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# Adams County Enterprise Zone

## Overview

Adams County is within 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, Northglenn, Thornton, and 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. Adams County Regional Economic Partnership (AC-REP) is a public/private, nonprofit economic development organization where we serve Adams County, its 10 municipalities, more than 10,000 companies, and just over a half a million residents. AC-REP is working to write the next chapter in Adams County by amplifying its unique business story, championing area real estate developments, and focusing on new infrastructure. AC-REP empowers our members and community leaders to promote and expand economic opportunity in Adams County.

We are proud to be the Enterprise Zone Administrator for the County and have the overall goal to improve economic conditions within economically distressed areas. Working toward positive incremental increases in measurable Enterprise Zone data such as number of certifications, number of new jobs per year, capital investment dollars and contribution dollars is the most direct step AC-REP can make toward improving economic conditions within the Enterprise Zone. The Enterprise Zone education efforts continue to be integrated within the work AC-REP does for their businesses which has resulted in positive and measurable increases within the Enterprise Zone.

## Past year Observations and Data

Adams County approved approximately 303 records in 2019 whereas in 2020, Adams County approved approximately 253 records. We attribute this decrease in records due to the negative impact from the COVID-19 pandemic which caused AC-REP to pivot our communication outreach efforts. AC-REP had experienced some staffing changes early in 2020 with welcoming a new President/CEO in early March and a new employee who took on the Enterprise Zone Program in May.

## Past year Efforts to Improve Conditions

2020 was a challenging year for many companies due to the COVID-19 pandemic. While many businesses struggled with closures and new COVID-19 operational restrictions, AC-REP continued to promote the Enterprise Zone program through our website [www.adamscountyrep.com](http://www.adamscountyrep.com) by providing up-to-date data, links to the State of Colorado Enterprise Zone website and, a flier with information on how to pre-certify and Enterprise zone contact information. AC-REP continues to educate the public about the program through direct outreach, marketing efforts and individual meetings (many conducted on Zoom due to the pandemic), with businesses and local governments. AC-REP works with businesses learning about the pre-certification process and schedules calls with individuals seeking assistance for first time pre-certifications has been increasing over the year and is still relevant.

Contribution Projects:

There are currently seven Contribution Projects AC-REP is currently managing. There were three approved Contribution Projects in 2020.

Village Exchange Center- The Village Farm at Stanley Market Place - This program’s goal is to increase job training programs to up-skill workers and increase employment opportunity. Village Farms will train and create jobs for many individuals while bridging various socioeconomic communities in northwest Aurora and northeast Denver. This project stems directly from the community identified need for economic opportunities in the agriculture industry.
Discover Goodwill of Southern and Western Colorado - This program focuses on providing tangible skills to low-income adults and individuals with disabilities to support them in securing employment, obtaining independence, and developing dignity and hope. Goodwill assists individuals in a time of extreme economic instability due to layoffs and job insecurity. Programs provide a strong foundation for participants, allowing them to quickly master skills and take advantage of immense opportunities for growth in high-demand industries that remain critical.
Children's Hospital Colorado - This program functions as a capital campaign for attracting medical tourists. With its focus on bioscience and engagement with healthcare industries, Children’s Hospital supports many of the County’s development goals. This specific project most closely aligns with the goal of supporting community amenities and facility development: in healthcare, tourism, culture arts, and outdoor recreation. Adams County views the Anschutz Medical Campus, and Children’s Colorado specifically, as a key driver in the Enterprise Zone as one of the largest employers in Adams County.

Information and Outreach:

AC-REP has placed a section in our monthly newsletters to our membership discussing the Enterprise Zone, highlighting important news, Contribution Project updates, and Enterprise Zone administration contact information. Due to the pandemic, there have been fewer in-person business retention meetings conducted, with calls now being conducted via Zoom. AC-REP has also conducted Zoom meetings with our banking members to help educate them on how the Enterprise Zone Program works and benefits to area businesses.

Partners:

As the Adams County EZ Administrator, AC-REP serves as a County and statewide resource for Enterprise Zone questions, address verifications and certifications. In 2020, AC-REP received many inquiries for EZ information via phone and e-mail. Adams County inquiries were handled efficiently and inquiries about other counties and regions were directed to the appropriate administrator in the state. AC-REP also assisted businesses in the pre-certification and certification process. We continue to partner with all nine municipalities, and multiple private-sector businesses to provide Enterprise Zone information and materials to the Adams County business community.

Business Surveys:

Adams County Regional Economic Partnership did not perform a specific Enterprise Zone business survey in 2020. AC-REP did conduct the Adams County COVID-19 Economic Impact Survey in response to the COVID-19 pandemic <https://www.adamscountyrep.com/access-to-capital-no-1-concern-for-adams-county-business-in-covid-19-crisis/>. The results of this survey showed 308 total responses with 288 in English and 20 in Spanish. More than 50% of respondents stated they have 0-4 employees, 60% stated their 2019 gross revenues were $1-$500k, and 80% of respondents said they have just one business location. In response to the survey results AC-REP had launched its “Survive and Thrive Biz Webinar Series” that encompassed weekly online Zoom meetings on the CARES Act, Access to Capital, and Positioning Your Business for the Recovery.

## Winning Story:

The Contribution Project, Discover Goodwill of Southern and Western Colorado, is a winning story for Adams County as the project encompasses our primary goal of increasing job training and employment opportunities. This particular Contribution Project was coming up on its renewal year and it turned out their headquarters is actually located with the Adams County Enterprise Zone. Working closely with the Denver EZ Administrator and the Contribution Project contact, AC-REP was able to ensure a smooth transition and approval of this project. With a very well written Contribution Project application, Discover Goodwill of Southern and Western Colorado received a unanimous approval to continue its project in Adams County.

## Objectives Report:

Adams County’s 2020 Goals

* The primary goal is to increase job training programs to up-skill workers and increase employment opportunity A secondary goal is to improve/enhance job or career skills of workforce and assist businesses with obtaining qualified, skilled/trained employees. Lastly the program increases workforce alignment with job training programs and address critical industry needs.
* 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.
* Support community amenity and facility development including healthcare, tourism, culture arts, and outdoor recreation.
* Attract, retain, and grow Adams County businesses, encouraging and supporting entrepreneurial opportunities, job expansion and creation, and increasing economic access with global markets.
* 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.

Report on performance against your EZ specific objectives.

AC-REP’s 2020 goals for the Enterprise Zone program will focus on three goals:

1. AC-REP 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.
2. AC-REP continued the process of adding and promoting more Enterprise Zone Infrastructure Projects throughout Adams County.
3. AC-REP was able to approve three Contribution Projects in 2020 all relating to assistance with job training or attracting more jobs.

## Objectives for Coming Year 2021

* The primary goal is to increase job training programs to up-skill workers and increase employment opportunity A secondary goal is to improve/enhance job or career skills of workforce and assist businesses with obtaining qualified, skilled/trained employees. Lastly the program increases workforce alignment with job training programs and address critical industry needs.
* 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.
* Support community amenity and facility development including healthcare, tourism, culture arts, and outdoor recreation.
* Attract, retain, and grow Adams County businesses, encouraging and supporting entrepreneurial opportunities, job expansion and creation, and increasing economic access with global markets.
* 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.

# Central Colorado Enterprise Zone

## Overview:

Central Colorado Enterprise Zone (CCEZ): Beginning January 1, 2016, the CCEZ became composed of Upper Arkansas River basin counties located from the top of the basin near Tennessee and Fremont Passes in Lake County down to the eastern Fremont County line just above Pueblo Reservoir. Beginning at the top of the basin the counties, and their cities and towns are: Lake (Leadville), Northern Chaffee north of CR 162 (Nathrop and Buena Vista), Custer (Silver Cliff, Westcliffe), and Fremont (Cañon City, Florence, Penrose, Brookside, Coal Creek). Park County (Fairplay, Hartsel, Alma) joined the CCEZ in 2016 and is at the top of the South Platte River Basin.

Organization: The CCEZ is a unit of the Upper Arkansas Area Council of Governments (UAACOG) managed by the Zone Administrator and the Executive Director. The UAACOG manages the Park County portion of the zone under a zone administration services agreement between Park County and the UAACOG.

Business Environment: The economic base of the 4 1/2-county region varies as widely as its elevation: from 5000 to over 14,000 feet.

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

Business development challenges include a regional location that lacks proximity to front range markets, amenities and logistics networks (less of a challenge for Fremont County); lack of availability of a skilled workforce; lack of availability of affordable housing; struggling downtown businesses (less of a challenge in recent years); lack of early childhood care; seasonality of business activity that precludes consistent cash flow that leads to marginal profitability; financing availability limitations; lack of broadband infrastructure; and reduced year-around employment opportunities. In 2020, all of the above challenges were present; however, the COVID pandemic has exacerbated the problems.

The CCEZ along with our county and municipal partners were in an emergency response mode. We were writing and updating our Continuity of Operations Plan throughout the year. Priorities included keeping businesses open, assisting people who lost their jobs, protecting staff and clients from the deadly disease, as well as ensuring students at all levels had the tools to continue learning while families had food on their table. Remote working, virtual meetings, virtual classrooms, emergency grants, and restaurant carryout become the new normal. With this increase in technological requirement, broadband connectivity and bandwidth limitations became major challenges.

## 2020 Observations and Data:

(unemployment data provided by CDLE and DOLA): Observations of trends and change in the CCEZ have focused on an analysis of current and recent past data, and comparisons to state averages.

Per capita income data has historically indicated that CCEZ Counties per capita income, ranking among the 64 counties in the state and percent of state average per capita income, are well below the state and many other individual counties. The CCEZ continued its proportionately low per capita income as compared to the State average as it has since the EZ program was created. The lagging per capita income may be linked to a below Front Range average wage-salary labor market, seasonal employment, under-employment and prevalence of low paying service jobs related to tourism. The CCEZ goal to improve per capital income was very challenging in 2020 due to significant job loss.

Population growth estimate data from Colorado DOLA for 2019, indicates that most CCEZ counties and municipalities are above the state growth rate of 1.18%. Park (1.72%), Custer (2.74%), Chaffee (1.49%), and Lake (3.78%) counties all have a growth rate above Colorado. Fremont County saw a slight decline in the growth rate. (-0.51%).

The CCEZ county unemployment rates: Due to COVID, unemployment across the nation skyrocketed. CCEZ was no exception to the rise in unemployment. Current unemployment for the State of Colorado as of December 2020 was 8.4%. Most counties within the CCEZ have lower unemployment rates than the state average of 8.4%. Park (5.70%), Custer (5.80%), Chaffee (6.90%), and Lake (7.20%) counties all have lower unemployment rate than the state. Fremont County has a slightly higher unemployment rate (9.50%).

## 2020 Efforts to Improve Conditions:

Due to COVID 19, it was very difficult to improve the effectiveness and outreach of the CCEZ. Much of our outreach was done remotely through the virtual environment.

New Contribution Projects: The CCEZ has a balanced number and type of eligible projects on the books. In 2019, six contribution projects ended and nine contribution projects started. Of those projects that started, two are workforce housing, four healthcare, two tourist attraction, and one homeless support. Five projects ended in 2020, which leaves 14 current CCEZ contribution projects.

Business Friendly Audits & Information Outreach: As part of CCEZ Administration of the Certification of Location (DR0074) review and certifying process, each certificate and contribution form is carefully reviewed. If the CCEZ Administrator determines if there are any possible missed tax credit opportunities. CCEZ contacts the tax preparer describing the “possible” missed opportunity to ensue the request is completed accurately. The CCEZ continues extensive outreach to local economic development corporation, CPAs, business owners, and community leaders.

CCEZ Informational Publications and Presentations: CCEZ provides constant communication by email or phone contact on the benefits of the EZ. Clients are directed to the OEDIT website ([www.oedit.colorado.gov](http://www.oedit.colorado.gov)) for access to all EZ resources and programs. In 2021, the CCEZ plans to update it’s webpage to include user guides and links to pre-certification processes as well as the OEIDT website.

Partners and Collaboration: The CCEZ implements essential partnership relationships with the Zone’s CPAs, Chambers and EDCs by the Zone Administrator’s continuous collaboration by attending meetings, maintaining contact through the year and in-person assistance with each publications and web sites containing updated written E Z tax credit information. In 2020, there were staffing changes in the CCEZ; however, the CCEZ continued to work with the Custer County EDC, Chaffee County EDC, Lake County EDC, and Fremont County EDC. In addition, the Executive Director of UAACOG advises the UAACOG Board of Directors on bi-monthly basis the status of the CCEZ and contribution projects.

## CCEZ 2021 (coming year) Development Objectives:

Attract, retain, development, and support new and existing businesses by encouraging investment in correlating infrastructure and services. The CCEZ will continue to partner with local economic development committees, chamber of commerce entities, local businesses, and local financial institutions to garner additional business growth and job expansion. CCEZ contribution projects will continue to focus on those projects with the most impact to the Zone while ensuring proper category diversification.

Improve per capita income: 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 CCEZ AOR has historically had a higher rate of unemployment as compared to the State. Higher under-employment and limited seasonal employment is common in the Zone and reduces overall per capita income significantly. The addition of primary jobs would greatly improve the conditions of the CCEZ through higher wages. The Zone seeks to reduce unemployment, under-employment rates and improve year-around employment opportunities. See the previous “CCEZ Unemployment Rates”.

Improve the percentage of non-residential assessed valuation: The CCEZ AOR 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 Amendment. However, in the November 2020 election, the Gallagher Amendment was repealed so the impact to non-residential assessed values is not known at this time.

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

# Denver Enterprise Zone

## 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

While Denver’s housing division is now its own agency (HOST, Housing Stability), the agency’s work is integral to DEDO’s mission statement: Creating opportunities for everyone to make a home, get a job, and build a future. DEDO will continue to advocate on behalf of HOST and its goal to respond to the 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: East Colfax, Globeville, Elyria-Swansea, Montbello, Northeast Park Hill, Sun Valley, Valverde, Villa Park, West Colfax, and Westwood. 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 12 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 partnership with CEDS Finance will complement this program with

$200,000 in micro-loans to small businesses.

In 2020, DEDO launched numerous relief programs to assist businesses and nonprofits economically impacted by the COVID-19 pandemic.

* + [NPERF](https://www.denvergov.org/content/denvergov/en/denver-office-of-economic-development/housing-neighborhoods/nonprofit-emergency-relief-grants.html)- 301 Nonprofit Emergency Relief Grants awarded, $3.2M in funding, $10.7K average award, 81% of awardees serve a NEST Neighborhood (DEDO target neighborhood). Of those grants, 20 were awarded to organizations with EZ Contribution Project (EZCP) designation.
	+ [SBERF](https://www.denvergov.org/content/denvergov/en/denver-office-of-economic-development/housing-neighborhoods/small-business-emergency-relief-program.html) and [PNSBF](https://www.denvergov.org/content/denvergov/en/denver-office-of-economic-development/housing-neighborhoods/priority-neighborhood-small-business-grant.html)- Small Business Emergency Relief Fund & Priority Neighborhood Small Business Fund 2085 grants awarded, $12M+ in funding, $5.82K average award, 68% of awardees are minority and/or woman owned businesses. Thirty-eight percent (38%) are businesses located within an EZ or NEST/BIO Fund neighborhood.
	+ [PPE](https://www.denvergov.org/content/denvergov/en/denver-office-of-economic-development/housing-neighborhoods/ppe-program.html)- 6,892 Personal Protective Equipment kits delivered, 61% of awardees are minority and/or woman owned 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, 2019 and 2020 is provided below

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  |  | Unemployment Rate | PerCapitaIncome | Population | PopGrowth 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% |
| 2020 | Enterprise Zone | 8.3% | $28,312 | 125,471 | 2.08% |
| City & County of Denver | 7.0% | $45,074 | 741,456 | 2.02% |

*Table 1 Source: 2020 ESRI estimates. These are population numbers for aggregated census blocks.*

Comparison of Pre-certifications Between TYE 2019 and 2020



*Table 2 Source: EZ Salesforce reporting*

As Table 2 demonstrates, pre-certifications for TYE 2020 were only minimally lower than those for TYE 2019.

Comparison of Certifications Between TYE 2018 and 2019



*Table 3 Source: EZ Salesforce reporting*

As Table 3 above demonstrates, certifications and some performance indicators declined while others increased for TYE 2019 compared to TYE 2018. These figures actually do not reflect greater counseling and information- sharing from DEDO EZ Administrators to EZ businesses which has resulted in better program utilization. EZ businesses continue to invest substantially in employee training. Certification applications for TYE 2020 are still being received and won’t be evaluated until late 2021.

EZ Tax Credits Certified



*Table 4 Source: EZ Salesforce reporting*

Table 4 provides a comparison of the types of tax credits taken by EZ businesses, with the overall total remaining similar comparing TYE 2018 to TYE 2019.

## PAST YEAR EFFORTS TO IMPROVE CONDITIONS

See the Objectives Report below.

## SUCCESS STORY

Business Tax Credits – A rewarding story of 2020 was the culmination of the long road taken by Raices Brewing from the founders’ first meeting with DEDO staff in 2016 to their ribbon cutting on December 2019. The event was attended by leaders of the Denver Latinx community, the Mayor and councilmembers. Founded by a pair of long-time active contributors to the northwest metro business and cultural communities, Jose Beteta and Tamil Maldonado, launched their brewery in one of a cluster of vacant and adaptively re-used buildings in the distressed Sun Valley neighborhood. Part of the Steam on the Platte project, which utilized EZ vacant building rehab tax credits in its development, Raices Brewing founders took advantage of DEDO’s small business lending program to close the gap on start-up costs exceeding $1 million. The capital costs of launching a craft brewery are staggering and minority-owned craft breweries make up less than 1% of all craft breweries in the nation. The EZ tax credits eased the capital costs and incentivized the creation of 10 jobs. More than a place with good beer and food, Raices Brewing is a hub for community and culture.

