sources totaling \$15,362,359. For 2019, nineteen (19) loans were funded in the amount of \$1,390,918.00. 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, \$5,643,667 funds have been loaned benefiting 328 households and 2019 resulted in 11 loans funded to the amount of \$95,743.

In 2019, the Southeast EZ processed 327 ITC certifications. The sum of capital investments amounted to \$61.9M with \$41.4M in qualifying investments which generated \$1,242,191 in tax credits. A total of 700 employees were trained generating credits to the employer of \$31,407.

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 \$145,736 in contributions giving contributing taxpayer credits of \$36,434. In 2019, Southeast EZ added one new contribution project, and closed one project that felt they had met the goals and have completed their project. Southeast EZ now oversees 12 active projects. 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, each year we offer training and/or a refresher 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 7 meetings over the course of 2019 to present enterprise zone information to groups, including but not limited to economic development agency boards, Business after-hours groups, chamber, town council 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) has many partners. It associates closely with Southeast Business Retention Expansion and Attraction, 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. In 2019, SECED, SBDC and Start-Up Colorado partnered to bring a professional "Destination" trainer to the region. The purpose of the training was to help businesses and downtowns identify ways to make their business or community a destination. The innovative methods of the trainer left over 70 participants eager to analyze/determine what makes their business a unique place to visit. We have even had two economic developers take the "Train the Trainer" course and now have their consultation services available locally.

Winning Story:

In Southeast Colorado, often referred to not as rural, but frontier, we have the challenge of attracting and retaining businesses and/or encouraging the entrepreneurial spirit. As drought, transportation challenges, perceived lack of infrastructure, labor force and reports of out-migration continue to impact our rural economy, stakeholders in the area continue to meet to address ways to change the mentality of not only local residents but residents statewide that perceive the area as NOT a place to live, work and play.

In 2019, the entrepreneurial spirit took hold for a company that created 29 new jobs in the area. The total ITC capital investment was \$1.8M, all of which was qualified investment resulting in \$54,500 in investment tax credits and \$58,000 in net enhanced tax credits. The company saw the value in creating a valuable opportunity for employment to local residents and built a travel center, which is now a valued stop for travelers across the region as well as those moving through the region. According to the job creation calculator provided by the Office of Economic Development & International Trade, 29 new jobs created in Southeast Colorado equates to 2,903 jobs created in Denver, which shows the economic impact of just one job in our rural county.

Again, our communities see the Enterprise Zone designation as a vital tool in our incentive toolkit for encouraging the entrepreneurial spirit and spurring development in SE Colorado. We have begun to see its benefits across the region for attracting businesses that might have otherwise located elsewhere.

Objectives Report:**2019 Objectives (as submitted on previous report and including performance measures)**

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.
 - *In 2019, Economic developers, through their annual report, demonstrated that they were meeting with at least 1 individual on a monthly basis and were disseminating information on local incentive programs as well as the enterprise zone. While not all contacts resulted in new businesses, they were able to document job creation for on average 3-4 businesses in the smaller counties, and 5-6 businesses in the larger counties.*
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%.

- *In 2019, the local junior colleges have implemented workforce training programs that assist with the healthcare industry, the welding industry, renewable energy technologies, and construction trades. These programs are continually documenting the number of trained individuals completing certificates and entering the workforce. The nursing and welding programs have been in place for many years and have exceeded expectations each year since their initial inception. The renewable energy technologies and construction trades programs are new but are now widely known and we expect will gather steam in the years to come.*
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.
 - *In 2019, each of the local economic developers try to make contact with industry sectors in their respective areas each month to ask how we can be of assistance as well as to find out what services they are offering to help inform residents of local services. Healthcare in the area is vital to the region and facilities have expanded their services to meet the need of those unable to travel to the metro areas for care. Several of the economic developers meet monthly with manufacturing partnerships and have created a valuable relationship for keeping apprised of developments and needs in the region. Southeast EZ continues to reach out to ag related businesses to ensure that they are aware of the incentives for investment into the region.*
 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.
 - *In 2019, SECED was awarded a REDI grant from DOLA for the purpose of doing an OZ prospectus. At the end of 2019, a consultant was chosen with the intent to start the prospectus in early 2020. It is now underway and should be completed by June of 2020. One of the counties in the region (Ordway), has moved forward with a housing development that will have five single-family dwellings in place by mid-2020. Work on the project started in the 4th quarter of 2019. It will be used as a model for other counties to follow.*
 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,
 - *In 2019, tourism, specifically heritage tourism, to the area continues to be a major draw for our area. In addition, visitor attractions such as county fairs are a major contributor to bringing people from around and outside the region to the area. Comparisons of retail sales for 2019 to 2018 shows a 10% increase over 2018.*

