

Colorado's Business Climate at a Glance

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STATE OF COLORADO

OFFICE OF ECONOMIC DEVELOPMENT AND INTERNATIONAL TRADE

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Greetings!

Governor Bill Owens and the State of Colorado are committed to fostering a business friendly environment. The Office of Economic Development & International Trade offers a full range of services to assist businesses relocating to or expanding in Colorado.

Whether you're an entrepreneur starting your own business, or a CEO exploring expansion or relocation opportunities, or entering international markets for the first time, the Office of Economic Development & International Trade provides a variety of programs and services designed to meet the needs of all Colorado businesses.

This publication is intended to give a brief overview of Colorado's economic climate and why this location is ideal for so many businesses, from high-tech to niche manufacturing to business services of all kinds. For more information on the Colorado Office of Economic Development & International Trade, please contact us at (303) 892-3840 or visit our web site at: www.state.co.us/oed. We are eager to assist you, and look forward to serving your business needs.

Thank you for your interest in Colorado, and best wishes in your business endeavors.

Sincerely,

A handwritten signature in black ink, appearing to read "F. Robert Lee".

F. Robert Lee

Director

ECONOMIC HIGHLIGHTS AND ACCOLADES

What others say about Colorado

Colorado's position as an economic powerhouse is recognized in many studies ranking state economies. These are conducted by respected organizations using objective measures to reach their conclusions. Here are a few examples:

REPORT CARD FOR THE STATES

The prestigious Corporation for Enterprise Development, an objective and well respected policy organization based in Washington, D.C., produces an annual "Report Card for the States" to assess how well each state's economy is doing in over 70 benchmark measures.

Colorado has earned straight A's for seven consecutive years in each of the three major indexes contained in the report card – Performance, Business Vitality, and Development Capacity.

NO OTHER STATE HAS HAD MORE THAN TWO CONSECUTIVE YEARS OF STRAIGHT "A'S"

COLORADO'S 2000 REPORT CARD: *(Selected Measures)*

<i>Measure</i>	<i>Grade</i>
PERFORMANCE	A
<i>Employment</i>	A
<i>Earnings and Job Quality</i>	A
<i>Equity</i>	A
<i>Quality of Life</i>	A
BUSINESS VITALITY	A
<i>Entrepreneurial Energy</i>	A
<i>Structural Diversity</i>	A
DEVELOPMENT CAPACITY	A
<i>Human Resources</i>	A
<i>Amenity Resources</i>	A
<i>Innovation Assets</i>	A
<i>Infrastructure Resources</i>	A

CYBERSTATES 2001

The American Electronics Association issued its fifth edition of Cyberstates in June 2001. This report is a state-by-state overview of the high technology industry. Colorado placed first in the nation in concentration of high-technology workers, with 97 per 1,000 private sector workers.

Colorado ranked fourth in the nation in high tech job growth from 1994 through 2000, adding 75,600 new high tech jobs. Colorado also ranked fourth for a percentage of exports attributable to high tech products, with 62%.

STATE "NEW ECONOMY" INDEXES

A "New Economy Index" report issued in 2000 by the Santa Monica, California based Milken Institute ranked Colorado fourth in the nation for states that are in the best position to take advantage of opportunities for growth in the New Economy. The Index ranked each state based on 12 criteria critical to future high tech growth.

STATE “NEW ECONOMY” INDEXES (CONTINUED)

A 1999 report with a similar name, the “State New Economy Index” was produced by the Progressive Policy Institute (PPI). It ranked Colorado 3rd in the nation for states most advanced in emerging toward a “New Economy.” Ideas, knowledge, innovation and technology form the basis of the new economy.

This ranking utilized 17 economic indicators determined to best measure progress toward a “New Economy” where the future success of state economies will depend on how effectively they can spur technological innovation, entrepreneurship, education and specialized skills. Some of the notable rankings that propelled Colorado to the Number 3 position included:

<i>Indicator</i>	<i>Rank</i>
WORKFORCE EDUCATION <i>(Weighted measure of Census Educational Attainment)</i>	1
HIGH TECH JOBS <i>(As a percent of total employment)</i>	1
ONLINE POPULATION <i>(Percentage of Adults with Internet Access)</i>	2
VENTURE CAPITAL <i>(Venture Capital invested as a percentage of Gross State Product)</i>	3
INITIAL PUBLIC OFFERINGS <i>(Value of IPO's as share of GSP)</i>	4
MANAGERIAL, PROFESSIONAL & TECHNICAL JOBS <i>(Share of Total Workforce)</i>	4
COMMERCIAL INTERNET DOMAIN NAMES <i>(Number of .com names per firm)</i>	6