Contribution Credits – Denver recently added two important capital campaign projects to its EZCP portfolio. The EZ tax credit is a valuable tool for these organizations as they seek to raise funds for these projects.

Clara Brown Commons (CBC) will provide 61 rental units and 18 for-sale townhomes for low-income families who are unable to afford market rate housing. CBC will also include a community center and commercial space for neighborhood-serving businesses. Mile High Ministries (MHM) is developing and managing the community. CBC is located at 37th and York Street in Denver’s Cole neighborhood. For 30 years this 2.5-acre blighted property has been a magnet for vandalism, violence, and drug dealing in an otherwise quiet area in this Denver EZ neighborhood.

Clinica Tepeyac is developing and building a new 30,000-square-foot medical facility to provide integrated, comprehensive services in the heart of the Elyria-Swansea neighborhood. Tepeyac provides culturally competent health care for the medically under-served. The new center will provide team-based care including behavioral health care, physical health care, health promotion and education, and full preventive and restorative oral health. The new space will also allow them to house administrative and clinical staff in the same facility, enhancing the organization’s overall efficiency and effectiveness. Tepeyac estimates the expansion from 5,000 SF to 30,000 SF will allow for an increase from 4,500 unduplicated patients to 11,000 patients served.

## OBJECTIVES REPORT

This section reports on the “Objectives for the Coming Year” that were outlined in DEDO’s 2020 report for 2019 activities.

The 2020 OEDIT EZ 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 and Related Assistance

In addition to DEDO’s signature tools, gap lending, temporary relief assistance, businesses are prioritized based on EZ location. In 2020, DEDO’s Business, Workforce & Global Development (BWGD) Division devoted substantial staff time and funds to administer the Small Business Emergency Relief Fund (SBERF) grant program. The program was established to provide stabilization grants to businesses economically impacted by COVID-19. Over a third (36%) or 972 of the assisted businesses were located in Enterprise Zones and DEDO target neighborhoods, most of which overlap with EZ boundaries.

BWGD continued to support job creation, training, and business investments through a range of business support tools.

Information & Outreach

* + The EZ team provided Enterprise Zone technical assistance to 178 unique clients in 2020 on 512 occasions.
	+ DEDO website; resource fairs

o DEDO website regarding business incentives and the EZ updated in Fall of 2020 with further updates planned for spring of 2021 [https://www.denvergov.org/Government/Departments/Denver-Economic-Development- Opportunity/Build-Your-Business/Incentives](https://www.denvergov.org/Government/Departments/Denver-Economic-Development-Opportunity/Build-Your-Business/Incentives)

* + Provided two formal virtual outreach sessions to the East Colfax Community Collaborative and a local real estate firm. Numerous one-on-one virtual sessions were held with individual businesses. A virtual EZ outreach tool will be developed in 2021
	+ Promoted the EZ program at a quarterly “Bridging the Gap to Success” resource fair for certified MWBE businesses.
	+ Program promotion in attraction/retention collateral and site selection activities.
	+ Monitoring of prospect activities to determine where a revision of EZ boundaries may create opportunities.
	+ Continued to educate our partner divisions within DEDO (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.
	+ Under-represented industries were identified from Denver’s EZ Salesforce database. Targeted outreach was planned for 2020 but postponed while resources were shifted to addressing the pandemic relief programs for Denver’s small businesses. In 2021, informed by the Denver EZ database (list below), outreach is planned to industries with fewer than 30 businesses represented.

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|  |
| --- |
| * NAICS  Industry  # of Compani
 |
| 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 Wast | 19 |
| 48-49 | Transportation and Warehousing | 7 |
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| 22 | Utilities | 4 |
| 21 | Mining | 4 |
| 55 | Management of Companies and Enter | 3 |
| 11 | Agriculture, Forestry, Fishing and Hun | 3 |
| 61 | Educational Services | 1 |

Contribution Projects

2020 marked the fourth 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 3 organizations that were approved for EZCP status: National Western Center Authority (Riverfront Open Space), Small Business Emergency Relief (a collaboration between DEDO and Denver Civic Ventures, the non-profit entity of Downtown Denver Partnership), Catholic Charities – Samaritan House (capital campaign). Several projects are in the pipeline for 2021, including a job training program for Food Bank of the Rockies and a new affordable housing project with Habitat for Humanity.

Re-Designation of EZCPs for New Term

At annual recertification, Denver worked diligently with EZCPs whose activities lacked direct connections to job creation/retention and expanded business activity or whose fundraising efforts had not been robust to better utilize the program or terminate their EZCP designation. By way of comparison: in 2018, Denver had 72 EZCPs; in 2019, 66; and in 2020, 59 projects. We will begin 2021 with 57 projects.

For EZCPs with a 12/31/2020 term end date -

* + 8 EZCPs were assisted.
	+ One-On-One training sessions were held with each organization
	+ 5 projects approved for new terms
	+ 2 opted out or were no longer eligible under new EZCP policy.
	+ 1 project was transferred to Adams County (Goodwill)

## 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 2021 strategic plan and initiatives that are specific to its target neighborhoods which are aligned with the Enterprise Zone areas.

Continued administration of the SBERF program, the small business emergency grant program, is anticipated through Q2 of 2021. This will consume significant staff time and other resources. Addressing longer term economic impacts resulting from the pandemic may require adjustments to the Objectives below.

OBJECTIVE 1: Build upon objectives from 2020.

OBJECTIVE 2: Support 9 organizations with a 2021 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 or other policy areas as required.

OBJECTIVE 4: Continue implementation of 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. 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.

OBJECTIVE 6: The pandemic has exposed the severe lack of business capacity (e.g., cash reserves, ability to assess business financial health indicators, etc.) among Denver’s small businesses. Efforts will continue in 2021 to design and implement small-business capacity building programs.

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.

## EZ GOALS

The above objectives support DEDO’s goals (below) as outlined in the City & County of Denver’s 2021 budget and previous year budgets.

DEDO will continue to use the goals updated in 2020 for the 2021 program year:

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. [1](#_bookmark0)

*1 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.*

# East Central Enterprise Zone

## Overview

The East Central Enterprise Zone encompasses most of the Central Plains of Colorado: Lincoln, Elbert, Kit Carson and Cheyenne counties. The entire geographical area of Lincoln, Kit Carson and Cheyenne counties is within the zone. In Elbert County, 90% of the county is within the zone but approximately 90% of Elbert County’s population resides outside the zone on the northwest edge of the county. Therefore, Elbert County’s “distress” numbers are skewed substantially whenever using county-wide data. Data specific to only the areas within the zone is very generic.

The 8,000 square mile region while truly 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, 2019 (latest available) population estimate for the region was 41,331, an increase of approximately 500 persons from the year before. Of that increase, Elbert County had 468 new residents in their area. Elbert County continues to see high residential growth, as most of their population commutes to jobs in Denver making it a “bedroom community.” Elbert County residents were driving up to 40 minutes to work until COVID arrived and allowed many people to work from home. Colorado’s Central Plains experienced growth in Lincoln and Elbert counties while Kit Carson and Cheyenne experienced a slight decrease of almost equal amounts. Eight of fifteen municipalities experienced population decrease and seven showed increased populations. The region is grateful for the slight gain in population. In some areas, we have seen population increases which could be attributed to COVID impacts as people moved from urban areas to more rural for space and so their children are in school learning. 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. Public entities are the principal employer in all four 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 had previously enjoyed a low unemployment rate of 2.6% during fall of 2019 which rose in December 2020 to 8.4%. In December 2019 the unemployment rate for each of our four counties ranged from 1.4 to 2.1%. Unfortunately, that rate has now risen to a range of 3.1% in Kit Carson County reaching up to 6.3% in Lincoln County. The increases are attributed to the COVID virus and the closures of many businesses or reduction in staffing levels.

Wind energy continues with a new development called Singing Grass Wind to be constructed by 2022. Wheat and corn commodity prices remain below average which has been the case for several years running. 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 (2020)

Repair work continues for residents from the 2018 multiple hailstorms. As weather is always a factor in farming and ranching operations, which are the mainstays in rural Colorado. Drought conditions were a concern in 2020 and predictions for 2021 are not real favorable.

Wind farms dot the landscape and the horizon with their massive towers and corresponding transmission lines. Construction of the towers across Kit Carson county continues into 2022. The 2020 EZ Investment Tax Credits for the East Central Region of $1,194,826 credits claimed shows the decrease of renewable energy credits over last year’s $27,075,993.

The rural communities began to suffer as executive orders closed down main streets and people shifted to online shopping in earnest. Vacancies are expected as COVID threats continue past the 2020 year end. In online shopping was a concern before COVID, it is even more concerning today. We claim social distancing is easier on the plains with its wide open spaces but marketing the idea has yet to really catch on and help small businesses. Work continues to market the region for heritage tourism and the new storytelling application, Travelstorys. The talking tour will cover the whole region by spring 2021. Business owners get creative in ways to attract tourists to the towns along Interstate 70, Highways 24, 40, 86 and 287 in spite of COVID.

Broadband demands have only increased due to COVID and the need to work remotely. New options through new companies have been surfacing in the area. Agriculture and business demands for faster and more reliable connectivity speeds remain high.

Western Elbert County is still seeing housing development. Business development continues to grow in Elbert County near Walmart. Using the county’s newly approved Economic Development Overlay process, businesses can cut through the red tape much faster and be approved to operate sooner. Elbert County also pursued the hiring of an economic developer who will begin work in January 2021 for the county.

Heritage Tourism efforts implemented in 2020 included the new digital storytelling app that covers the whole region. Our contracted public relations professional markets our tourism locations to Denver and Colorado Springs residents annually and tries new markets each year. In 2020 with COVID restrictions, tourism was severely impacted until late fall when people were moving across the country but tourism attractions were closed by then. Tourism dollars will be desperately needed in 2021 to help sustain our communities and businesses. The multiplier effect show payments are received for hotel rooms, food purchases, souvenirs, and entertainment may turn several times before leaving the area but first one must get the initial dollar to be spent locally. The challenge continues!

The “grow your own” philosophy to create jobs is still a valid mantra. History proves it’s easier to please a client than create a new one. The same is true with business. 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. 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.

The Tumbleweed helium production facility near Cheyenne Wells is seeing some increase in production. It is not reported if any new jobs were created in Cheyenne County so far.

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 spur new businesses and improve business ideas through business plan development and access to capital.

## Past Year Efforts to Improve Conditions

The primary non-residential tax base of Colorado’s Central Plains is agriculture and will probably always be that. East Central Enterprise Zone’s economic development focus is to increase and diversify the non-residential tax base especially in the industrial and commercial sectors. In 2020, to improve conditions in our region two contribution projects were added to our approved projects list.

One contribution project was an economic development organization that was experiencing substantial business attraction to their county. Lincoln County Economic Development Corporation was a previous CP that had lapsed and applied to gain status again. Since they received approval from the state committee, the project has received community financial support again to further increase the corporation’s focus as they pivoted operations due to COVID.

Another contribution project in Lincoln County that was approved was a tourism attraction that was closed due to COVID restrictions. The volunteer staff took the closure in stride and used the time to improve the displays and venue. Now they are regaining momentum to open in 2021 with a refreshed look and new display. The community financial support is just beginning.

Other active projects in 2020 received a one-year extension by the state committee as financial support was difficult during COVID restrictions. Those five projects will be pursuing community donations strongly in 2021. They appreciated the year extension to market themselves to the locals.

EZ certifications in 2020 were lower than in the previous years. This was attributed to the renewable energy credits. Another wind farm is in the construction phase through 2022.

Each year we remind over 300 tax preparers and taxpayers to pre-cert for tax credits that might claim. That usually entails an email blast or phone calls from our staff. We also mail/email EZ brochures as requested or needed to explain the EZ program to new residents in the four counties who may call for information. EZ information is provided to and through local banks, workforce centers, board members, town/county offices, attorney and accountants. ECCOG staff receives and attends monthly and annual training offered by the state office on new credits and certifying claims.

Boundary amendment changes may arise and that information is also shared with the accountants, attorneys, financial planners, and taxpayers to be sure they can claim credits earned and to heighten awareness of the program’s benefits.

## Winning story:

Lincoln County Economic Development Corporation relies heavily on support for their functions. Offering a tax credit to contributors provides a greater incentive to support LCEDC’s purpose and services. This one project is working to bring new businesses and better paying jobs to Lincoln County. Without EZ tax credits, LCEDC would not receive as much support as it does with the tax credits.

Objectives Report
These are the five East Central Enterprise Zone Economic Development Goals and activities:

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.
	1. Annually share EZ brochures via email or mail to 20 new businesses in the region; Shared brochures to 10 businesses new to EZ in 2020 in spite of COVID.
	2. Attend at least two trainings/conferences that support these goals;Staff attended monthly EZ calls used for training plus monthly peer review calls.
	3. Annually partner with local banks to encourage business startup and expansion loans thru Prairie Development Corp loan funds; Information imparted to banks led to three new business starts in 2020.
	4. Support the SBDC business counseling efforts in the region with $5,000 annually and direct new businesses to their services;Prairie Development Corp. provided $2,500 in 2020 to SBDC services as no services were provided in two counties.
2. Establish and/or grow regional tourism venues that attract visitors to patronize adjacent businesses.
	1. Conduct annual training for OJ museum staff on social media, event planning, Colorado Concierge course; ECCOG staff completed Colorado Concierge training in 2020 and OJ museum staff was offered the same training. Social media training was postponed for COVID impacts.
	2. Hire a PR person annually to promote the region's heritage tourism; A public relations person worked on the tourism project and will continue in 2021.
	3. Add two new tourism Contribution Projects in 2020; Added one tourism CP – Limon Heritage Society in 2020.
	4. Expand the digital storytelling tour across the region;Travelstorys was expanded to the whole region and will go live in early 2021.
3. Develop infrastructure that expands multi-modal transportation, enhances commercial corridors, creates healthy communities and advances modern telecommunications networks.
	1. Attend three Transportation Planning Region meetings annually; Two ECCOG staff attended virtual and in-person meetings quarterly.
	2. Partner with Foreign Trade Zone staff to attract business partnerships in the region using FTZ; FTZ received a serious qualified application in late 2020.
4. Improve/enhance job or career skills of workforce and assist businesses with obtaining qualified skilled/trained employees.
	1. Host two Sector Partnership meetings each year for healthcare and other local industries to diversify the careers and employment opportunity; Healthcare sector meetings were in conflict with Census meetings which have ended in July 2020. Re-start the meetings after COVID.
	2. Promote via email/mail to businesses the EZ tax credits available; EZ information is mailed/emailed annually for awareness of the program.
	3. Add three new Contribution Projects in 2020 related to healthcare; Initiated work with the new hospital staff in Kit Carson and Cheyenne counties to become a CP in 2021.
5. Improve housing inventory focusing on affordability and safety.
	1. Continue housing loan programs thru Prairie Development Corp; PDC closed two loans in their down payment assistance program with banks as primary lenders and two loans in emergency repairs.
	2. Reach out to each local bank annually to partner on housing loans and promote EZ tax credits; Work continues with banks on housing loans and promotion of EZ credits.
	3. Work with county and municipal staff to put property back on tax rolls and fill with residents; Awareness will become a larger priority in 2021 as COVID has kept things at bay in 2020.
	4. Work with realtors and developers to build homes in the region; Housing and loan brochures marketing the programs are shared each year. More effort will be exhibited in 2021 to help provide housing in the region.

# Jefferson County Enterprise Zone

## Overview

Jefferson County Economic Development Corporation (Jeffco EDC) is a 501(c) 6 public-private partnership. Jeffco EDC’s mission is to create and preserve the economic vitality of the citizens of Jefferson County through the creation, expansion, and retention of primary jobs. The Jefferson County Enterprise Zone, which was established in 1991, includes parts of unincorporated Jefferson County, and areas of Arvada, Edgewater, Golden, Lakewood, Westminster, and Wheat Ridge. Since the program began in 1991, Jefferson County companies have invested more than $1.4 billion in new capital investment and have created over 10,900 new jobs within the zone.

## Past year Observations and Data

Overall, 2020 was a challenging year with COVID. In the first half of 2020, our efforts shifted to providing resources to companies regarding COVID so our usual outreach and education on EZ was postponed, but we did continue to talk to businesses about the program when we worked with them regarding moving to or expanding in Jefferson County. One highlight is that there was a high level of capital investment in Jeffco and the EZs for 2020. Jefferson County EZ had $245.8 M in capital investment for 2020. An increase number of jobs typically follow large capital investments, so we are hoping to see a lot of jobs created in 2021 due to the large capital investment last year. There were 1,220 companies pre-certified in 2020 which shows that companies were anticipating making investments, hiring employees and undergoing economic activity that will improve the EZ even during a pandemic year.