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 1-3 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 complete the development of a regional prospectus specific to housing. 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 2 projects specific to housing that will be utilizing the opportunity zone in conjunction with private/public funds (capital stack) in order to address the need for housing.
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 2020 over 2019 based on data provided by retail sales,

2019 SOUTH CENTRAL ENTERPRISE ZONE ANNUAL REPORT

Overview

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

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

SCCOG focuses on regional and community economic development efforts within the bi-county region (Huerfano and Las Animas Counties). SCCOG assists regional communities and local governments through the identification, documentation, and the distribution of information on the availability of grant funding and technical assistance. SCCOG also works to help the bi-county region identify issues and create strategic plans among the member cities and counties to enable both to address regional problems and/or issues that exist or could arise. The goal of SCCOG's regional and community economic development is to bring communities together and participate in sustainable community development projects, regional community development, downtown revitalization, infrastructure determination, and data informed decision making. SCCOG also coordinates efforts with various additional counties on regional issues for economic development, entrepreneurship, and enhancing the region's quality of life.

Las Animas County is the largest county in the state of Colorado and the fifth largest in the nation with 4,772 sq. mi. At 6,025 feet in elevation and with 300 days of sunshine and charming brick streets, the area is very welcoming to visitors and retirees. Travelers from the south along the I-25 corridor get their first glimpse of Colorful Colorado with the Sangre de Cristo Mountain range meaning "Blood of Christ" to the west and the Comanche Grasslands to the east. The area boasts three lakes that provide excellent fishing, water activities, camp sites, and RV accommodations. The nationally recognized Santa Fe Trail from Missouri to New Mexico brought thousands to the west who traveled directly through Trinidad.

Huerfano County is primarily a rural county with an average of just 5 people per square mile. Approximately three-quarters of the entire land area is privately owned and the remaining land is publically owned by the US Forest Service (San Isabel National Forest), the Bureau of Land Management, Colorado State Parks (Lathrop State Park) and the State Board of Land Commissioners (they lease their land primarily for agricultural uses). According to the NRCS, about 77% of the County is rangeland/grassland, approximately 18% is forest, a little less than 3% is cropland (96% of which is irrigated land), 0.7% is barren or rock/talus slopes, 0.6% is riparian or water, and 0.6% is developed with residential or commercial uses.

It is important to the residents of both counties that the area's rural land uses be maintained to protect the beauty of the natural environment and preserve the area's western heritage. While some growth is desired, rather than seeing a lot of population growth, the citizens of the County would like to see growth take the form of redevelopment that brings in new businesses and industries to better support and meet the needs of the existing residents. In addition, new growth should be sustainable and should be guided by the unique character and existing assets that the region has to offer. The intent is to find a balance between economic vitality while maintaining rural character in order to preserve the natural environment and high quality of life that the residents treasure.

The area's economy has been tightly bound to the "boom and bust" cycle of the mining and oil and gas industries, which has resulted in a reduction in investment in the built environment and a declining population. There are numerous instances of dilapidated or vacant non-residential buildings in downtowns and along commercial corridors across the area town's central cores. These blighted conditions have created public health and safety issues that have hindered infill development, redevelopment, and commercial corridor revitalization.

It is important for our community to maintain existing infrastructure and ensure future development or redevelopment pays their equitable cost of extending services and protecting the natural environment that makes the area so special. The natural topography, geological subsidence areas, designated floodplains, wildfire hazard areas, water supply and view sheds need protection and plans for mitigation of hazards and damage prevention, should be required if development occurs. Infrastructure and services can also act as a safety measure in the event of a hazard, providing access and water to sites in emergency situations.

In order to maintain a high quality of life for residents it is important for the area to strive to maintain and improve the many public facilities, services and amenities available to residents. These efforts include encouraging multi-modal transportation which allows for the safe, economical and efficient transportation of people and goods into and throughout the area. The automobile is the primary means of transportation for area residents wherein regional and local mobility are accomplished primarily through a network of roadways; however, other forms of transportation are vital to our community including air, rail, and alternative forms of transportation such as transit, bicycle, and pedestrian services.

The region values its natural assets in renewable solar and wind energy. Efforts continue to focus education relative to geothermal energy opportunity for the region and potential plans to develop direct use heat exchange. Through the Refuel Colorado & Charge Ahead Colorado programs the sub-region continues working to promote Electric Vehicle use and Electric Vehicle Supply Equipment throughout the South Central region.