SOME OF THE ECONOMIC INDICATORS THAT LED TO THESE RANKINGS INCLUDE:

- Second in the nation in technology companies.
- Fifth in the nation in long term (ten year) average job growth.
- Fourth in the nation in Gross State Product growth from 1992 to 1999, and projected to remain in the top five states for GSP growth through 2005.
- Census Bureau projections rank Colorado as the sixth fastest growing state from 1995 through 2005.
- Fourth in the nation in economic diversity.
- First in the nation in percent of adult population with a college degree.
- Third in the nation for Science & Engineering Graduate Students (per million population).

STATE RANKINGS 2001

Colorado’s high marks in economic performance are not at the expense of quality of life. Morgan Quitno Publishing Company’s “State Rankings 2001” awarded Colorado the Number 2 spot in its “Most Livable State Index” based on rankings of 43 factors that covered economic, educational, health, public safety and environmental statistics. Many of Colorado’s communities have won accolades in various rankings for both business and quality of life.

INFORMATION TECHNOLOGY & TELECOMMUNICATIONS

Connected from Mountains to Plains

Colorado is an attractive location for many high technology companies. Notably, the information technology and telecommunications, and related industries emerged as key sectors of Colorado's economy in 1990s. The state's unequalled quality of life and natural beauty have attracted a highly educated, highly skilled workforce. A foundation of excellent research universities, federal labs and aerospace/defense facilities, along with corporate pioneers in the areas of telecommunications, software and computer technologies, have paved the way for a new generation of industries in fiber-optics, internet service providers, satellite and other communications technologies. This critical mass of communications expertise spawns spin-offs and startups to further bolster Colorado's position as a global telecommunications hub.

TECHNOLOGY - A COLORADO PRIORITY

In February 1999, Governor Bill Owens created the cabinet-level Office of Innovation and Technology. The mission of the office is to make Colorado a world leader in the formation and implementation of technology by creating a favorable business climate, cultivating relationships with technology leaders worldwide, and utilizing technology and innovation to streamline and simplify Colorado's government in terms meaningful to its taxpayers.

The Office will work with universities and private employers to promote an educated, skilled workforce, identify job-creating tax and regulatory policies and demonstrate to companies around the nation and the world why Colorado is a great place to create high tech jobs.

COLORADO'S TECHNOLOGY RESOURCES

The Washington, D.C. based Corporation for Enterprise Development uses a number of benchmark measures to produce an annual "Development Report Card for the States." Colorado has led the nation in this ranking for seven consecutive years. No other state has outperformed Colorado. Colorado ranks (per capita) in the Top Ten for most of the technology resources measured. The measures include:

<i>Science/Engineering Grad Students</i>	<i>4th</i>
<i>High Tech Workers</i>	<i>1st</i>
<i>SBIR Grants</i>	<i>6th</i>
<i>Venture Capital Investments</i>	<i>3rd</i>
<i>Ph.D. Scientists and Engineers in the Workforce</i>	<i>7th</i>
<i>University Research & Development</i>	<i>8th</i>
<i>Patents Issued</i>	<i>10th</i>
<i>Households with Computers</i>	<i>3rd</i>

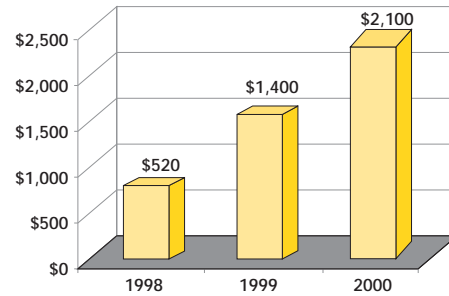
Colorado's eight research universities offering a Ph.D. are:

Colorado School of Mines
Colorado State University
University of Colorado at Boulder
University of Colorado at Colorado Springs
University of Colorado at Denver
University of Colorado Health Sciences Center
University of Denver
University of Northern Colorado

VENTURE CAPITAL INVESTMENT

The extent to which Colorado high-tech companies have been able to attract venture capital financing over the past several years proves the strength of this sector. Venture capital investment in the state quadrupled between 1998 and 2000. Investment has slowed due to a soft economy in 2001, but Colorado companies still are attracting their share of venture capital investment.