*OEDIT will provide the unemployment rate, per capita income, and the population growth rate for your EZ designated areas. These will be statistics from the ACS specific to the Census geographies that comprise your zone. The ACS data is the 5-year survey average. A summary table of all EZs will be at the top of the report.*

## Past year Efforts to Improve Conditions

* Boundary amendment in 2020 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
* Continued work on 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
* Spoke 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 and our municipal partners sent emails to businesses in their EZ and put them in their newsletters

Contribution Projects:

In 2020, Jefferson County renewed one project – CCU Campus Redevelopment and added one new project – Savio House Residential Program. EZ projects that assist the homeless and provide job training services were very important during 2020. The year was more challenging to the visitor based / in person projects with COVID restrictions but most of them were able to pivot to online events and services. For tax year 2020, we processed 1,840 contributions which was 113% increase over 2019.

Partners:

Working with our municipalities is our strongest partnership in the enterprise zone. In 2020, our city ED partners sent out notices to businesses that were new to the EZ due to the added boundary amendment in August 2020. This helped to increase inquiries from companies regarding the program. The city partners also mentioned the EZ program when talking with companies about retention and expansion. 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.

## Winning Story: Miller Coors

* MillerCoors – G150 project
	+ Golden Plant – 150 years old
	+ $500 million project that will upgrade and add to the fermenting, aging, filtering, and storage facilities at the Golden brewing plant.
	+ Job retention of the nearly 2,000 MillerCoors employees in Jeffco.
	+ We have been supporting MillerCoors on this project for over a year and pleased to see the investment at their Jeffco plant.
	+ Construction is expected to last through 2024.
	+ During the 5-year construction project, there will be over 500 direct temporary construction jobs created in the county.
	+ Being in the EZ was one of the largest factors in this expansion.

## 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. This will support our zone goal of economic and community development. 734.25 net new employees - 96% increase

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. $245,773,367 ITC -- 224% increase

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. 3,619 employees trained – 11% increase

## Objectives for Coming Year

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

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

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

# Larimer County Enterprise Zone

## Overview

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

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

The Larimer County Enterprise Zone is administered by the Larimer County Economic 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:

<https://oedit.colorado.gov/enterprise-zone-program>

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 |
| 363,338 | 6% |
| 2020 Population | Population Growth for the Last 3 Years |
| 6.2% of State | State Growth 8% |
| Jobs (2020) | 190,165 |
| Average Earnings (2020) | $67,700  |
| Unemployed (2020) | 15,318 |
| Completions (2018) | 7,962 |
| GRP (2020) | $19.8B |
| Exports (2020) | $21.4B |
| Imports (2020) | $21.5B |

Emsi. Q1 2021 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 6.2%, over two points above the state growth rate. The 2020 population is over 360,000, 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 2021 Data set. EconomicModeling.co

* As of 2020 the region's population increased by 9.0% since 2015, growing by 30,035. Population is expected to increase by 6.3% between 2020 and 2025, adding 22,794.
* From 2015 to 2020, jobs increased by 11.3% in Larimer County, CO from 170,872 to 190,165. This change outpaced the national growth rate of 3.1% by 8.2%. As the number of jobs increased, the labor force participation rate increased from 63.1% to 67.3% between 2015 and 2020.
* Concerning educational attainment, 28.1% of Larimer County, CO residents possess a Bachelor's Degree (8.1% above the national average), and 9.3% hold an Associate's Degree (0.7% above the national average).
* The top three industries in 2020 are Education and Hospitals (State Government), Restaurants and Other Eating Places, and Education and Hospitals (Local Government).

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:

|  |  |  |
| --- | --- | --- |
| 190,165 | 1% | $67,700 |
| Jobs (2020) | % Change (2018-2019) | Avg. Earnings Per Job (2020) |
|  | Nation: 1% | 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.

Further illustrating the mismatch between the labor that exists in the county and jobs that are here is the fact the 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 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 and Towns

The unemployment situation only tells part of the story. There are certainly high unemployment rates is certain industries, especially those most severely affected by the pandemic, 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, and have been the most affected by the pandemic.

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

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

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

## Past Year Observations and Data

The unprecedented year that was 2020 has brought tremendous hardship to the state and to Larimer County. The unemployment rate more than doubled, on average, for the year compared to the year prior rising from 2.1% to over 4.4% in 2020. The accommodation and food service industries were most dramatically affected by shedding over 30% of its workforce and contribute to 27% of the total unemployed in the region. Surviving businesses within the boundaries of the Enterprise Zone have relied and will continue to rely upon the tax credits afforded to them to not only keep their doors open, but to thrive and bring much needed economic development and employment to the Larimer Enterprise Zone.

The pandemic did yield new opportunities to collaborate with partners from across Larimer County and also our partners in neighboring regions as well. These partnerships include economic developers from across Northern Colorado, Chambers of Commerce from multiple municipalities, strategic partners from key industries, and County officials. These partnerships continue to meet and develop recovery strategies to enact within our communities. Because the entire region can participate and give voice to the specific needs, the region is moving forward together allowing the impact to be wide-spread, significant, and meaningful to our entire shared business community.

Educational Outreach:

Strategic outreach to our local businesses was confined to online and phone contacts this year to reduce the spread of COVID-19. This has led to a robust weekly newsletter being sent to over 15,000 businesses each week to inform them on a variety of recovery resources, including Enterprise Zone tax credits. This has increased our business engagement significantly and has led to the creation of two additional contribution projects.

Economic Development Partnerships:

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

Contribution Projects:

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

Larimer County non-profit organizations that are located in or serve a population with the zones get significant benefit from the Enterprise Zone program via the contribution tax credit. We regularly meet with projects to discuss how they are marketing the program, and we plan to convene all of the projects in late 2021 to host a seminar on best practices and marketing the Enterprise Zone program.

Objectives Report

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

* The average wages for individuals who work in each industry in Larimer County can now be determined using the Occupational Employment Statistics from the Bureau of Labor Statistics which provides a more up-to-date estimate (currently this is Q1 2019). The average annual wage for the United States in 2018 was $65,133. It was $56,682 for Larimer County. Larimer County continues to fall below the national averages for annual average wage.
* The number of establishments that operate in the Enterprise Zone is estimated based on the U S Census data sets by Metropolitan Statistical Area. The most recent data available through EMSI shows us that there are 11,798 establishments in Larimer County, up from 11,505 in 2017. This represents a net increase of 293 establishments. We would like to see this trend continue, as one of our goals is to foster growth in the number of firms operating in Larimer County- especially in the Enterprise Zone.
* As of January 1, 2020, the Fort Collins \_ Loveland MSA had a civilian labor force of 190,165 people. Among this labor force, 4.4% were unemployed. This is a dramatic increase from the previous year.

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

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

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

# ­­Mesa County Enterprise Zone

## Overview

Mesa County covers 3,300+ square miles and 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 area was making slow progress recovering from the 2008 recession, which had a devastating and long-lasting impact. For example, oil and gas well permits in 2008 were 225, but in 2020 there were none in Mesa County\*, and only a very few on the Western Slope. 2020 wages for O&G-related jobs are at their lowest since 2006. Retail, hospitality, and recreation jobs were severely impacted by COVID, with many of those businesses having closed, and some not likely to reopen. Those that were able to remain open reduced jobs significantly. Even with growth in the County since 2008, the county is still significantly behind the eastern part of the state with regard to recovery, and several government mandates related to energy production will likey continue or exacerbate that situation in the next few years. County sales and use tax revenue in 2008 was $45,104,156; 2020 was $40,136,100\*\*. Even though the COVID shortfall wasn’t as significant as intially expected in early 2020 due to some industries actually profiting from the outbreak (i.e. online stores, home improvement, delivery, and liquor stores), the YTD total is still lagging by $5 million against 2008.

\*Colorado Mesa University Economic Newsletter Q4 2020

\*\*Mesa County Reports: Sales and Use Tax data

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. Before COVID, retail and tourism jobs were making a comeback, although many of the jobs were part time/lower pay scale/limited or no benefits, and 2021 will probably show numbers close to 2008.

Our workforce is aging as well. Per the Department of Local Affairs, Mesa County’s population between 2020 and 2025 is projected to increase by more than 15% for age 65-74, 29% for residents 75-84 years old, and age 85 and over by 9%, which will continue to tax our medical and social services.Prime employment age residents (age 16-54) are only expected to grow by 9% (down from an estimate of 12% in 2018) in that same period, with age 55 to 64 residents – again, in a high employment range, expected to decrease by nearly 10%.

## Past year Observations and Data

Year over year change in Business Tax Credits from 2019 to 2020 showed a 14% increase in the number of pre-certifications filed, but a 55% decrease in the number of certifications filed (which may be due to the change in tax filing dates due to COVID). In addition, certifications filed in 2020 are generally related to investments made in 2019. Capital investment was down 18%, and investment tax credit was down 40%, which indicates businesses were not spending as much investing in equipment. Jobs created were up 17%, however health insurance was down 40% and job training was down 24%, which indicates while they may have hired additional people, they could have been more part-time positions, and with significantly less benefits and training.

For Contribution Projects, Mesa County had a 7% drop in the number of qualified projects and 22% fewer donation certifications: 9% less in cash donated and 34% less of in-kind donations (a significant amount of the in-kind donation drop can be attributed to a single project which was removed from the program in 2020).

## Past year Efforts to Improve Conditions

Business Efforts

* Responded to 400+ emails regarding specific requests for information or to answer a question
* Contacted 40+ CPA firms to advise them of an open opportunity to provide input to the Department of Revenue regarding changes to the EZ tax credits and computations
* Sent reminder emails to 26 CPA firms advising them of the businesses they certified in the prior year as a courtesy
* Sent 2,025 postcards to owners listed as owning at least one industrial or commercial property within the EZ to let them know their property(ies) could be eligible for the EZ program, and providing them with information on how to apply for pre-certification; these postcards generated numerous calls and emails with questions on what the tax credits covered, etc.
* Contacted dozens of business owners/CPAs who had made errors on their pre-certifications or certifications that could have resulted in their tax credits being disallowed (issues include incorrect address, wrong tax year data, using the wrong year’s pre-certification, missing amounts, etc.)
* Responded to multiple phone calls each week about whether or not a specific property was within the Zone
* Sent the revised Colorado Department of Revenue EZ tax credit guide to all local CPA firms, as well as out of area CPAs

Contribution Projects

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
* Updated/sent information regarding the Department of Revenue changes to in-kind donations
* Annual agreements completed between each project and Mesa County EZ
* One-on-One counseling/training as needed for new projects, new/replacement administrators, or to clarify compliance issues for what their project/the program was approved to do

New projects were submitted/approved for:

* COVID Response, which provided grants to local businesses impacted by COVID
* Hopewest Capital Campaign which is remodeling/constructing a community facility to provide a senior primary care clinic, socialization events and activities, transportation, food, etc. to enable seniors to socialize and retain their mobility in the community, thus retaining this population in the community, along with their caregivers
* Hopewest Healthcare Operations which provides inpatient hospice care, as well as outpatient hospice care, and is the only facility of its kind between Denver and Salt Lake City
* Colorado Mesa University Capital Campaign to complete construction on a Center for Reflection and to construct the Physician’s Assistant Building
* Colorado West Land Trust Capital Campaign to provide land for increasing the county-wide hiking and mountain bike trail system
* Community Hospital Capital Campaign to construct additional hospital facilities for many non-duplicated medical services

## Winning Story:

While many of the larger number of jobs created in Mesa County were related to businesses that profited from COVID, including fast food (45), package delivery services (20.5), and big box home improvement (18.25), there were a significant number of jobs created in other sectors, many of which directly relate to Mesa County’s Economic Development Goals:

* 9 jobs in construction (Builders FirstSource)
* 18 jobs in tourism (Main Street Management)
* 22 jobs in banking (Alpine Bank)
* 43 jobs in technology (Kaart Group)
* 12 jobs in energy (Nevada, LLC)

## Objectives Report:

Mesa County Objectives are:

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

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/BIC 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. We also need to retain energy industry service jobs from existing producing wells and transport needs.

Business Tax Credit information related to Objectives:

2019 vs. 2020

# of Certificates Issued 357 ↓ 196(1)

Total Investment $65.2M ↓ $53.2M(2)

Investment Tax Credit $1.35M ↓ $816K

Job Training Tax Credit $105K ↓ $79.5K

Rehab Tax Credit $0 ↑ $28.8K

R&D Tax Credit $339K ↓ $19.3K

Insurance Tax Credit $36.4K ↓ $21.8K

Jobs Created 255 ↑ 297

Jobs Tax Credit $280K ↑ $326.8K

1. May be a factor of changed tax filing dates
2. The results are not unexpected considering it was during COVID and many businesses were either forced to close temporarily, closed permanently, or operated at reduced capacity

These metrics are based on certifications submitted for 2019 calendar year activity, which were certified in 2020. The 2021 report will show investments from calendar year 2020, which will show the true impact of COVID on EZ investments.

Pre-certifications: 2019 2020

1,303 ↑ 1,487

Increased outreach (sent 2,000+ postcards to commercial/industrial/agricultural property owners advising of the program and how to access it). We’re hopeful that the greater number of businesses which pre-certified in 2020 will result in better investment numbers when 2020 certifications are filed in late 2021.

In addition, our Contribution Projects met Mesa County Economic Goals by for example:

Art Center (tourism): hosted 4 college interns; had attendance of 28,902 to 28 workshops/11 First Friday receptions/13 lectures/23 exhibits/5 multi-class sessions – attendees included many out of state and out of country visitors

Business Incubator Center’s programs (economic growth): hosted 79 on-site tenants, creating 70+ new jobs/retaining 80+ jobs; provided 1600 hours of free business coaching; made 20 loans for over $1.27M which created/retained 95+ jobs; produced numerous prototypes and patent applications in the MakerSpace (all job numbers quoted are non-duplicated DIRECT jobs, not using multipliers)

Catholic Outreach (homeless services): served 5,333 homeless clients with basic health/sanitation services/medical care/job searches/counseling; served 59,392 meals; provided Food Pantry access to 3,057 individuals; financial aid (eviction prevention/1st month rent/utility assistance) to 2,077; and served 23,388 at the clothing bank

Colorado Mesa University (education/job training): is constructing a Medical Building to provide certificates and degrees in Physician’s Assistant, Physical Therapy, and Occupational Therapy; and to enhance existing tracks in BSN, RN, LPN, Health information Technology, Medical Laboratory Technology, Radiology, Surgical Technology, and Family Nurse Practitioner

WCCC (job training): employed 51 young adults ages 16-25 (67% from low-income households) at wages of $12-$13.90, most at 40 hours per week; provided resume building/job interviewing/online job search training; issued 31-S212 chainsaw certifications and 20 CPR/1st Aid certifications

GJ Soccer Club (tourism): hosted a college ID camp with participants from colleges in 6 states; summer/winter tournaments/training programs/clinics with more than 1,500 participants; and hired 30% more referees to accommodate the increase in events

## Objectives for Coming Year:

* Promote economic growth by expanding existing, and bringing in new, businesses within core industries of technology, manufacturing, tourism, medical hub, and natural resources
* Promote recreation and tourism-related events and venues to bring more outside dollars into the county and to attract new businesses and higher-skilled individuals and their families.
* 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.

# Pueblo County Enterprise Zone

## Overview

The Pueblo County Economic Development and Geographic Information Systems Department (EDGIS) oversees the Enterprise Zone Program for Pueblo County. Pueblo County has worked with the Economic Development Commission to define boundaries of the Enterprise Zone within Pueblo County where development efforts are best directed. The Enterprise Zone areas include industrial parks, the downtown area of the City of Pueblo, college and university property, and a large agricultural area. The County works with several organizations throughout the area to foster business expansion and location in the Enterprise Zone.

## Past Year Observations and Data

As with nearly everywhere around the world, COVID-19 has had a major affect on Pueblo County’s local economy in 2020. Unemployment rose overall, though we began the year with a January dip to 4.2%, down from 4.5% over 2019. With COVID, we saw a high of 11.7% in April, with preliminary October numbers of 7.8% after a mild summer. This compares to a national high of 14.7% in April and 6.9% in October, with numbers from the state of Colorado at 12.2% in April and 6.4% in October. The population of Pueblo County continues to grow, coupled with an increase in housing and median household income, though those numbers may fluctuate due to COVID as well.

The area continues to see small gains in additional businesses and jobs, including the recent addition of a new manufacturing facility for CR Minerals, a producer of high-quality pumice products, which expands upon their $15 million facility built in 2017. EVRAZ North American will also move forward with an estimated $480 million expansion at the Pueblo steel mill, guaranteeing 1,000 jobs over the next 10 years.

Past Year Efforts to Improve Conditions

Resource:

Pueblo EZ administrator office continues with the Economic Gardening to support growth of local business for export opportunities.

Contribution Projects:

One project of recent interest is the Pueblo Riverwalk Improvements and Activities, which recently completed a large section of its Phase 4 project. This year, these improvements included the grand opening of the extension of Gateway Plaza and a children’s play area. Outdoor tables and chairs were also added around the plaza. The Riverwalk is one of Pueblo’s largest tourism draws with its restaurants, boating facilities, and Riverwalk channel and continues to be the anchor for the Pueblo Creative Corridor.

Presentations:

The Pueblo EZ administrator presented Enterprise Zone information to Rotary Clubs, Chamber of Commerce meetings, and other more informal small business gatherings all socially distanced by Zoom or GoToMeeting.

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 2020 included PTAC, PEDCO, SBCD, Pueblo Workforce Development, SoCO Manufacturing Cluster group, the Greater Pueblo Chamber of Commerce, the Pueblo West Chamber of Commerce, the Latino Chamber of Commerce, the Business Economic Recovery Team (BERT), and Southern Colorado Innovation Link (SCIL).