The area has a variety of parks, trails, and recreational opportunities for residents and visitors to enjoy including the Purgatoire River Trail System, Trinidad State Park, Monument Lake, the Scenic Highway of Legends, Comanche National Grasslands, Santa Fe Trail, Spanish Peaks Wilderness, and important landmarks (natural and man-made), as well as the various parks within the two counties' cities and towns. Linking these recreational opportunities and the variety of cultural resources provide the core attraction for tourists.

The extensive and varied recreational, cultural, historical, and scenic resources in our region represent a substantial foundation for a robust tourism economy. Recognizing the natural link between historic, cultural, scenic, and recreational resources and the tourism advocated by community initiatives, an approach for a tourism economy across the region has been developed to focus on the wise use of these abundant resources within a tourism context. The goal is to work with regional partners, landowners, numerous community organizations, and volunteers to market and promote the recreational amenities, colorful history, and cultural resources to showcase the area as a travel destination, increase revenue generated by the tourism industry, and contribute to the economic impact of connecting community initiatives.

Finally, access to the broadband (high speed internet) is no longer a leisure or luxury service, but a recognized necessity. It is critical to education, healthcare, business, and government. Schools rely on broadband for distance learning. Healthcare providers are moving more to electronic recordkeeping and charting. Businesses and government use broadband for communication and data sharing. Also, sole proprietors and entrepreneurs (location neutral businesses) rely on the internet for virtually all business activity.

Past year Observations and Data

Business and industry related to heritage and recreation tourism, creatives, as well as Colorado's legalization of marijuana (even though it is not eligible for EZ tax credits) are beginning to generate revenue that is expected to become a significant and sustainable future source of economic growth and stability throughout both Huerfano and Las Animas counties.

Colorado has the 5th highest concentration of artists and creative professionals in the country. The creative industries are an important piece of Huerfano and Las Animas Counties' economies, and many area towns and cities are engaging artists, creative entrepreneurs, and local cultural organizations to help

revitalize our area communities and strengthen local economies across both counties. The trend has started to generate jobs, animated public spaces, rejuvenated structures and streetscapes, and opportunities to bring diverse people together to celebrate, inspire and be inspired. In order to sustain these initial trends in the area, the economic redevelopment opportunities must bring in new businesses to better support and meet the needs of the existing residents in both counties but won't result in significant detrimental impact on the environment.

The region values its natural assets in renewable solar and wind energy. In December, 2019 the Black Hills Corp. announced that construction has been completed and commercial operations started for the 60-MW Busch Ranch II wind project in southern Colorado and the 35-mile Natural Bridge pipeline in eastern Wyoming. The \$71 million wind project was developed by Black Hills Corp.'s power generation segment Black Hills Electric Generation for its affiliate electric utility, Colorado Electric. The project is sited on 13,000 acres in Huerfano and Las Animas Counties, Colorado. All of the wind project's energy will be delivered to Colorado Electric through a 25-year power purchase agreement.

Past year Efforts to Improve Conditions

In this section please include some of the efforts that you made to improve conditions in the EZ. Please keep this section limited to a brief list and summary of efforts. Several suggested efforts that EZs around the State have tracked and included in past narrative reports are provided as an example of "efforts to improve conditions".

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 203 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.

South Central Council of Governments also secured funding for a PEL Study looking at developing bicycle and pedestrian trails along the Highway of Legends (State Highway 12 and a portion of State Highway 160) from Trinidad to Walsenburg. The study will be completed in 2020, but has already created a new focus on the potential economic benefits of developing a system of trails connecting all the outdoor recreational opportunities in the two county region. Such a system will enhance access to the principal natural attractions that bring people who are traveling along that I-25 corridor into the communities in both counties. There will be a demand for new services that don't currently exist in any of the communities along the Highway of Legends, such as trail based guides and outfitters, skills instructors, shuttle services, and trail construction crews. These new trails will also increase the demand for services that currently exist in Las Animas and Huerfano Counties such as, hospitality, food and beverage, increased lodging demands, mechanic services, and equipment rentals. Trails will provide the communities with a valuable asset in business and employee recruitment, retention, and give our regional community the ability to attract businesses to relocate.

The South Central EZ worked with regional leaders during the year to establish the Fisher's Peak Ranch Acquisition Enterprise Zone Contribution Project which focuses on acquiring Fisher's Peak for public use as an outdoor recreation area and possible economic driver for the area. Protection of Fisher's Peak Ranch and future public access will present new opportunities for local businesses and help secure a sustainable economy for the town well into the future.