Venture Capital
Financing-Colorado Companies
(Millions of Dollars)



INDUSTRY LEADERS

Colorado is home to a new generation of broad-based telecommunications companies. These companies are expanding the telecommunications network necessary for global commerce.

Qwest Communications International, headquartered in Colorado, has over \$17 billion in annual revenues, 29 million customers, and 64,000 employees. Qwest is Colorado's largest private sector employer with over 19,000 employees. It offers a variety of local, long distance, high speed internet access and wireless telecommunications services.

Level 3 Communications International, headquartered in metro Denver, is building the first international network that will support Internet Protocol technology. This signals a fundamental shift in the telecommunications industry, from circuit switching to fiber optic networks.

Many other telecommunications companies have operations in Colorado, and the state has more than twice the national average in percent of workers in the telecom industry.

RURAL TELECOMMUNICATIONS

In order for the entire state to share in the economic prosperity of the metropolitan areas, and to compete effectively in the economy of the new century, it is essential that telecommunications infrastructure in rural areas keep pace with technologies needed by businesses. A number of state-funded initiatives have

addressed this need. They include the Colorado Rural Telecommunications Project, Connect Colorado, and newly enacted legislation to encourage local governments in rural areas to aggregate demand and become "anchor tenants." A few success stories from these initiatives follow:

Telluride's InfoZone Community Net. Located in the southwestern mountains of Colorado, Telluride has become a "telecommunity." They are testing the economic and social impacts of an information society. The community of Telluride has introduced many advanced telecommunications capabilities to the area, including upgrading wireless capacity, fiber optics and installation of a T1 line. As the telecommunications infrastructure of Telluride expanded, so did the economic base. Many "lone eagles," high tech entrepreneurs, are able to work from this idyllic location.

Northwest Colorado. Anchored by the Moffat County Safety Center in Craig, Colorado, site of the new State Patrol regional dispatch center, a multi-county region in sparsely populated northwest Colorado will have broadband high-speed communications access.

The \$2 million publicly-funded project, completed by NC Telecom in July 2001, is a joint venture between White River Electric Association and UBTA/UBET Communications. A 96-mile fiber optic backbone was installed from Rifle along the I-70 corridor north to Craig. Governments and businesses combined their bandwidth demand to make a business case for this project.

Arkansas Valley Technology Project. Through a public-private partnership involving Connect Colorado and Southeast Colorado Power Association, a 630-mile fiber optic network has recently been completed. The \$6 million project was funded by the state (\$2 million) and the utility (\$4 million). This network has the capability to roll high bandwidth services to homes and businesses. Southeast Colorado is a large geographic area with a small population base. The fiber can aggregate traffic and move it at high speed to link to Denver. This project will provide a rural area with a level playing field, thereby attracting economic activity.

HB99-1102, enacted in the 1999 session, provides financial aid to local governments to update technology, aggregate demand, and essentially function as an "anchor tenant" to encourage upgrades of telecommunications infrastructure by the private sector. A total of \$4.8 million was appropriated to assist local communities in accomplishing this.

An additional \$5 million was approved in the 2002 fiscal year budget, to be allocated in the Spring of 2002, to continue this important program to help rural communities develop needed communications infrastructure.

LABOR FORCE & JOB TRAINING

Sustaining and Creating a Skilled Workforce

Colorado has a young, well-educated, and growing workforce. With a population of 4.3 million persons, the state's labor force numbers approximately 2.4 million. Colorado ranks first in the nation in percent of adults with a college degree, and sixth in the percent of adults that have completed high school.

LABOR FORCE EDUCATIONAL ATTAINMENT

The following table compares educational attainment for Colorado with the nation as a whole.

EDUCATIONAL ATTAINMENT	HIGH SCHOOL GRADUATES	COLLEGE GRADUATES
Colorado	89.7%	34.6%
U.S.	89.4%	24.7%

(U.S. Census Bureau Estimate, March 1999, released Sept. 2000)

Colorado ranks first in the nation in percent of adult population with a college degree, and sixth in percent that completed high school.

Not surprisingly, Colorado also ranks first in the nation in number of high tech workers per 1,000 private sector workers, with 97.

Early in his administration, Governor Bill Owens created the cabinet-level Office of Innovation and Technology. The Office's primary mission is to promote a skilled and educated workforce. It will work with universities and private employers to assure that Colorado's workforce will remain top notch.