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

The Pueblo Business Economic Recovery Team (BERT) is a collaboration between local government, chambers of commerce, and economic development focused agencies who have all come together to develop resources, support messaging, and positively impact local businesses during the COVID-19 pandemic. Various BERT sub-committees are connecting businesses that need different types of assistance with individuals and organizations that can help. Types of assistance include financial, marketing and management consulting.

## Objectives Report

1. Increase retention and expansion of industry and business in Pueblo County
* Presentations socially distanced or on-line were done at Chamber events to help educate smaller businesses to the opportunities given by Enterprise Zone incentives
* In 2020 there were 111 tax credit certificates issued to businesses, almost identical to 2019’s 113 certifications, but ITC Capital total increased
* The total capital investment in the EZ was much higher in 2020. Total ITC in 2020 was $91,242,499, a 48% increase from 2019
1. Support, create and expand workforce training programs, especially those addressing critical industry needs in the area, in addition to homeless support services
	* 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
	* PCC has also taken over a tower at St. Mary Corwin Medical Center for its medical degree programs, allowing for additional course expansion and higher tech training
	* Catholic Charities will provide education to low income and housing insecure individuals focusing on career readiness skills, including time management, mental models of poverty, hidden rules of middle-class working environments, developing supportive resources, and proper language skills. They are also providing additional aid once the individual is employed so that the individual stays employed, including family development work, financial literacy classes, and leadership classes
	* 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
2. 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
	* A new project focusing on training artists in ways to earn new sources of revenue through teaching online art courses as well as through connecting with the public was approved through the Arts Alliance
	* EVRAZ North America’s expansion in Pueblo was negotiated with the aid of Enterprise Zone tax credits, which they have pre-certified to take beginning in 2021. This will guarantee over 1,000 advanced manufacturing jobs
	* Pueblo Community Health Center broke ground on its new center on the East side and were approved as an Enterprise Zone project to help fund the construction. This expansion will create 108 new high-paying jobs and invest an estimated $25 million into the local community through the construction and furnishing phases
3. Expand tourism in the region to aid in the revitalization and improvement of the economy for the benefit of the broader community
	* The Pueblo Zoo’s expansion project continues to be a regional economic driver, contributing an estimated economic impact of $3.5 million to the community, with more than 50% of the zoo’s peak season guests visiting from outside of Pueblo County
	* The Pueblo Riverwalk completed its Gateway Plaza and Heritage Plaza enhancements as well as the first youth play area. While tourist activity was impacted due to COVID, the Riverwalk was able to offset some of that decline by increasing usable outdoor seating space for six restaurant patios and other entertainment activities
4. 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
	* The Pueblo City County Library will complete two library renovations over the course of the next 5 years, creating a maker space, additional meeting rooms, study rooms, and allowing for the addition of more high-demand computers
	* The Keating School will look to add affordable housing along the far side of one of the lots as the final phase of its renovation plan

## Objectives for the 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

# San Luis Valley Enterprise Zone

## Overview

The San Luis Valley, located in south-central Colorado, consists of six counties – Alamosa, Conejos, Costilla, Mineral, Rio Grande, and Saguache – and is part of the 3rd Congressional District. It is an area of approximately 8,000 square miles and is home to more than 46,000 residents. The valley is surrounded by the Sangre de Cristo and San Juan mountains, which creates a natural geographic boundary. Located midway between Denver and Albuquerque, and 45 miles west of U.S Interstate 25, the San Luis Valley is the largest alpine valley in North America. The vast, flat surface of the valley floor sits at an elevation of 7,500 feet and is boarded by mountains in every direction. These mountains peak at various elevations, from 12,000 feet to over 14,000, which leads to some of the finest, and least crowded, ski resorts in all of Colorado. The Colorado section of Continental Divide begins at the southern border of the valley and runs along the western boundary of the San Juan Mountains.

The San Luis Valley Development Resources Group (SLVDRG – [www.slvdrg.org](http://www.slvdrg.org)) is a non-profit organization with a 501(c)3 designation. The mission of the SLVDRG is to promote and facilitate economic development programs that create jobs, improve income, and maintain the quality of life in the San Luis Valley. The SLVDRG houses the regional SBDC office, business loan fund and mini-grant program as well as the enterprise zone. There are currently seven employees that are tasked with carrying out the duties of these programs.

The primary economic activity of the San Luis Valley is agriculture, accounting for 29% of the region’s base economy. Primary crops produced are potatoes, alfalfa, barley as well as cattle. In 2015, the Valley’s top 3 crops of potatoes, alfalfa and barley was valued at more than $357 million. Groundwater is the most critical resource to sustaining agriculture. Drought conditions and increased use have caused a strain on the aquifers that provide much of the valley with the necessary water to produce crops. Specifically, these factors have reduced the recharge capabilities of the aquifers. The Colorado Division of Water Resources has promulgated new rules governing the use of groundwater in the SLV. In essence, if a well is being used for agricultural purposes (or any purpose), the entity withdrawing the water is responsible for ensuring a plan is in place to recharge the aquifer being tapped.

Outdoor recreation and tourism continues to grow as more people discover the plethora of opportunities for adventure in the San Luis Valley. It is home to the Great Sand Dunes National Park and Preserve. You can take a day-long hike to Wheeler Geologic Area, Colorado’s first national monument with massive outcroppings of layered volcanic ash which is the result of an eruption of a Caldera over 25 million years ago. For colder weather seekers, the annual Rio Frio festival is a fun time to celebrate all that can be done in the cold and snow.

Lastly, renewable energy is a bright spot for the future economy of the valley. Five utility-scale solar plants produce 136.7 megawatts of electricity, enough to power 22,418 homes. Three additional solar-power plants have been approved by the local government but construction has not yet begun. The proposed power plants would supply another 155 megawatts of electricity.

Past Year Observations and Data

 The San Luis Valley Development Resources Group’s primary service area consists of six counties: Alamosa, Conejos, Costilla, Rio Grande, and Saguache.

 As with every community in the nation, the COVID-19 global pandemic brought chaos to the San Luis Valley economy. Travel restrictions and the encouragement to stay home resulted in negative impacts to the primary economic activities of the region. Fewer tourists visited the Great Sand Dunes National Park and Preserve and the San Luis Valley as a whole. Typically, the park sees more than half a million visitors annually which benefits the nearby communities. Although the park has remained open during the pandemic, visitation has experienced a drastic decline as people are hesitant to travel. Most agriculture producers were able to continue to send their products to market, however, not all of them. Organic potato and mushroom farmers in the San Luis Valley largely sell their goods to restaurants on the front range and other metro markets west of the Mississippi River. With the reduction in restaurant dining to 50% in 2020, these specific producers were economically devastated by the pandemic. Furthermore, the general fear and uncertainty brought by the pandemic has created a condensing economic environment. Business owners are concerned for their future and this leads to hiring fewer employees, making fewer investment and saving more.

Highest Capital Investment by Industry

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|   |   | 2019 |   | 2020 |
| 1 | Agriculture  |  $ 52,096,338.72  | Agriculture |  $ 47,118,933.52  |
| 2 | Retail Trade  |  $ 7,825,272.39  | Accommodation and Food Services |  $ 14,432,887.60  |
| 3 | Arts, Entertainment, Recreation |  $ 7,745,123.00  | Retail Trade |  $ 5,420,834.07  |
| 4 | Real Estate, Rental and Leasing |  $ 6,334,832.00  | Real Estate, Rental and Leasing |  $ 4,734,617.00  |
| 5 | Construction |  $ 3,836,697.40  | Construction |  $ 4,715,464.70  |

 Below is data representing the most active industries in the San Luis Valley based on the overall amount of capital investment reported on enterprise zone certifications. (Note: this is not reflecting qualifying expenditures for tax credits rather the overall investment in the Valley)

## Past Year Efforts to improve Conditions

Contribution Projects:

It was an uncertain year for the San Luis Valley and the non-profits and local governments that have active contribution projects. The COVID-19 global pandemic interrupted progress on project goals in multiple different ways. Services were slowed or brought to a halt, community events were cancelled, sources of donations were strained, and resources had to be diverted to address the economic crisis. All organizations and local governments that currently have contribution projects were able to survive 2020 and all of them were able to generate donations despite the economic constraints. The San Luis Valley currently has 17 active projects with 3 in consideration at the time of writing. Staff has regular contact with current projects to encourage and assist with the strategic utilization of the contribution project status, as well as provide guidance to ensure projects remain compliant with Enterprise Zone policies and statute. Active Contribution Projects with donations are shown below:

Project Name # of Contributions Amount Contributed

Adams State University Job Training 2019 7 $52,000.00

Alamosa Downtown Revitalization 2 $2,837.70

Alamosa Senior Citizens Project 2019-2023 18 $2,555.99

Creede Repertory Theatre 181 $150,907.03

Engine 165 and Historic Car Project 12 $16,382.77

Habitat Homes, Naranjo Subdivision 2019-2024 59 $124,031.11

La Puente Home Homeless Services 2019 459 $842,656.93

Living Wisdom Village 15 $141,908.00

Monte Vista Downtown Revitalization 2019-202 5 $43,100.00

Monte Vista Ski Hi Park 2019-2023 106 $430,811.42

Region 8 Economic Development of the SL 10 $40,500.00

Rio Grande Hospital 52 $275,717.60

San Luis Valley Food and Farm Incubator 78 $219,857.62

San Luis Valley Great Outdoors 2019-2023 6 $14,839.90

San Luis Valley Health Cancer Services 2019-2023 174 $341,038.19

SLV Small Business Development Center 5 $2,850.00

Society Hall 24 $9,175.99

Total 1,213 $2,711,170.25

Presentations: A lot of time is spent educating the region about the benefits of the Enterprise Zone. The administrator is constantly communicating with local businesses, CPA’s, attorneys, government officials and economic development leaders about effective utilization of the zone. We outreach to the San Luis Valley Chapter of the Society of CPA’s and other local civic groups to provide information about the zone. We provide handouts about the successes of the program and informational kits, which includes the Enterprise Zone Income Tax Credit Guide, Salesforce portal user guides and applicable forms. We conduct presentations at the SBDC Leading Edge class and Adams State University’s Entrepreneurship Class. We also talk directly to many businesses about the value of the enterprise zone when engaging with them about one of our other programs, such as the Business Loan Fund.

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

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

COVID-19 Relief efforts:

In response to the COVID-19 global pandemic, the SLVDRG assisted or created several programs to assist local small business most directly impacted. A COVID-19 assistance program was initiated by the Americorps/VISTA volunteer which offered financial support to local businesses for utility costs. The San Luis Valley Business Utility Support Fund was made possible by a grant of $25,000 from the Colorado COVID Relief Fund.

## Winning Story:

Given the events of 2020, the most impactful stories come from the local government and social services sectors of the Valley. Restaurants closed, residents lost their jobs and the tourism season was slow. The only regular economic activity that continued was agriculture related and even that was slower than usual due to less of a demand from restaurants nationwide. It took a community wide effort to provide aid to families hit hardest by the economic impacts of the pandemic. Nonprofits, such as La Puente, provided food and personal protective equipment to individuals and families. They also provided mental health services to those who need it. Our local governments worked with the EDA and State of Colorado to provide small businesses with working capital grants so assist with basic expenses. Rio Grande County dispersed $600,000 to their local businesses and the Town of Creede was able to provide another $50,000. And despite the unfortunate circumstances of 2020, the SLVDRG was able to assist 2 start-ups at the end of the year. This gives us hope that recovery is on the horizon.

## Objectives Report:

1. Cultivate and support a vibrant, trained local workforce: Adams State University and Trinidad State Junior College both actively responded to the global pandemic by focusing their efforts on nursing programs and other medical fields put in high demand. Normal efforts to address this goal seem to carry less prominence in the year 2020 but those efforts did continue. The University and College normal running programs include agriculture, education and business administration which provide skilled labor to the businesses of the Valley. Although classes were partially held online, coursework continued through 2020 and the University and College did their part to support the workforce in the Valley.
2. Engage in activities that retain, grow and recruit companies building a business friendly environment: The SLVDRG hired an Economic Disaster Recovery Coordinator in 2020. One of the defined roles of the position is to target primary economic activity in the San Luis Valley. The hope is to strengthen the existing economic activities and bring in new industry to diversify the economy and increase its overall resiliency. So far the new position has engaged with international shoe manufacturers, value-added hemp processors, and diverse outdoor recreation outfitters. The local SBDC chapter has conducted multiple trainings to help small businesses adapt to the new environment of 2020.
3. Communicate a stronger San Luis Valley brand including historical, cultural and recreational assets: In partnership with the Alamosa Chamber of Commerce and Visitor Center, there is a team of people who create marketing material and generally promote the San Luis Valley through social media, events, and travel publications. The San Luis Valley Great Outdoors (established in 2018 under the SLVDRG) has grown to a standalone nonprofit organization with several employees. They improve the outdoor recreation opportunities in the San Luis Valley through trail development and expansion of summer/winter activities.
4. Improve and expand community amenities and facilities: The City of Monte Vista made significant progress on the Ski-Hi Stampede project. COVID-19 Global Health pandemic caused many delays in previously planned projects.
5. Promote the expansion of public infrastructure and services: Unfortunately, planned projects were postponed due to the COVID-19 global pandemic. Solar energy, water resources and broadband continue to be areas of focus.

## Objectives for 2021:

1. Encourage investment in public or private infrastructure and services that support a sustainable workforce and diverse quality of life.
2. Cultivate and sustain an economic and governmental environment where businesses can start, establish, grow and flourish.
3. Promote the brand of the SLV including its rich history, diverse cultures, recreational opportunities and agricultural assets
4. Improve and expand community amenities and services, including but not limited to, homeless assistance programs and organizations.
5. Create primary jobs and increase per capita income.
6. Encourage responsible stewardship of resources and the environment.

Narrative: Efforts in 2021 are going to be focused on economic recovery. The SLVDRG submitted a plan to the EDA to support this effort and was awarded in 2020. It provided additional funding to the Community Action Agency, Small Business Development Center, Business Loan Fund and Economic Disaster Recovery Coordinator. The focus of these efforts will be on primary economic activity that brings in stable jobs and capital from outside of the Valley and increases the overall quality of life for its residents. We are activity targeting value-added agriculture and outdoor recreation sectors.

# South Central Enterprise Zone

## Overview

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

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

SCCOG 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 publicly 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 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.

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 Highway of Legends National Scenic Byway, 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. In 2019, the Fisher’s Peak State Park outside Trinidad was added to that list. 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, and creatives were beginning to generate revenue that was expected to become a significant and sustainable future source of economic growth and stability throughout both Huerfano and Las Animas counties this year.

Colorado has the 5th highest concentration of artists and creative professionals in the country. The creative industries are becoming an increasingly 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 was just starting to generate jobs; animate public spaces; rejuvenate structures and streetscapes; and generate opportunities to bring diverse people together to celebrate, inspire and be inspired when the COVID-19 pandemic and its resulting economic shut down hit.

Those expected revenues were basically put on hold for a major part of the year, and COVID relief efforts were implemented by local state and federal government entities to try and keep these new business opportunities from being devastated. At the same time, local marijuana business revenues (even though they are not eligible for EZ tax credits) were higher than expected as were liquor revenues.

## Past year 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 170 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.

In 2020 the South Central Council of Governments completed a PEL Study looking at developing bicycle and pedestrian trails along the Highway of Legends (State Highway 12 and a portion of Stat Highway

1. from Trinidad to Walsenburg. Even as the study was being conducted, it 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 do not 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 continued to work with regional leaders during the year in part through the Fisher’s Peak Ranch Acquisition Enterprise Zone Contribution Project to focus on acquiring Fisher’s Peak for public use as an outdoor recreation area and possible economic driver for the area. These efforts resulted in the establishment of the Fisher’s Peak State Park in late 2019 and opened at a limited capacity in 2020. This newest Colorado State Park will help protect some of the area’s unique and fragile environment while providing public access and providing new opportunities for local businesses to secure a sustainable outdoor recreation sector of the economy for the area well into the future.

The South Central Enterprise Zone continued 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](http://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 2020. 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.

Mount San Rafael Hospital completed its 2-year EZ construction project. Capital Improvement Project – a $36 million, multi-phase facility modernization program that includes a new Emergency Department, Patient Care Unit, Surgical Suite, and Imaging Department. The hospital is a vital source of health care in Las Animas County serving the medical and surgical needs of Trinidad residents and the surrounding rural communities. Modernization upgrades included a new 14-bed medical unit, a larger capacity emergency room and a center for people who need blood transfusions or antibiotics. The project will help expand services to the 15,000 people in and around Las Animas County. With the hospital's expansion, people will be able to access chemotherapy treatments closer to home, rather than having to travel to Pueblo, Colorado Springs or even Denver.

The La Veta Village EZ Project in Huerfano County was able to leverage EZ contributions from the last couple years to secure a needed DOLA grant to proceed with the physical rehabilitation of a historic building, helping to revitalize downtown La Veta. This followed a delay on the project to mitigate an asbestos problem in the old historic building do to the COVID-19, and a change of project leadership and staff. The La Veta Village Project addresses the unmet community need for an independent living option for La Veta’s aging population, while keeping people living in the area that support local service and retail businesses.