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

South Central 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. Certifications have increased as we did much more outreach from responding to questions regarding the online system. We have had several meetings with new members of existing Contribution Projects as those projects experience personnel turnover. There is often a learning curve and required Enterprise Zone training requirement for such personnel. South Central Staff have also given information sessions to company boards and to non-profit boards of director for opportunities, and to county and city elected officials across the region.

Winning Story:

South Central had two winning stories during 2019. This year's South Central winning stories focuses on the impact of the completion of a project that has used EZ credits throughout its development, and an EZ Contribution Project which, through its efforts, had a major impact on potential future economic development in the area.

1. In December, 2019 the Black Hills Corp. announced that construction has been completed and commercial operations started for the 60-MW Busch Ranch II wind project in southern Colorado and the 35-mile Natural Bridge pipeline in eastern Wyoming. The \$71 million wind project was developed by Black Hills Corp.'s power generation segment Black Hills Electric Generation for its affiliate electric utility, Colorado Electric. The project is sited on 13,000 acres in Huerfano and Las Animas Counties, Colorado. All of the wind project's energy will be delivered to Colorado Electric through a 25-year power purchase agreement. From its beginning, this project has benefited from Enterprise Zone credits.
2. The establishment of the Fisher's Peak Ranch Acquisition Enterprise Zone Contribution Project in July of 2019 demonstrates the benefit of working with regional leaders across all sectors, including the Nature Conservancy, Trust for Public Land, City of Trinidad, Colorado Parks and Wildlife, Great Outdoors Colorado, Trinidad State Junior College and South Central Council of Governments, Colorado Parks and Wildlife, Las Animas County, and the Governor's Office. Fisher's Peak was one of the first two pilot projects for a new Purgatoire Watershed Outdoor Stewardship Program. A portion of the funds goes to enhance 150 acres of the Fisher's Peak and Crazy French Ranch area, which was purchased and conserved by TPL and TNC, and to eventually be opened to the public. The park is a 30-square-mile trove of untrammelled forest, teeming with deer, elk, bear, cougars and more, capped by the basalt-flumed buttress that towers over the city of 9,000 people. Bordered by Trinidad, Interstate 25 and thousands of acres of designated Colorado wildlife area, Fishers Peak could be open in 2021, offering public access for the first time since statehood and promising a boon to the boom-bust economy of Las Animas County.

In September, 2019, Gov. Jared Polis signed an executive order for the creation of the state's 42nd state park at Fisher's Peak. Polis announced that Colorado's 42nd state park would be open to the public in January 2021, with a ribbon-cutting ceremony in the fall of 2020. A diverse partnership — including the City of Trinidad, The Trust for Public Land, The Nature Conservancy, Colorado Parks and Wildlife and Great Outdoors Colorado is coordinating to develop the iconic natural landmark as a new state park. Polis pointed out that the park is important for the economy of Southern Colorado because it will attract visitors to Trinidad and Las Animas County who will spend money in local stores and stay in local hotels.

Objectives Report:

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

Goal # 1: Revitalize and Support vibrant downtown districts:

- In January of 2019 the SCCOG Road and Infrastructure Enterprise Zone Project was approved. The Trinidad Las Animas County Road and Infrastructure Project works to enhance economic development and job creation through focusing on investment and preservation-based economic development and community revitalization efforts. The project will assist with physical infrastructure improvements to support economic and community development, improve system quality and capacity, and ensure that future needs are met.
- There were three projects in Trinidad that took advantage of the Vacant Building Rehabilitation Tax Credit in 2019.

Goal # 2: Promote regional historic, cultural and recreational tourism:

Objectives:

- In 2019, the South Central EZ worked with regional leaders during the year to establish the Fisher's Peak Ranch Acquisition Enterprise Zone Contribution Project, which helped lead to the designation of the Fisher's Peak Ranch as the newest Colorado State Park.

Goal # 3: Expand region-wide broadband:

- There were no definitive successes in expanding region-wide broadband in 2019. However, Las Animas County is bringing Referendum 1A before voters in this election, seeking to "opt-out" of SB-152, which would allow the county to apply for grants that would help fund future broadband infrastructure needed for economic development. Opting out of SB-152 would allow local governing entities the ability to provide fiber-optic broadband service, either independently or in a public/private partnership, if it is feasible, affordable, and in the interest of the residents of the county.

Objectives for Coming Year

South Central EZ has three major goals each with associated objectives for 2020:

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.