COLORADO'S EDUCATIONAL SYSTEM

Colorado is committed to maintaining its excellent labor force. In the results oriented K-12 system, ACT and SAT scores are consistently higher than the national averages.

TEST SCORES	ACT (63%)	SAT (31%)
Colorado	21.5	1081
U.S.	21	1020

(Note: the number in parentheses is the percentage of Colorado high school seniors taking the test - 2001 Results)

HIGHER EDUCATION

The state's research universities are world leaders in areas such as energy and mining technology, environmental studies, biotechnology, medicine, genetics, advanced materials, aerospace, atmospheric sciences, telecommunications and computer sciences.

Colorado's four-year colleges and community colleges produce graduates who are well qualified to meet the needs of a technology and information based economy.

LABOR FORCE PARTICIPATION

Colorado's labor force participation rate is significantly higher than that of the U.S. as a whole. While Colorado ranks 24th in population, it ranks 22nd in labor force, with a labor force of 2.4 million.

Colorado has the fourth highest labor force participation rate for women, with 67% actively in the labor force, compared to 60% nationally.

LABOR FORCE AND PRODUCTIVITY

Labor costs are competitive for most occupational categories in Colorado. Colorado's workers are very productive. The state ranks 9th in per capita gross

state product, and has one of the fastest growing GSPs in the nation. High productivity is also the result of an excellent labor relations climate.

UNIONIZATION

Colorado has a modified right-to-work law. It specifies stringent requirements for inclusion of mandatory union membership in collective bargaining agreements. Colorado workers are below the national average in union membership, as shown in the table.

UNION MEMBERSHIP	MANUFACTURING
Colorado	6.6
U.S.	13.9

Source: Current Population Survey 2000 (1999 Estimate)

JOB TRAINING

To keep Colorado's workforce successful in this technology and information based economy, Colorado has created effective, employer-driven job training programs that help companies achieve their goals.

Quality customized training for a new or existing workforce is crucial to the success of a company's relocation or expansion. The Colorado FIRST and Existing Industry Customized Job Training programs are designed to keep Colorado's workforce highly skilled and productive.

FOR COMPANIES THAT ARE...

- Relocating
- Expanding
- Facing New Competition

Colorado FIRST Customized Job Training programs are designed with Colorado employers in mind.

THESE PROGRAMS WORK TO...

- Assist employers in training new or current workers in permanent, non-seasonal jobs.
- Provide short-term, job-specific training designed to fit the company's needs.

PROGRAM REQUIREMENTS

- Jobs must be full time and pay above minimum wage levels for the industry and geographic area. They must also provide a health care coverage plan.
- Companies must participate in training costs, directly and indirectly.
- Colorado FIRST funds do not pay the wages of the trainees.

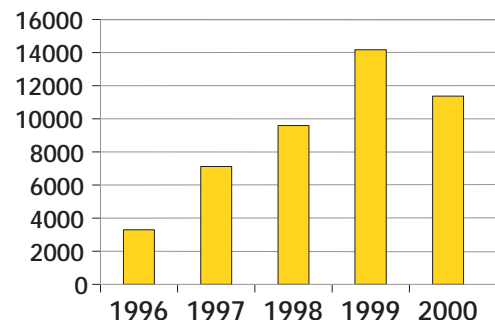
PROGRAM ADVANTAGES

- A trained workforce that matches specific job skill requirements ready to work as soon as the business opens its doors.
- Training programs designed with the cooperation and approval of the employer.
- Training for new applicants, new employees, and upgrading skills of existing employees.
- Financial assistance for direct training costs including:
 - Instructor wages, travel, and per diem allowances.
 - Development of curriculum and instructional materials.
 - Cost of essential training supplies, equipment, and space.
 - Training at employer's location or local community college or vocational school.

SUMMARY OF THE BENEFITS

Since the programs' inception, over 84,000 workers in all industry sectors have been trained utilizing these programs. Both manufacturing and service companies, including food processing, electronics, biotechnology, and telecommunications, to name a few, have used the Colorado FIRST Customized Job Training programs to train workers in the skills their companies need to stay competitive and grow. Colorado Customized Job Training programs keep all paperwork and red tape to a minimum.

EMPLOYEES TRAINED BY COLORADO FIRST CUSTOMIZED TRAINING PROGRAM



All employer proprietary information is kept strictly confidential.