## Objectives Report:

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

Goal # 1: Revitalize and Support vibrant downtown districts: Objectives:

* + In June of 2020, the Fox West Theatre EZ Project was approved. The primary objective of the Fox West Theatre Project is to help the Trinidad and Las Animas County area community create a sustainable historic tourism-based economy through the protection of an important and iconic historic asset that draws tourists to the area because of its rich history and architectural significance as well as the creation of a venue for live music and dance performances, as well as an active theater.
	+ The South Central EZ developed a South Central Small Business Support Contribution Project to assist in the recovery of small businesses in the enterprise zone negatively impacted during the COVID-19 pandemic. The project resulted in limited contributions from the community, but allowed the SCEZ to match other relief funds to assist struggling small businesses in both counties.

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

* + In July of 2020, the A. R. Mitchell Museum Operations EZ Project was approved. The A R Mitchell Museum of Western Art attracts tourists to the area who spend their money supporting other businesses. The A.R. Mitchell Museum of Western Art is a major area visitor event/attraction. Tourists who seek heritage and art experiences tend to stay longer and spend more money than typical travelers. The A.R. Mitchell Museum of Western Art plays an important role in the heritage and art-based economic revitalization of the City of Trinidad and Las Animas County; supports the community through cultural enrichment, and enhances Trinidad’s ability to attract and retain quality businesses where lifestyle is a workforce issue.

Goal # 3: Expand region-wide broadband:

* + There were no definitive successes in expanding region-wide broadband in 2020. However, Las Animas County voters passed Referendum 1A in the 2020 election, seeking to “opt-out” of SB- 152, which will allow the county to apply for grants that would help fund future broadband infrastructure needed for economic development. Opting out of SB-152 allows 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 four major goals each with associated objectives for 2021:

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:

* + Work in partnership with county and municipal economic development directors to link potential EZ Credits with regional efforts to secure funding (submit at least one grant application to implement recommendations from the Southern Mountain Loop Planning and Environmental Linkages (PEL) Study.
	+ Work in partnership with county and municipal economic development directors to link potential EZ Credits with regional efforts to develop and promote outdoor recreation in conjunction with the continuing development of the Fisher’s Peak State Park.

Goal # 3: Promote regional creative industries sector: Objectives:

* + Work in partnership with county and municipal economic development directors to link potential EZ Credits with regional efforts to secure funding (submit at least one grant application) to further establish the creative industries sector.

Goal # 4: Promote new businesses that will not be subject to seasonal swings: Objectives:

* + Work in partnership with county and municipal leaders and economic development directors to ensure that the projected opening of the New Elk Mine west of Trinidad enhances the areas’ economic stability over the next few decades.

# Southeast Enterprise Zone

## 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 urbans 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 and reflects more of what we feel is an annual average. As demonstrated in the table, 2020 ITC Capital Total was about 6.2% higher than in 2019. 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.

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| Year | ITC Capital Total | ITC Capital Qualified | Qualified Renewable Energy Investment | ITC Tax Credit | Job Training Investment | Trained Employees | Job Training Tax Credit |
|  |  |  |  |  |  |  |  |
| 2020 | $65,970,581  | $44,622,680 | $3,000 | $1,338,691 | $236,690 | 762 | $28,402 |
|  |  |  |  |  |  |  |  |
| 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 |

The Southeast Enterprise Zone encompasses the six counties in Southeast Colorado with a total population of 47,184 (according to Colorado Demography Office) as of July 2020. This is an increase over 2019 of approximately 71 people. Based on the most current historical data, the region has experienced a slight increase in population growth in each of the past 3 years. While the growth is very marginal, any positive trend, albeit small, is welcomed as growth affects the general health of our member rural communities. The two smallest counties have experienced the largest growth at or above 1%. The remaining four showed a growth rate of less than 1%, all data exhibiting that the region’s growth rate remains well below Colorado’s population growth rate of 5.68%.

The largest employers in SE Colorado are health services, government, and education. In addition, jobs in SE Colorado are unique to each county making for a diverse regional economy with a mixture of traditional agriculture, value-added agriculture and manufacturing. The SE EZ area’s collective unemployment annual rate in 2020, was 3.19%. The state unemployment rate for 2020 was 2.8%. As the statutory criteria is >150% or greater than 4.2% benchmark of the State, only one of the counties within the region meets the criteria, with another at .1% below the benchmark and the others at 2.9% or below. It is hopeful that this is an indicator of an improving economy for the region in 2021 and the future.

Per capita income data demonstrated an increase overall in the region of 1.5% over 2019. The average regional per capita income is $39,098, which is well below the benchmark of $45,868 for Colorado. All but one county meets the criteria. However, each of the counties continues to meet at least 3 of the 5 economic distress criteria at the county level (see the following table):

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| County | Population (less than 5K) | Growth Rate Qualify | Unemployment Rate Qualify | Per Capita Income Qualify | Bottom half of Property tax Qualify | EZ Qualify Status |
| Baca | Yes | Yes | No | Yes | Yes | Yes |
| Bent | No | Yes | No | Yes | Yes | Yes |
| Crowley | No | No | Yes | Yes | Yes | Yes |
| Kiowa | Yes | Yes | No | No | Yes | Yes |
| Otero | No | Yes | No | Yes | Yes | Yes |
| Prowers | No | Yes | No | Yes | Yes | Yes |

Annual regional retail sales data for 2020 per the Colorado Department of Revenue reported gross sales of $1.6B with $1.3B being retail sales, compared to $307B in gross sales and $228B for the remainder of the State of Colorado. This equates to $494M in next taxable sales 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 six enterprise zone questions per week since January 1, 2020. The Salesforce program has simplified the process and efficiency of certifications for participants in the enterprise zone. Following training for accountants, we have observed that most of the pre-certifications come from accountants who are now in the habit of pre-certifying clients as a matter of practice. However, the remoteness of many locations throughout the six-county enterprise zone region continues to cause issues with verification/validation of pre-certifications. Google maps often times do not recognize addresses. On average we continue to contact many businesses every month to get clarification/verification of addresses.

Over the course of the last twenty-nine (29) years, SECED’s Business Loan Fund (BLF) has assisted 312 business loan needs in the amount of $18,206,956 with leveraging from private sources totaling $15,362,359. For 2020, nine (9) loans were funded in the amount of $992,492.00. 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, $5,678,015 funds have been loaned benefiting 329 households and 2020 resulted in one (1) loan funded to the amount of $14,020. We attribute the decrease in housing loans to the pandemic fears of having contractors within close proximity.

In 2020, the Southeast EZ processed 435 ITC certifications. The sum of capital investments amounted to $65.97M with $44.62M in qualifying investments which generated $1,338,691 in tax credits. A total of 762 employees were trained generating credits to the employer of $28,402.

Net Enhanced Tax Credits amounted to $270,340, 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 $267,625 in contributions giving contributing taxpayer credits of $66,906. In 2020, 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. The new contribution project was a result of the pandemic and an effort to assist businesses as they strived to navigate the challenges of continuing operations at limited or no capacity. We were able to solicit donations and raise $142,500 that we were then able to turn around to the region’s struggling businesses in the form of $1,000 grants. These grants, while not a large amount were able to assist businesses in the payment of rent, mortgage, utilities, insurance and other monthly bills that did not go away with the temporary closure of their businesses. The project has assisted over 110 businesses as of December, 2020 and continues to be available to others who have not had the chance to apply.

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 frequently throughout the week throughout the year, but more so in the months of 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, fielded questions throughout this year mainly by phone, but we did have several instances where we needed to assist individuals/accountants through Zoom. In February 2020, we held an in-person training to review EZ certifications and project management with a WebEx participation. We had 14 people attend either virtually or in person. We then held a smaller training in person in La Junta for those who were not able to attend the first meeting. Each year we strive to offer at least a training and/or refresher meeting 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. Due to the inability to meet with individuals because of COVID restrictions, Southeast EZ admin has offered this assistance remotely and will continue that process as it appears to be the new platform. Many people appear to like this option as they are not able to come to our office due to the distance. As EZ Administrator, I have presented throughout 2020 the enterprise zone information to groups six times via a Zoom meeting. The presentations were to three municipal councils, two economic development groups, a chamber of commerce, and a rotary group. 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.
* Southeast EZ (SECED) now has a presence on social media. Information for SECED is linked to the website.

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 2020, SECED, SBDC and SEBREA partnered to promote a shop local effort. The development of a shop local website offers businesses the ability to place their businesses on the website and offer gift certificates for purchase and display their products.

## 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. In 2020, not only did the usual challenges such as drought, transportation challenges, perceived lack of infrastructure, labor force and reports of out-migration continue to impact our rural economy, COVID-19 took its hold and caused added stress to the region.

The story that has brought the impact of COVID-19 to reality in our corner of the state is that of a local family-owned restaurant. While not a success story in the traditional sense of what one would consider a happy ending, it is one of being successful in telling the story of how programs that come from the State of Colorado can have a tremendous impact.

The business is a minority-owned operation that consisted of a mother, father, son & daughter-in-law and employed extended family members. At the start of the pandemic, the business had only been open for a few months. Shortly following the grand opening in late January, through word of mouth and a pretty extensive marketing effort, the business saw a remarkable increase in customers and had a great February with March trending in the same manner.

When the safe at home order went in to effect they wondered how they would survive. With the creation of our SE COVID-19 Business Assistance contribution project, the business applied for the $1,000 grant, and SE EZ was able to help them at the early stage of the pandemic. Despite the safe at home order shifting to safer at home, in early June, like all other businesses they had to adapt to a new way of operating, implement safety and sanitation measures. In addition, as with all restaurants throughout the State, service was limited to curbside pickup.

At that time, the virus still seemed to be what felt like hundreds of miles away. SE Colorado did not see the impact of the virus until late August and early September as it began infiltrating our rural communities. SECED then became the administrator of the Energize Colorado Gap Fund (ECGF) assistance program. The first round of ECGF assistance was awarded in late October, and this business was a recipient of the funding. Within 2 weeks of receiving the funding, the business owners experienced the virus first hand. An extended family member (who worked in the restaurant) became infected and the restaurant was forced to close its doors due to contact tracing and exposure. Nearing the end of the quarantine, tragedy struck. By this time, it was late November, and both the father and mother both tested positive for COVID, extending the time that the business had to remain in quarantine. The business remained closed.

As mother and father became very ill, mother was able to recover and father succumbed to the virus. On December 7, the father was laid to rest.

It was very difficult for the business owners to reopen the business knowing their loved one would no longer be with them to operate the business, but on December 19, they reopened their doors. In speaking with son and daughter-in-law, they expressed how helpful all of the funding was to their operation. From the COVID-19 assistance money to the ECGF money, they expressed many thanks. No one could have anticipated that COVID would directly affect their business and family in such a manner and they expressed a sincere appreciation for the funding that had not only helped them with the decreased sales that they had already experience but more importantly with rent, utility, and insurance expenses that continued during the quarantine period and ultimately during their bereavement period when they were closed. They remain very thankful for the generosity of all funding assistance efforts from the State of Colorado and SECED to assist small business owners in their time of need.

As a result of the pandemic, our economic developers from all of the counties as well as SECED as the regional ED, went through the exercise of addressing resiliency and identifying short, intermediate and long term goals for dealing with economic disasters such as the one experienced in 2020. The exercise was very beneficial in determining what was done and what could have been done better to address business community needs.

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.

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:

2020 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 1-3 new contacts made with new and existing businesses each month.
	* *In 2020, despite the inability to meet face to face (caused by the pandemic), economic developers, through their annual reports, demonstrated that they were still able to talk 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 1-2 businesses in the smaller counties, and 3-4 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 2020, the local junior colleges continued to operate their workforce training programs that assist with the healthcare industry, the welding industry, renewable energy technologies, and construction trades. The addition of a Precision Agriculture program to train students to deal with changes in technology and helping make ag business be more sustainable in the future has been very successful. 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, construction trades and Precision Ag are all fairly new programs that are making a great impact as well. In 2020, the homeless support agency in the area began their work on creating an incubator business at their facility. The pandemic slowed their progress in rolling out that program, but they anticipate that in 2021, they will have that program up and running.*
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 2020, each of the local economic developers made an attempt 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. Again, having to deal with the pandemic, the outreach was limited to digital visits for the majority of the year, but looked to be turning around by late in 2020. 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 2020, SECED through a REDI grant from DOLA, began work with a consultant for the purpose of completing an OZ prospectus. At the end of 2020, the consultant was able to complete the prospectus. In 2020, Ordway, located in Crowley County began its work with a housing developer and completed five single-family dwellings. All five homes have been sold helping to support the claim that “if we build it they will come” affecting the market in a positive way and demonstrating that the demand exists. Southeast EZ will continue to support projects that encourage housing development through the use of the OZ prospectus to encourage outside investment.*
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,
	* *In 2020, we saw a decline in tourism, as a direct result of the pandemic. With travel restrictions in place, our regional amenities and attractions saw a marked decline in attendance affecting everything from ticket sales to a reduction in sales for hotels, restaurants and retail establishments. Historically, heritage tourism, has been 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. We do not have the final data as of yet to make a good estimation of how the pandemic has affected our tourism industry.*

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 2-4 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 has completed 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. In addition, SECED will pursue two regional projects that will span three counties and hopes to employ programs such as the LIHTC and a DOLA REDI program.
	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 2021 over 2020 based on data provided by retail sales,

# South Metro Enterprise Zone

## Overview

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

During 2020, the number of businesses claiming tax credits through the Enterprise Zone numbered 105. These businesses reported a net increase of 378 (FTE) jobs in the Zone. The level of investment in the Zone decreased 18.7% to $61.2 million. The average full-time salaries in the zone increased 4.4% to $51,242.

Throughout 2020, the level of business investment in the South Metro Enterprise Zone decreased. 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 one contribution project: During 2020, 365 contributions for the Craig Hospital Foundation were processed with cash donations totaling $1,001,455 with no in-kind contributions.

## 2020 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.

1. 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 2019 and 2020 Enterprise Zone certification forms, reflect the economic condition in the South Metro Enterprise Zone:

|  |  |  |
| --- | --- | --- |
|  | 2019 | 2020 |
| Number of businesses filing Zone tax credits: | 96 | 105 |

|  |  |  |
| --- | --- | --- |
| Number of jobs created in the Zone: | 93 | 378 |
| Health Insurance Tax Credit: | $26,920 | $6,000 |
| Number of Employees Trained: | 2,200 | 2,064 |
| Job Training Tax Credit: | $332,593 | $451,788 |

|  |  |  |
| --- | --- | --- |
| Average Annual Compensation | $49,061 | $51,242 |
| Full Time | $14,620 | $13,806 |
| Part Time | $29,470 | $12,445 |
| Temporary Contractual | $42,304 | $51,500 |

|  |  |  |
| --- | --- | --- |
| Analysis of Capital Investment: |  |  |
| Rehab Expenses: | $166,025 | $500,000 |
| Rehab Tax Credit | $41,506 | $50,000 |
| Investment Tax Credit Claimed: | $985,007 | $794,473 |
| ITC Capital Investment | $32,833,419 | $25,485,819 |
| Total Capital Investment in the Zone | $114,716,177 | $61,229,642 |

|  |  |  |
| --- | --- | --- |
| R&D Expenditures | $4,232,868 | $4,854,050 |
| R&D Tax Credit | $2,348,872 | $64,124 |
|  |  |  |

## 2020 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 updated its 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 were also accomplished through various City of Englewood business events and the City of Englewood website.

The Zone Administrator attended several events virtually 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 2020.

Goal #1: Aggregate job expansion for Enterprise Zone beneficiaries to exceed 25 net new jobs over the previous year’s total. During 2020, the number of businesses claiming tax credits through the Enterprise Zone numbered 105. These businesses reported a net increase of 378 (FTE) jobs in the Zone. Average full-time salaries in the zone increased 4.4% to $51,242. 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 18.7% to $61.2 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 2020:
		- Sheridan sales and use tax receipts increased 8.5% in 2020 over 2019.
		- Gross Sales Tax Revenue for 2020: $4,422,574 2019: $4,095,510
		- River Point saw a 8.3% increase in PIF sales in 2020 over 2019
	+ Englewood sales and use tax receipts increased 4.24% in 2020 over 2019.
		- Retail sales tax increased 5.49% in 2020 as compared to 2019.
		- Use tax (excluding building use tax) decreased 6.42% in 2020 as compared to 2019.
	+ Littleton reported the following information for 2020:
		- Retail Sales Tax: $28,841,331
		- General Use Tax: $1,292,884
		- Vehicle Sales Tax $2,487,940
		- Building Use Tax: $1,205,574
		- Issued 182 new business licenses
	+ Town of Parker did not report any information.

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

1. 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 2020, Craig Hospital was granted recognition as a Magnet-designated organization for the fourth consecutive time by the American Nurses Credentialing Center (ANCC) Magnet Recognition Program. Magnet recognition has become the gold standard for nursing excellence.

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 47 apartments or other leased living spaces on or around Craig’s campus for short term visitors and 31 apartments or other leased living spaces on or around Craig’s campus for long term visitors (30+ days) 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. Due to COVID-19, out of state visitors to campus were significantly impacted, therefore, we postponed the first economic impact study to this fall anticipating less restrictive travel restrictions and a more accurate depiction of our impact on the Enterprise Zone.

## 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 did not provide any information.

City of Sheridan

The City of Sheridan reported the following activity for 2020:

* + Additions: 6 permits / $574,530
* New Construction: 0 Permits / $0
* Tenant Improvement: 5 Permits / $304,557
* Tenant Finish: 2 Permits / $139,446

Town of Parker

The Town of Parker did not provide any information.

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.

Downtown Development Authority (DDA) – In 2020 voters approved a Downtown Development Authority in the area of Englewood Civic Center and Englewood’s medical district. The DDA will invite development and revitalization in Englewood’s aging central business district.

Alliance for Commerce in Englewood (ACE) – ACE is a business advisory group that provides a sounding board to City Council from the local business community.

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 – Nearing completion a 105,000 square foot, 5-story medical office building, with ground floor retail at 500 East Hampden. The multi-year project is nearing completion of construction.

Swedish Medical Center is investing in its existing facilities by adding new surgical centers and training facilities in Englewood. Swedish is adding a new patient tower at their existing location. This new $50 million project involves a multi-year 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 by Chuze Fitness, 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

*2019 2020*

Additions 3 Permits / $985,000 1 Permit / $250,000

New 4 Permits / $25,700,000 4 Permits / $7,922,019

Remodel 68 Permits / $26,793,000 59 Permits / $28,275,063

## Success Story – Contribution Project

The South Metro Enterprise Zone received approval to establish a contribution project to fund a COVID Business Recovery Grant. This initiative allowed the City to solicit and receive $3,800 donations from area businesses and residents. Englewood established this program by working with area businesses and the local Chamber of Commerce to identify needs that were particularly important to businesses and help with economic recovery. Two areas of interest emerged. 1) Businesses needed personal protective equipment, cleaning supplies and other considerations to protect patrons and employees by ensuring a safe business environment. 2) Businesses also needed assistance with creating an online presence and setting up a contactless payment system. Englewood established a grant to fund these elements. The program funded nine businesses and provided $3,800 in small business grants. Englewood leveraged local economic development funds to overmatch the $3,800 in contributions by providing an additional $10,950 to create a more impactful program*.*

# **Southwest Enterprise Zone**

## Overview

The Southwest Enterprise Zone is administered by the Region 9 Economic Development District of Southwest Colorado Inc. (Region 9) and covers Archuleta, Dolores, La Plata, Montezuma and San Juan Counties plus the Ute Mountain Ute and Southern Ute Indian Tribes. Region 9 is a nonprofit, 501 (c) 6 public/private partnership that works to improve economic conditions and coordinate economic development efforts throughout the region. 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 a business loan fund of over $7 Million; 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; grant research and economic development initiatives including 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 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 continues to be inconsistent as the number of tax credits, investments and jobs created vary widely each year. La Plata County, as the region’s workforce center has few areas that remain EZ eligible for businesses. Montezuma County continues to see the largest business participation in the program, a trend continuing over the past five years.



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

Region-wide, in 2020 there were 30 designated Enterprise Zone Contribution Projects (two new projects, 1 project approved for a new 5-year term, two extended due to COVID impacts and 4 that ended). These Projects generated about $2.35 million in economic activity through direct and in-kind contributions. This is a significant decrease in donation activity in 2020, likely attributable to the COVID-19 pandemic. This compares to 30 Projects in 2019 with $4.14 million; 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.

In the Southwest Enterprise Zone, three counties, Dolores, Montezuma, and San Juan meet the EZ economic distress criteria on a county level. In the 2016 redistricting, La Plata and Archuleta 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. Montezuma now joins Archuleta, Dolores and San Juan Counties as being designated as Enhanced Rural Enterprise Zones (EREZ) through 2022.

## Past year Efforts to Improve Conditions

Specific EZ activities included:

* Met with 4 organizations interested in applying as EZ Contribution Projects.
* Region 9 distributes press on each new EZ Project and had three new projects this year: Pagosa Festivals, Region 9’s COVID Project, and Habitat for Humanity- La Plata County.
* 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 383 in 2020 (456 in 2019 and 216 in 2018). One of our goals was to increase the number of inquiries which did not happen, likely due to the COVID pandemic.
* 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.
* Participated in bi-monthly EZ Administrator phone calls as well as peer reviews, trainings and EZ Administrator meetings.
* Implemented marketing campaign highlighting each Contribution Project on social media.
* Produced e-newsletter of all Contribution Projects prior to Colorado Gives Day encouraging donations.
* Provide information about EZ tax credits to all Region 9 loan clients.
* Staff explored the possibility of class accreditation for accountants and CPAs taking EZ tax credit training.

## Winning Story

KSUT Radio in Ignacio, Colorado is one of eight tribal radio stations in the county. When it first started broadcasting in 1976, its headquarters was once the nursing quarters during the Southern Ute Indian Tribes’ Boarding School era. In 2020, the Eddie Box Jr. Media Center was completed including offices for KSUT staff and state-of-the-art studios. The Tribe matched one million dollars of the amount needed and designation as an Enterprise Zone Infrastructure Project helped secure the remaining amount. The new Center opened in October 2019.

## Objectives Report

We continue to refine our EZ goals in 2021.



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 383 in 2020, a decrease from 2019 that had 456 inquiries.

Objective #2 - Increase the number of businesses that participate in the EZ in each county using 2005 as a base year (228 participating businesses). Our numbers are finally on an upswing for the first time since 2016. This also matches our region’s overall job number trends which were down from the Great Recession and took 10 years to reach prerecession levels. We also successfully increased the number of businesses participating in four of our five counties.

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 | 5 | 1  | 18 | 11 | 1 |
| 2010 -1355 Businesses | 10 | 3 | 25 | 16 | 1 |
| 2014-1741 businesses | 8 | 7 | 14 | 10 | 2 |
| 20188 businesses | 2 | 1 | 2 | 2 | 1 |
| 201910 businesses | 3 | 0 | 2 | 5 | 0 |
| 202013 businesses | 0 | 0 | 2 | 8 | 3 |

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 businesses that we can help pre-certify continue to inconsistently utilize tax credits.

## Objectives for Coming Year

Our 2020 outcomes and refined 2021 regional EZ goals are summarized 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 (SBDC), and the Southwest Colorado Accelerator Program for Entrepreneurs (SCAPE) - both 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).

*2020 Outcomes - We only increased our number by three businesses from 10 to 13 and did not meet our goal for 2020 and will strive to meet this goal in 2021.*

1. 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 refined, 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.

*2020 Outcomes –Two organizations, Montezuma Land Alliance and Mancos Valley Resources were interested in applying as job training projects. However, due to COVID one organization decided to wait before applying and the other did not have an eligible EZ job training project. We did not meet this goal in 2020 and will strive to meet this goal in 2021.*

1. 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.

*2020 Outcomes – This objective was achieved as our Executive Director serves on the Homes Fund Board of directors which serves our five-county region with mortgage assistance to first-time home buyers and is a current EZ Contribution Project. We also extended the project term for one housing organization dramatically impacted by COVID and renewed another. This will continue in 2021.*

1. Support and assist key industry sectors in southwest Colorado that bring in new money to strengthen the local economy (agriculture, tourism & healthcare). Region 9 will seek to increase the number of our key industry sector businesses (ag, tourism, and healthcare). 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 the previous year and, b) Make sure our eligible top 20 employers know about EZ credits.

*2020 Outcomes – We did approve one new project in the tourism sector and increased the number of participating businesses in four of our five counties. We also informed our top employers about EZ tax credits. Due to COVID and the demand on first responders, we did not meet our measurable objectives to outreach our regional clinics, medical providers, and related businesses through a direct marketing effort about EZ tax credits. This will be a goal in 2021.*

1. 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. Our measurable goal will be to provide an Enterprise Zone information session in each county.

*2020 Outcomes – The SW Enterprise Zone has five visitor attraction projects. They were all dramatically impacted by COVID and retaining them as projects became our focus. We provided information sessions in three counties: two in La Plata County to the Ignacio Chamber and in Montezuma to Mancos businesses. We also trained two new economic developers in Pagosa Springs and Mancos and this goal will continue in 2021.*

# Northeast Enterprise Zone

## 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 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 2020 the value of tax credit for the six county region is 252,199.55

Utilizing the Contribution Project component, local citizens work with Regional non-profits and foundations to help improve conditions on a local level.

In a snapshot of time, for the calendar year 2020 the contribution generated by County are as follows:

|  |  |
| --- | --- |
| Northeast Enterprise Zone | Total Contributions |
| Logan County | $10,500.00 |
| Morgan County | $181,527.00 |
| Phillips County | $13,050.00 |
| Sedgwick CountyWashington County | $11,550.000.00 |
| Yuma County | $35,572.55 |
| Total of ALL Counties | 252,199.55 |

## Past year Efforts to Improve Conditions

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

Information regarding Enterprise Zone opportunities particularly upon notice(s) of change is relayed to regional businesses including accounting firms; CPAs; tax preparation services and county economic development professional is conveyed primarily through direct email communications. NECALG as noted above is governed by a Board comprised of elected officials of the six-member counties and municipals. 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](http://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 nonetheless have significant impact to a small rural area.

## 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 municipals 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 2020 local objective concentrations were:

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 services and new services for zoned residents *with focus upon current and new entries to the workforce.*
5. Support programs and community development in Northeast Colorado that drives tourism and encourages economic growth to the region.

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.

In the light of the COVID pandemic we were unable to really get out and encourage job creation or have much community engagement. Even with the restrictions that were put upon us in the year 2020 contributions still stayed at a consistent level.

## Objectives for Coming Year

The overall Goals/Objectives for 2021 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.

# North Metro Enterprise Zone

## Overview

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

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

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

While Longmont EDP serves as the administrator for the North Metro Enterprise Zone, we work in close collaboration with our economic development partners in both Lafayette and Broomfield to ensure equitable communication and utilization of Enterprise Zone benefits across all three jurisdictions.

Our partner in Broomfield is the Broomfield Economic Vitality and Development department. The department strives to strengthen and diversify the city's economic and business base to ensure balanced, thoughtful opportunities for businesses, employment, and community success and sustainability.

Broomfield’s business environment includes over 2,000 firms, providing direct employment of over 40,000 persons. The key sectors include InfoTech, Finance and Asset management, Professional/Business Services, and Manufacturing. In 2020 and 2021, the program and service work efforts focus on:

* Encouraging business curious and entrepreneurs to startup and scale up business;
* Support our existing businesses to sustain and expand operations and opportunities;
* Inform and encourage businesses to consider Broomfield in their expansion and relocation decisions;
* Assist our businesses access Colorado’s and the community business support programs, including our workforce system and Colorado OED-IT programs (such as the Enterprise Zone program and other investment and acceleration tools);
* Strengthen tools and methods to encourage investment in underutilized and blighted areas; and
* Work, supportively and effectively, with local (such as Lafayette and Longmont) and regional partners to identify and address issues affecting our local, regional, and state economy and competitiveness.

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 in this pivotal moment of economic recovery in the wake of the COVID-19 pandemic.

## Past year Observations and Data

According to data from the Bureau of Labor Statistics (BLS), the unemployment rate for the City & County of Broomfield increased 2.1% to 7.2% from year end 2019 to year end 2020 based on the most recent preliminary projections. The cities of Lafayette and Longmont saw a change in unemployment from 2.0% to 7.3% and 2.3% to 7.9% respectively. Boulder County as a whole saw a change in unemployment rate from year end 2019 to 2020 from 2.0% to 6.9%.

These unemployment statistics are just the tip of the iceberg of the economic and business impacts. Additional impacts are reduced operations and business activity due to full or partial business closures, supply chain issues, reduction in hours worked (for those still employed), local businesses employees working from remotely, indirect or underemployment raising (often esteemed in slowed economies to be 1x-2x of the traditional (U2) unemployment rates. These direct impacts on businesses have eroded business sustainability in 2020 - and continues into 2021.

According to EMSI data, Boulder County population in 2020 was 329,263. As of 2020, the region’s population increased by 3.5% since 2015, growing by 11,236. Broomfield County population in 2020 was 72,126. As of 2020, Broomfield’s population increased by 11.2% since 2015, growing by 7,260.

Bureau of Economic Analysis data shows that per capita personal income in Boulder County increased from $73,518 to $76,527 from 2018 to 2019, while Broomfield County per capita income increased over the same period from $68,038 to $70,996.

## Past year Efforts to Improve Conditions

In 2020, 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 2020 was the fourth year that 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 each year. This communication came in the form of targeted digital communications to EZ businesses, inclusion of EZ messaging in e-mail communications and social media, and inclusion of the EZ message and benefits in public presentations regarding economic development in our respective communities.
* Designation of one new Contribution Project, the Strongmont Fund for supporting recovery of local businesses effected by COVID-19 and administered by the Longmont Community Foundation.
* All new businesses within the Enterprise Zone are sent a letter from LEDP informing them about the EZ program, tax incentives, and how to pre-certify at a rate of approximately five per month.
* In Broomfield, the city worked directly with several building owners in the EZ area to encourage reinvestment in the buildings to attract new and expanding businesses into the area. In 2021, these efforts are expect to result in businesses considering and completing pre-certification for the EZ program

## Winning Story:

The Center for Integrated Manufacturing at Front Range Community College – FRCC is the only college in the Rocky Mountain area providing four advanced manufacturing programs under one roof. Its new Center for Integrated Manufacturing (CIM) is designed to meet the evolving needs of next-generation manufacturing technologies, including Automation Engineering Technology (AET), Electronics Engineering Technology (EET), Optics Technology, and Precision Machining.

The Colorado business community’s enthusiasm and support contributed enormously to establishing the CIM. Advanced Energy Industries Inc. was the first to donate, giving $150,000 to help fund the CIM and $50,000 in equipment. The Advanced Energy EET lab is named in their honor to recognize their support and dedication to the education and career advancement of FRCC manufacturing students. Since 2018, FRCC has raised over $2million helping to equip and train tomorrow’s workforce at the CIM.

Mile High Labs – In late 2019, Mile High Labs, an area innovative business, located in Broomfield to expand their operations, increase product development, and meet the national and global needs for their products. For Broomfield, this location/expansion was an incredible opportunity, as the business is a market leader and growing rapidly, and the business occupied a soon-to-be vacated major facility in the EZ area. MHL, through their market leadership, is very likely to grow and support a number of allied entrepreneurial enterprises, creating a mini-market cluster.

## Objectives Report:

The 2020 North Metro Enterprise zone goals, objectives and related results included:

1. Build industry relevant talent pipelines to respond to current demands and design effective career pathways to meet future demands. A national marketing campaign, funded out of the Longmont EDP Reach for the Peaks investment campaign serves as our primary recruitment tool for relocation and expansion projects of primary employers in our four target industry clusters, as well as talent. As part of Advance Longmont 2.0, LEDP's economic development strategy, the Talent Working Group has convened throughout 2020 to work on strategic priorities and initiatives in order to build an industry- and future-responsive talent infrastructure. Broomfield partners with our county Workforce Development Center to do direct outreach, currently through emails, calls and Google meetings, with targeted businesses in the community - including many in the North Metro EZ area. At the same, we continue our work with local K-12, Front Range Community College, and private education to develop area ready talent pool for manufacturing, construction and other high demand, middle wage employment opportunities.
2. Ensure residential affordability for current and future workers. In May 2020, Longmont EDP, in partnership with Cornerstone Home Lending and ArchMI, introduced the Longmont Start to Home Program. The innovative new program is available to Longmont-based employers who are investors in Longmont EDP and prospective employers with whom Longmont EDP is working to attract or expand into the community. Longmont Start to Home offers comprehensive, best-in-class home buying services from leading industry professionals, simplifies the home purchase and mortgage process for Longmont-based employees or future employees, and significantly reduces relocation costs for both employer and employee. As of now, this program is nationally unique to Longmont and Longmont EDP. Broomfield has enacted and expanded our affordable housing program, including generating additional units, land for development and/or cash-in-lieu requirements for new housing projects. In this program, new housing is expected to include resources to support about 20% of the total proposed units (through the three choices). During 2020, we provided additional general funds and COVID federal funds to assist households and individuals who are temporarily or about to face housing insecurity.
3. Cultivate Innovation and Entrepreneurship enhancing job creation and retention. Despite the global pandemic, Innovate Longmont ran two successful accelerator cohorts comprising 12 local startups, and added more than 10 local jobs to our local economy. Innovate Longmont also launched an innovative shared-retail store named Bricks Retail to provide retail space to local entrepreneurs to sell their products to our community. To date, Bricks Retail has brought on over 25 local entrepreneurs to help them validate, get feedback, improve, and sell their products.
4. Create engaging and colorful urban centers, especially in downtown. Broomfield is moving rapidly forward with the Broomfield Town Square project, which is not located in, but proximate to the EZ area. The horizontal and commercial development partner has been selected, due diligence underway, and working toward construction in 2022/23.

## Objectives for Coming Year

2021 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.
5. Support the recovery of our economic ecosystem in the wake of the COVID-19 pandemic.

# Northwest Enterprise Zone

## Overview

Associated Governments of Northwest Colorado (AGNC) is the council of governments designated for Region 11 including the counties of Garfield, Mesa, Moffat, Rio Blanco, and Routt. The Northwest Enterprise Zone (NWEZ) is comprised of Garfield, Moffat, Rio Blanco, Routt, Jackson, Grand, Clear Creek and Gilpin Counties. The counties that make up the NWEZ are 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. Prior to 2020 and the Coronavirus pandemic, the communities were just reaching recovery levels and, from that standpoint, were already 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. With the pandemic, the counties and municipalities of the NWEZ have been further distressed by layoffs associated with the Coronavirus that has led to permanent business closures as small business owners consider whether or not the energy production slowdown will allow for growth in their businesses. 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 worked 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. As expected, that report shows 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. The next threat to our Northwest Colorado communities is the passage of the ballot measure to reintroduce wolves. The wolves represent a new threat to our agricultural producers and hunting opportunities, as has been seen in other states where such an initiative has been enforced. It is unclear at this time if these towns, cities, and even counties will be able to survive these 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. As the communities that make up AGNC and the NWEZ are aware of the possible negative impacts, as well as some opportunities, it is imperative that the State of Colorado work with the local officials of the Northwest Colorado communities to avoid further unwanted and unnecessary detriments to our economies.

## 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 2019 were $89,740,158 which was down from 2018 and Investment Tax Credits were also down in 2019 with total credits of $1,496,491. There was a slight reduction of Trained Employees in 2019, down to 268 from 271, but Job Training Investments were higher at $239,625 from $192,852. There has been a reported change in the number of employees of only a positive 186, compared to the positive 220 in 2018, which had already been significantly lower than the 666 new employees in 2017.

Craig has now been identified as moving back out of the Enhanced Rural Enterprise Zone designation for the 2021-2022 period when a review of criteria was done; speaking to efforts to bring in new, different jobs and opportunities, as the community waits for the larger losses from the coal industry. As new data comes in from the effects of COVID-19, we expect to see significant declines in population, personal income, and increases in unemployment numbers as the region works fastidiously to find new jobs and opportunities to mitigate the expected losses. As jobs related to coal decline, workers tend to leave the area in search for employment as there have not been comparable jobs available.

## 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 fewer contacts made for this reason in 2020, due to more knowledge and understanding of the EZ, as AGNC continues to market and promote the EZ in Northwest Colorado.

Contribution Projects:

In 2020, the NWEZ had six new projects approved. These projects were for multiple healthcare facilities, recreation projects, one community facility, and one returning museum project. We worked together to show the economic value of the organizations as a whole, as well as upkeeping the livability standards in our communities as another way to mitigate population loss during the trying times for NWEZ communities. In the past few years, the number of Contribution Projects in the NWEZ has declined as those projects have expired or were no longer utilizing the program, but word of the EZ has been spreading and AGNC is contacted frequently to learn more about Contribution Projects and whether or not an organization is a good fit. As expected, the contributions were down in 2020 from the previous year’s at $2,952,841 to $2,522,844 in cash and from $492,287 to $338,872 in-kind. However, due to the constraints and difficulties caused by COVID-19, the number of contributions were much higher than expected.

Information and Outreach:

COVID-19 hampered the number of presentations made throughout the region during 2020. However, every meeting AGNC held, in-person and virtual, provided an opportunity to discuss and present on the NWEZ to area local government officials, businesses, accounting professionals, business organizations, education and economic development representatives. In addition to Enterprise Zone information, the meeting presentations included information about multiple programs offered through the Office of Economic Development and International Trade.

Presentations were made in the following meetings:

* Monthly AGNC Board Meetings
* Garfield County Economic Development Partners
* Garfield County Board of County Commissioners Meetings
* Rio Blanco County Office of Economic Development
* NW Colorado Air & Space Coalition

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 Development, 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, the Craig Memorial Hospital is facing challenges that may lead to its closure. While we continue to work with the Craig Memorial Hospital, AGNC was approached by the Yampa Valley Medical Center Foundation to become a Contribution Project. YVMCF is seeing an influx of patients from around the Yampa Valley area and other lesser populated areas as the number of healthcare facilities decline in the upper NW region, leaving YVMCF needing a renovated Emergency Department and financial assistance to keep up with the new number of patients visiting. More funding will provide more access to healthcare options that are not available in any other close location including women’s care, mental healthcare, and cancer treatments. This organization is also a designated trauma center, contributing to the ease of outdoor enthusiasts to continue visiting and utilizing the outdoor recreation opportunities knowing healthcare is available nearby if needed. The project was only approved in September 2020 and has already received over $270,000 in contributions and begun significant strides in the renovation of the Emergency Department.

## Objectives Report:

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.

RESULT: AGNC has worked with 2 new start-up businesses in Garfield County. Due to the uniqueness of these businesses, AGNC spent time and effort to apply for Rural Jump Start status for Western Garfield County to assist with these start-ups. In February 2021, the RJS status has been given to Garfield County, except Glenwood Springs and Carbondale, to provide the extra helpful incentives. Unfortunately, due to COVID-19, unemployment numbers have been up while job numbers have been down. We hope to see that turn around with the vaccine and lifting of restrictions related to the pandemic.

1. 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.

RESULT: AGNC has worked with the State of Colorado and local governments to continue the expansion of broadband and will continue to try to fill the gaps that were highlighted from the pandemic. AGNC did work with multiple organizations to enhance community facilities and infrastructure in four of the 8 NWEZ counties.

1. 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.

RESULT: AGNC worked with multiple organizations on Contribution Project status to support arts, tourism, and outdoor recreation. With COVID-19, outdoor recreation has been a boon to NW Colorado. COVID-19 also created many challenges with tourism, but with diversifying our economies with a large focus on outdoor recreation, some tourism continued during the pandemic, mitigating huge losses that were expected.

1. 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.

RESULT: AGNC continues to work with our local higher education facilities to work on training programs and Rural Jump Start efforts. Jobs and population numbers are skewed due to the pandemic; however, losses have certainly been lessened through the efforts of working with our local training and workforce activities. We will continue to work with our local agencies to keep that momentum as the region begins to try to recover from losses from the pandemic. AGNC has also been awarded a grant from the EDA on relation to the CARES Act. This grant is being utilized to work on bringing more remote jobs to our region and have hired a contractor to development an Economic Resiliency and Recovery Plan (ERRP) to identify further opportunities that may be available in light of the current issues derived from COVID-19.

1. Develop opportunities for agriculture, natural resource development, and multi-use lands to maintain current total job and population metrics.

RESULT: AGNC continues to work on agricultural and agricultural-like opportunities, including one business that has been working on obtaining Rural Jump Start status to bring their unique operation to Silt, CO. We continue to assess, evaluate, and identify opportunities for natural resource development and multi-use lands. AGNC continues working with EDA on a Coal-To-Products study to identify new uses for coal to create jobs and mitigate job and population losses in the region.

## 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.

# Pikes Peak Enterprise Zone

## Overview

Effective January 1, 2016, the boundaries of the Pikes Peak Enterprise Zone, formerly known as the El Paso County Enterprise Zone, were re-designated pursuant to Colorado Revised Statutes, 39-30-103(2)(c)(I). The name change to Pikes Peak Enterprise Zone (EZ) 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 including Cascade, Chipita Park and Green Mountain Falls; 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. A boundary amendment was approved in August 2020 to encourage commercial business redevelopment growth as well as workforce housing development in Southeast Colorado Springs.

El Paso County acts as the lead agency for the Pikes Peak EZ 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 the included municipalities and economic development organizations throughout the region to encourage businesses to expand and locate in the EZ and to create an environment that fosters job creation and retention.

## Past year Observations and Data

According to the Colorado Department of Labor and Employment, the unemployment rates in El Paso and Teller counties were 8.7% and 7.6%, respectively, as of December 2020, compared to 8.2% for the State of Colorado. The elevated unemployment rates are due in large part to the COVID-19 global pandemic, especially for local restaurants, stores, and tourist attractions that were forced to temporarily close to slow the spread of the virus. This caused the regional unemployment rate to skyrocket to its peak of 12% in April 2020. In comparison, 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.

El Paso County’s population was estimated to have increased to 722,493, according to Colorado Department of Local Affairs, an increase of more than 8,000 over the prior year. El Paso County maintains its place as the second most populous county in the state, trailing Denver County by less than 7,000. Teller County’s population was estimated to have increased to 25,355, an increase of nearly 300 individuals over the previous year.

In a February 2020 estimate from the U.S. Bureau of Economic Analysis, 2019 per capita income in El Paso County was $51,117 and $51,206 in Teller County, representing an increase of $2,650 annually in El Paso County and an increase of $2,009 in Teller County. El Paso County’s per capita personal income is nearly 83.6%, and Teller County’s is 83.7%, of that of the state at $61,157. 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

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, Colorado Springs Utilities, Colorado Springs Airport, City of Colorado Springs Economic Development, 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 Enterprise Zone Contribution Projects, as well as business EZ credit information. These pages include valuable EZ program information, EZ boundary maps, EZ Fact Sheet, Department of Revenue’s EZ Income Tax Credit Guide, as well as links to the state’s website, thereby allowing businesses to easily gather valuable EZ program information, and to also complete annual pre-certification and certification applications.

Potential and term limited EZ Contribution Project applicants that do not meet the statutory requirements or the policies of the Economic Development Commission are discouraged from applying.

## Contribution Projects

During 2020, the COVID-19 pandemic greatly impacted many of the Pikes Peak region’s EZ Contribution Project non-profits, as many event and tourism-related organizations were forced to cancel events, festivities, and temporarily close their doors to the public. The pandemic has caused a great deal of distress for the Pikes Peak region’s tourism economy, and also created an increased demand on homeless support providers in the region. Furthermore, a couple of Pikes Peak EZ Contribution Project non-profit homeless support providers in El Paso County were forced to make the difficult decision to permanently close their doors and cease operations and service to the community.

In response to the COVID-19 pandemic and its devastating impact on local small businesses, the Pikes Peak Enterprise Zone (EZ) Business Relief Fund program was stood up and approved as an EZ Contribution Project of the Pikes Peak EZ on March 30, 2020. The program goal was to provide grant-based assistance program to deploy capital to small business, located within the Pikes Peak Enterprise Zone boundaries, negatively affected by COVID-19. The grant assistance program aided businesses with the following types of assistance: rent or mortgage assistance, utility payments, employee payroll, accounts payable and other bills, and for payment of fixed debts. Upon application review and approval, EZ businesses received up to $7,500 in grant funds.

In total, the Pikes Peak EZ Business Relief Fund program provided 127 businesses with grant-based assistance totaling $890,305.17. El Paso County received a total of $31,885 in monetary contributions from El Paso County Residents, and El Paso County generously backfilled the remaining $858,420.17 from its allocation of CARES Act Funds.

The Pikes Peak Enterprise Zone Business Relief Fund Program was officially closed out on Wednesday, December 30th, 2020. At that time, received Completion and Economic Impact Reports from 108 grant recipients, describing how the grant funds helped the business during the COVID-19 pandemic, as well as describing how the business’ activity impacts business climate and positive community development in the region, and for the EZ as a whole. At this time, no new applications for the Pikes Peak Enterprise Zone (EZ) Small Business Relief Fund grant program are being accepted, and no further donations are being collected.

Summit Economics, LLC noted the following in its May 2020 Report regarding Potential Economic and Fiscal Impact of the Pikes Peak EZ Business Relief Fund:



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.

Due COVID-19’s devastating impacts on small businesses in the region, El Paso County increased and expanded its educational outreach and communication efforts in 2020, which also ensured information was shared in a safe and virtual manner: redesign of El Paso County’s website, creation of on-demand EZ webinars, distribution of the new EZ Income Tax Credit Guide to all local chambers with an offer to provide a free virtual training session, as well as frequently sent communications to EZ stakeholders regarding available COVID-19 business support services and relief funding opportunities.

El Paso County also increased its collaboration with the Pikes Peak Small Business Development Center (SBDC) in 2020, and plans further collaboration in 2021: direct referrals for business assistance and free Leading Edge Series program offering for Pikes Peak EZ Business Relief Fund grant recipients, as well as Regional Business Relief Fund grant recipients; Bundle Up for Small Businesses campaign; COVID-19 relief assistance resources and webinars.

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 an EZ informational session in Victor, Colorado. While the COVID-19 pandemic put a damper on in-person EZ presentations, staff created and published on-demand EZ webinars on the County’s website. Additionally, El Paso County published Colorado Department of Revenue’s new EZ Income Tax Credit Guide on its EZ business credits webpage. On an on-going basis, Economic Development staff continues to educate businesses about EZ benefits at one-on-one meetings, virtual meetings, email correspondence, prospect meetings, phone conversations, as well as public meetings.

## Winning Story:

A historic train depot near downtown Colorado Springs, originally constructed in 1887, sat vacant for nearly a decade following the closure of a popular Italian restaurant. The building was lovingly renovated during the COVID-19 pandemic in 2020, while still retaining many of the building’s original train depot features. The nearly 14,000 square foot building is now home to 3 successful new restaurants featuring a burger bar, a sandwich depot, and a farm-to-table restaurant. The burger bar currently offers in-person dining, take-out, and outdoor dining in heated domes to ensure patron safety during the pandemic. The historic structure that previously sat vacant and neglected, now has new life and purpose while also complementing the current revitalization efforts of the neighboring Southwest Downtown Business Improvement District and City for Champions RTA Project, US Olympic & Paralympic Museum. El Paso County Economic Development staff, in partnership with Colorado Springs Downtown Partnership, provided EZ tax credit information to the building owners and stressed the importance of completing the EZ pre-certification prior to beginning any new investment or hiring activities at the new business location.

## Objectives Report 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.

* Pikes Peak EZ added four new EZ Contribution Projects addressing these targeted categories:
	+ *Colorado Springs Fine Arts Center at Colorado College:* The Colorado Springs Fine Arts Center at Colorado College (FAC) is essentially an entire arts district under one roof, including the nationally accredited art museum, the award-winning FAC Theatre Company, and the year-round Bemis School of Art, serving all ages and skill levels. The FAC’s mission is to provide innovative, educational, and multidisciplinary experiences while elevating the individual spirit and inspiring community vitality.
	+ *Pikes Peak Trolley Museum & Restoration Shop:* The Pikes Peak Historical Street Railway Foundation’s (PPHSRF) Museum educates the public about the rich history of the streetcar system that once operated in Colorado Springs and preserves rail-related historical artifacts for future generations. Its Restoration Shop meticulously restores and preserves historic streetcars for visitors to experience and enjoy first-hand. PPHSRF seeks to increase the overall number of visitors to the Museum while increasing its operational streetcar restoration efforts during the project term.
	+ *Chamber Orchestra of the Springs*: Contributions made through the Enterprise Zone will advance the mission of the Chamber Orchestra of the Springs for continued growth both artistically, and in service to the community, as well as embark on new initiatives, keeping and furthering its place as the invaluable asset to the Pikes Peak region that it has become.
	+ *US Olympic & Paralympic Museum*: Overall operation of the museum includes funding an internationally-acclaimed building, galleries, exhibits, state-of-the-art technology, artifact acquisition and conservation, educational activities including bringing in thousands of school children, classroom outreach, curriculum development and implementation, and adult education related to current exhibits and upcoming Olympic and Paralympic Games.

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.

* 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 2019: 91 businesses trained 2,274 employees within the Pikes Peak EZ. Credits certified during calendar year 2020: 92 businesses trained 2,358 employees within the Pikes Peak EZ, resulting in a 1% increase in the number of EZ businesses training their employees, and a 3.7% increase to the number employees trained in the Pikes Peak EZ in 2020 than in 2019.

Goal #3:

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

* Pikes Peak EZ did not certify any credits in 2020 for the rehabilitation of eligible vacant commercial buildings, however, 88 businesses were certified for hiring an additional 677 employees in the Pikes Peak EZ.
* Pikes Peak EZ added three new EZ Contribution Projects addressing these targeted categories:
	+ *Pikes Peak EZ Business Relief Fund*: El Paso County stood up a grant-based assistance program to deploy capital to Pikes Peak Enterprise Zone businesses negatively affected by COVID-19. In June 2020, the Program provided a total of $890,305.17 in grant assistance to 127 small business located within the Pikes Peak Enterprise Zone. The Program provided up to $7,500 in grant funds to aid with the following types of assistance: rent or mortgage assistance, utility payments, employee payroll, accounts payable and other bills, and for payment of fixed debts.
	+ *Manitou Springs Heritage Center - Capital Campaign*: Manitou Springs Heritage Center will complete the purchase of its building, as well as completing necessary upgrades and repairs to the facility, thereby securing its place as a premiere museum attraction in Manitou Springs.
	+ *Venetucci Farm Capital Improvements:* Pikes Peak Real Estate Foundation will complete barn renovations, landscaping, irrigation infrastructure improvements and other facility approvements on the Venetucci Farm property. The objective is for these investments to establish Venetucci Farm as the only agritourism enterprise in the Fountain Valley.

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.

* Pikes Peak EZ added six new EZ Contribution Projects addressing these targeted categories:
	+ *Catholic Charities Homeless Support: Marian House & Family Connections Campuses*: Homeless support services are provided by Catholic Charities of Central Colorado (CCCC) at two locations – the Marian House and Family Connections campuses. Services range 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.
	+ *Dream Centers' Mary's Home*: "Mary’s Home" provides immediate housing to homeless mothers and their children in the Pikes Peak region in tandem with long-term, wrap-around supportive services.
	+ *The Place: Youth Exiting Homelessness to Live Self-Determined, Fulfilled Lives*: Every year, more than 600 homeless and runaway youth come to The Place in need of support and services: shelter, street outreach, case management, education and employment, health and medical care, as well as supportive housing, rapid re-housing, and transitional housing.
	+ *The Salvation Army: Homeless Shelter and Transitional Housing*: The Salvation Army (TSA) serves shelter and homeless support services to homeless individuals and families in the following three programs: R.J. Montgomery Homeless Shelter; Family Transitional Housing; and Veterans Transitional Housing. On-site case management provides housing assistance, life skills training, individual counseling, employment counseling and training, transportation assistance, and benefits assistance.
	+ *Working Fusion at Mill Street Capital Campaign:* We Fortify will construct the Working Fusion at Mill Street, an 18 unit tiny-home village to serve homeless young adults ages 18-29 in the Mills Street neighborhood in Colorado Springs.
	+ *Working Fusion at Mill Street*: Working Fusion is a small neighborhood community that will provide dignified transitional housing, accessible support services, and an inspiring peer community for homeless young adults ages 18-29.

## Objectives for 2021:

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.

# Region 10 Enterprise Zone

## 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. To support economic diversity and resilience for the region, Region 10 has built a middle mile fiber network throughout the six-county service area. Region 10 has built its existing network through creative and collaborative efforts, establishing partnerships with numerous government entities, power generation and cooperatives, and through state and federal funding.

## Past year Observations and Data

Like the rest of the world, COVID-19 was the dominant influence in the region. Historically 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 employed over 400 people from the region, originally scheduled to close in 2021 closed early in August 2020 due to the pandemic.

The pandemic had a wide range of impacts on our communities and businesses depending on industry, season and infrastructure. It highlighted and amplified challenges already here – housing, outdoor recreation impacts, need to diversify tourism/service based industries, among others. Obviously, we are still in the midst of the pandemic and continue to respond and understand its impact. According to the Colorado Demography Office, San Miguel and San Juan are in the category of the “greatest percentage (over 40%) of COVID impacted industries” (accommodation, food service, retail trade, other personal service, arts, entertainment, recreation and health services), with Ouray County following at 30-40%. San Miguel had the highest unemployment in the region and all counties are still recovery related to employment. As people looked to recreate and travel safely, our public lands and outdoor recreation have been severely challenged by over-use, lack of infrastructure and mis-use. Fortunately, Region 10 has been active in economic recovery and resiliency planning and regionally communities are collaborating on responses.

Region 10, to support existing and new businesses, along with federal, state, and local partners, has invested approximately nearly $20 million dollars in regional broadband infrastructure.  Partners include DOLA, EDA, Delta Montrose Electric Association, local governments, and others. Six internet service providers who in turn provide service to other local service providers are now obtaining services from Region 10 in our region and in turn, are offering advanced broadband services to their communities.

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 2020 vs. 2019. Even with COVID businesses invested in their operations.

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| --- |
| Enterprise Zone Business Tax Credits |
| County | CY2019 All EZ Credits | CY2019 ITC Credits | FY2020 All EZ Credits | FY2020 ITC Credits |
| Delta County | $417,311 | $319,914 | $438,158 | $325,695 |
| Gunnison County | $339,591 | $187,380 | $178,932 |  $143,788  |
| Hinsdale County | $1715 | $1715  | $1422 | $1422  |
| Montrose County | $407,079 | $257,564  | $488,620 |  $328,800  |
| Ouray County | $86,548 | $20,648  | $138,257 |  $21,612 |
| San Miguel County | $4439 | $4439  | $10,584 |  $6921  |
| Total | $1,256,683 | $791,660  | $1,253,973 |  $828,238  |

The Contribution Projects Program continues to be a valid and important program supporting Economic Development projects in the region, with over $2.3 million in donations to projects, though donations were down in 2020 from 2019.

Regional population is growing and is impacting the need for affordable workforce housing, which become a regional issue as home prices and demand increases. We also know that second homeowners stayed longer, which both provided extra spending in the county but

|  |  |  |  |
| --- | --- | --- | --- |
| County | Census 2010 | 2019 | % Change |
| Delta | 30,899 | 31,173 | .91% |
| Gunnison | 15,309 | 17,495 | 17.21% |
| Hinsdale | 843 | 819 | ‐2.8% |
| Montrose | 41,188 | 42,765 | 3.82% |
| Ouray | 4,446 | 4,934 | 8.05% |
| San Miguel | 7,356 | 8,174 | 10.97% |
| Colorado | 5,050,332 | 5,763,976 | 14.13% |
|  |  |  |  |

*\*Colorado State Demographers Office*

Unemployment has increased across the region, more so in our tourism/service-based economies which were more impacted by COVID. Per capita income has increased, though most remain significantly below the state average.

|  |
| --- |
| 24 Month Unemployment Rate\* |
| County | 2020 | 2019 |
| Delta | 4.95 | 3.63 |
| Gunnison | 4.25 | 2.44 |
| Hinsdale | 4.02 | 3.01 |
| Montrose | 4.86 | 3.39 |
| Ouray | 5.47 | 3.22 |
| San Miguel | 6.34 | 3.25 |
| Region 10 | 4.93 | 3.24 |
| Colorado | 4.90 | 3.05 |
| US | 5.84 | 3.78 |

|  |  |
| --- | --- |
| Per Capita Personal Income\* |   |
| County | 2010 | 2020 |
| Delta |  $ 28,691  |  $ 39,339  |
| Gunnison |  $ 33,706 |  $ 48,853  |
| Hinsdale |  $ $34,579  |  $ 50,295 |
| Montrose |  $ 29,697  |  $ 41,852 |
| Ouray |  $ 38,658  |  $ 64,076  |
| San Miguel |  $ 48703  |  $ 90,444  |

*\* 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 (this year virtually) 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. Staff has been active in local COVID recovery efforts and leading regional recovery efforts. Our Business Loan Fund worked with state and local governments for loan and grant review and funding to offset economic impact to local businesses, including:

* Energize Colorado: reviewed over 150 applications; funded 49 applications with $665,365 distributed to businesses across the region. There will be funds available to lend from this program soon. Currently there is no word on further Grant Funding.
* Delta County/City and Town of Hotchkiss: Reviewed 112 applications; funded 50 grants (or loan forgiveness) with investment of $416,625; approved funds are 100% disbursed.
* Montrose County: Reviewed 75 applications, have funded 45 applications with investment $489,000; application is closed.
* Gunnison County: Processed loan forgiveness for 23 businesses with investment of $162,500. All loans received debt forgiveness from grant funding.
* San Miguel County: Reviewed 156 applications. After review and scoring by the R10 team, 91 grants were funded totaling $3,000,000 to qualified businesses.
* Business Loan Program: working with borrowers for modifications as needed. Some SBA loans have received payment assistance from the SBA.

SBDC Consulting by County

|  |  |  |  |
| --- | --- | --- | --- |
| CY2020 | Clients | Sessions | Hours |
| Delta | 27 | 47 | 61 |
| Gunnison | 44 | 88 | 82 |
| Hinsdale | 3 | 3 | 3 |
| Montrose | 84 | 154 | 167 |
| Ouray | 16 | 18 | 19 |
| San Miguel | 37 | 86 | 98 |

|  |  |  |
| --- | --- | --- |
| Workshops | number | participants |
| CY2020 | 29 | 443 |

## Winning Story:

Broadband: Region 10, to support existing and new businesses, along with federal, state, and local partners, has invested approximately nearly $20 million dollars in regional broadband infrastructure.

One example of the success our network has shown is the COVID-19 response our region has made to ensure students and teachers were able to connect to schools for remote learning. Studies by the Colorado Education Initiative reported\* school districts in our region reduced the percentage of unconnected students and teachers from 20% in Spring 2020 to 4% in Fall 2020.

Colorado Flights Alliance: During the pandemic, when air travel was hit hard, Colorado Flights was able to recruit two new airlines (Southwest and Jet Blue) to fly in to Montrose Regional Airport. These exciting additions give businesses, visitors and residents additional affordable options for travel into the region.

## Objectives Report:

*2020 Performance Against Specific Objectives*

1. Increase the number of Region 10 Business Loans and track jobs created and retained.
	1. Due to COVID the majority of the year was focused on business grants. Region 10 processed 258 business grants. On the seven loans closed prior to COVID-19, seven jobs were created, and 14 jobs were retained.
2. Increased use of Enterprise Zone Tax Credits by businesses as measured by the number of credits received.
	1. The number of tax credits decreased from 290 in CY2019 to 235 in CY2020
3. Increase the number of Entrepreneurial Enterprise Zone Contribution Projects by at least one.
	1. Region 10 added one entrepreneurial economic development project.
4. Add at least one EZ Contribution Project that focuses on visitor attraction and tourism.
	1. Region 10 added two brand new visitor attraction projects and two new projects for previous visitor attraction EZCPs.
5. Increase the number of donations to EZ Contribution Projects.
	1. We had a decrease in donations in FY2020 – 1759 donations totaling $2,352,758.84, down from 1812 donations in 2019 totaling $2,962,994.45. We assume at least part of the decrease was due to COVID.

## 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.
	1. Increase the number of Region 10 Business Loans and track jobs created and retained.
	2. Increased use of Enterprise Zone Tax Credits by businesses as measured by the number of credits received.
	3. Increase new jobs created through the EZ tax credit by 10% from 2020 (from 58 to 64)
2. Create a dynamic region for diverse and sustainable tourism experiences and activities
	1. Add at least one EZ Contribution Project that focuses on visitor attraction and tourism
3. 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.
	1. Add a new EZCP that supports retention and relocation to attract new businesses and residents.

# Weld County Enterprise Zone

## Overview

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

Our long-term goal for the Weld EZ is to raise/maintain the per capita income of any Weld Census tract, Census place or block 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 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, Keenesburg, 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 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 current reported LAUS statistics show the 12-month average unadjusted Weld (Greeley MSA) unemployment rate in 2020 was 6.7%, up significantly from the 2019 annual unadjusted rate of 3.7% *(source: LAUS & BLS).* The 2019 Weld County per capita personal income (PCI) was $50,198 up from

$46,172 in 2018 *(source: BEA)*, which is the most current published data. Due to the COVID Pandemic, we anticipate that the PCI will see a reduction in 2020. The most current Weld County population growth rate from 2010 (254,230) to 2019 (323,763) was 27.3% (*source: CO Demography Office*).

The COVID-19 Pandemic was the dominating factor in 2020 and impacted all sectors of our economy to varying degrees. While many larger corporate grocery chains, big box retailers, manufacturers and distribution facilities had a good year, smaller main street businesses struggled to remain open relying on local, county, state and federal business relief funds. While the local health care sector was consumed by COVID, lost revenue mounted because of the lack of non-COVID medical procedures. With unprecedented low interest rates, the home sales and residential construction sector boomed with record setting price increases and growth that is expected to continue into 2021. But the commercial/industrial real estate sectors struggled and may for some time as the new “work” environment has much different real estate needs, especially in the office/retail categories. “Essential” Weld food manufacturers struggled with early outbreaks but rebounded once the “rules” of operating safely were successfully implemented. However, getting employees to return proved difficult and in some cases required increasing wages above enhanced unemployment benefit levels to entice employee **return.**

Plummeting oil prices due to various travel bans, at least partially, impacted the acceleration of several mergers, acquisitions, bankruptcies, and closures of Weld oil/gas operators. Drilling continued at a much slower pace, as compared to pre-2019 levels. But, with oil prices rebounding to near $50/barrel at the end of 2020, total production value remained consistent with 2019 activity hopefully indicating a fossil energy stabilization.

Renewable wind energy development remained stable in 2020 and interest in solar energy projects increased. However, with the federal production tax credit ending in 2020 future activity is uncertain. History has repeatedly shown that both sides of the energy sector can be extremely volatile, which remains an underlying concern and need for more industry diversification. While requests for information on starting/expanding a business in Weld remained brisk, few new or existing primary employers pulled the trigger on new projects in 2020. The historically very tight labor market loosened as the year progressed making it easier to find employees with the right skill sets/education levels but the cost of living, primarily due to rising housing costs, continues to significantly out-pace wage growth, which remains a concern.

## 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 2020 we had contact with 41 employers of which half were doing business within the EZ. Eleven (27%) had projects/needs that received in-depth assistance. We were told that due to COVID-19, expansion projects were put on hold until there was more certainty in the market. In addition, seventy (70) email outreach campaigns marketing COVID Business Relief programs was completed connecting with over 1,000 Weld businesses and awarding over $3M in relief assistance as detailed below. All outreach activity included information on various COVID assistance programs/services plus cross marketing of other assistance programs like the EZ program.
2. Business Attraction Program: In 2020, Upstate staff worked with 49 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, nine (18%) became qualified prospects, two announced location plans and one continues to be an active prospect in 2021. Due to COVID travel restrictions, our typical outreach marketing efforts via attendance at several targeted site section conferences/events shifted to virtual engagements or were canceled. In anticipation that this may be a longer-term trend, we have enhanced marketing efforts and digital offerings including business videos highlighting the benefits of doing business in Weld County.
3. Marketing: Through marketing efforts tied to our Business Retention/Expansion and Attraction programs, COVID Business Relief Programs and independent EZ marketing activities, we roughly estimate that EZ benefits were marketed to representatives of over 1,000 companies in 2020 to encourage their location or expansion/retention. This activity ranged from questions regarding COVID Business Relief assistance to how to calculate a specific EZ credit(s), response to new lead/prospect inquiries, virtual EZ meetings with key existing employers, EZ program review with area realtors marketing properties and local ED community partners who are meeting with companies, etc. In many cases labor, real estate, demographic, finance, incentive, etc. information was also provided. The 2020 EZ certification records show that 157 Weld companies collectively invested approximately $776.9M, created 226 new jobs, retained 7,871 jobs and earned approximately $21.5 million in EZ credits. In addition, the two primary tools outlined below are utilized in marketing the EZ opportunities:
4. 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 and most recently COVID Business Relief information. 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 2020, [www.upstatecolorado.org](http://www.upstatecolorado.org/) saw 7,090 website users 734 property search pageviews and 132 EZ pageviews. [The WeldRecovery.com](http://www.weldrecovery.com/) site was built to specifically market COVID resources and grant programs which saw 5,269 website users and a total of 13,821 pageviews, which further illustrates the impact the COVID crisis had on area business.
5. 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.
6. EZ Contribution Projects: We provided 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 via marketing the business opportunities of locating within the EZ, labor force development, enhanced tourism, providing business support services, homeless assistance, etc. In 2020, we certified 757 contributions totaling $1.14 million to these projects. Contributors collectively earned an estimated $280,120 in state income tax credits.

## Winning Story:

The Greeley Area COVID 19 Recovery Fund is a business recovery effort managed by the Greeley Chamber Foundation that offers grants up to $5,000 to businesses in the Greeley/Evans area. The goal of this recovery fund was to help fill the immediate financial "gap" and assist businesses to remain in operation prior to receiving longer term federal/state/county assistance, which will hopefully keep the business from permanently closing resulting in permanent job loss. As of 8/2020, $619,582 has been raised of which $320,000 is from the private sector. Other key contributors are the cities of Greeley and Evans. Getting this fund approved as an EZ Contribution Project was a key factor in raising the private sector dollars. As of 8/2020, 239 applications have been reviewed and $308,228 granted to 172 businesses, many located within the EZ boundaries. With the increased availability of federal/state/ county dollars, this fund was temporarily put-on hold Fall 2020. But, Chamber officials expects to provide another round of funding in 2021 as other dollars are exhausted and financial gaps are identified.

## 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 2020 business retention/attraction program efforts described above; Upstate provided in-depth assistance to twenty (20) new and existing companies, of which two (2) announced plans to create 135 new FT jobs (see below). Neither of these companies 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 Not Met*
	* *FedEX (Mead) – new truck terminal – 100 new jobs and $30M investment*
	* *CW Keller (Weld) – millwork manufacturing facility – 35 new jobs and TBD 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/attraction program efforts described above; the two new companies that Upstate worked with invested, or announced plans to invest, over $30M into the Weld economy. While neither of these projects 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 Not 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. One loan totaling $500,000 was successfully paid off in 2020. This company created/retained 43 FT jobs within the EZ. We continue to service three active loans totaling $1.4 million. These employers expect to create/retain 123 jobs.
4. *COVID Business Relief Funds*: On behalf of Weld County, Upstate developed and administered three new COVID-19 recovery programs which awarded grants to businesses incurring additional expenses due to COVID-19 regulations or experienced a loss of revenue due to capacity restrictions and stay-at- home guidelines. These programs included the Weld County Business Recovery Program Round 1 and Round 2 which ended on 12/31/20 and awarded grants to 306 businesses totaling $3,032,792. A total of 368 applications were processed with 83% of applicants awarded grant funding. The $2 Million Weld County Service Industry Relief Fund was funded from County general fund dollars. The application period closed on 02/28/21 and is expected to grant up to $2M in funding. *Goal Met.*
5. 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*: Due to COVID restrictions all key tourism events were forced to cancel. *Goal Not Met.*

1. Support development of community amenities/facilities and workforce housing to enhance the business climate:
2. *Workforce Housing Development*: The Greeley Area Habitat, an EZ Contribution project, has built nine (9) new homes in the EZ in fiscal year 2019-20. 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.*
3. *Homeless Assistance*: The Greeley Transitional House, Guadalupe Community Center/Shelter and the Weld Cold Weather Shelter/Housing Navigation Center together provided over 13,500 nights of shelter and temporary/emergency housing to meet the needs of 824 persons in the 2020 service year. These three agencies are each EZ Contribution Projects. They also provide additional services including meals, employment and housing assistance, childcare, job training support, etc. Collectively, these agencies helped 177 households gain permanent housing, an important first step in remaining or getting employment. *Goal Met.*

## Objectives for Coming Year

Below are Weld County EZ Development Goals that will be reported on in 2021, 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 new business investment to help maintain/grow a diverse tax base.
3. Support economic development/business assistance programs that help business prosper/grow. (i.e.: loan funds, job training/labor force development, business advocacy, incubators, etc.)
4. Support tourism events, facilities/attractions that bring people to the area, increase tax revenue and support business retention/growth.
5. Support community amenities/facilities and workforce housing to enhance the business climate. (i.e.: downtown revitalization, homeless assistance, infrastructure, healthcare, etc.)