BUSINESS TAXES

A Business Climate to Your Credit

Colorado provides a competitive business tax structure that rewards investment and innovation. With very low taxes at the state level, and a wide range of local tax structures, Colorado offers almost unlimited choices to meet the needs of all types of businesses. Under Amendment One, passed by the voters of Colorado in 1992, a constitutional limit was placed on both revenues and expenditures of state and local governments. Without voter approval, both are limited to the increase in inflation plus the population growth rate. State government alone has refunded over a billion dollars to Colorado taxpayers over the past four years, and enacted permanent tax cuts in the state income and sales taxes.

STATE GOVERNMENT TAXES

Colorado ranks 44th in per capita state government spending. When looking at tax revenues relative to personal income, Colorado places 48th among the 50 states for state level taxes.

COMBINED STATE AND LOCAL TAXES

When local taxes are added into the equation, Colorado ranks 18th in the nation, with a per capita total of \$2,596 - five percent below the national average of \$2,721. Colorado ranks 44th in combined state and local tax revenue relative to personal income.

Tax	Colorado		U.S. Ranges	
	Rank	Tax Rate	High	Low*
State Sales/Use	43	2.9%	7%	2.9%
Individual Income	23	4.63%	12%	1%
Corporate Income	36	4.63%	10.8%	1%

*Represents states that impose this tax.

INCOME TAX

Corporate: Effective January 1, 2000, Colorado's corporate income tax is a flat 4.63 percent of Colorado net income, defined as the corporation's federal taxable income with some modifications. A two or three-factor apportionment method is used, and the taxpayer may choose the one that results in the lesser tax liability. Colorado ranks 36th nationally in per capita corporate income taxes. The corporate tax collections for 1999 were \$74 per capita, compared to the national average of \$113 per capita.

Investment Tax Credit: Business investments that qualify under the former federal guidelines for an investment tax credit can receive a one percent Investment Tax Credit in Colorado, up to a maximum of \$1,000 in any tax year. Excess credits may be carried forward up to three years.

Enterprise Zone Tax Credits: Businesses in Colorado's urban and rural enterprise zones receive various investment tax credits, new employee tax credits, credits for research and experimental activities, vacant building rehabilitation, and contributions for various qualifying activities within the enterprise zones.

Unitary Taxation: Colorado has a liberal "water's edge" base for combined returns that does not apply the unitary tax concept beyond the U.S. states. Specifically, foreign organized corporations, as well as U.S. organized "80/20" corporations (those with 80% or more property and payroll outside the U.S) are not included in a combined tax return with the companies doing business in Colorado. A foreign corporation or U.S. "80/20" corporation that does not do business in Colorado will not need to file, and one that does do business in Colorado will file an "entity only" apportioning return.

Corporations doing business in Colorado as well as other states must apportion to Colorado that portion of their net income derived from sources within Colorado. These corporations may choose to utilize either Colorado Income Tax Act or the Multi-State Tax Compact as the basis to determine their Colorado income.

Individual: Individual income taxes are a flat rate of 4.63 percent of federally adjusted taxable income, with some modifications. Local governments in Colorado do not assess income taxes.

SALES AND USE TAXES

State: The State of Colorado collects a 2.9 percent sales or use tax on goods purchased or used in Colorado that are not intended for resale. Colorado's state sales tax rate is the lowest among the 45 states that collect sales tax. Legislation passed in 2001 allows for a 50% sales & use tax refund on tangible personal property used for research and development in years when there is a revenue surplus.

Local: Local governments may collect additional sales tax. Exemptions in home rule municipalities may be different from the state's. Local sales tax statewide averaged 3.7 percent, for a total average sales tax rate of 6.6 percent.

MAJOR EXEMPTIONS INCLUDE:

- Manufacturing equipment or machine tools over \$500 purchased in one calendar year
- Component parts
- Fuels and Electricity
- Packaging Materials
- Aircraft parts used in general maintenance
- Interstate long distance telephone charges
- Ink and Newsprint
- Farm Equipment and Machinery

UNEMPLOYMENT TAXES

An employer's unemployment insurance tax liability is based on the taxable wage base, which is the first \$10,000 of each worker's wage. If covered for the first time, the tax rate will be 1.7 percent (plus a .22% surcharge) of the wage base or a rate equal to the average for the industry, whichever is greater. Employers who are not yet eligible for the computed rate will be assessed a small surcharge. Beginning with the third or fourth year of coverage (rate calculations

begin on January 1st and three years of data are required), the rate is changed to a computed rate based on the employer's individual experience.

Most jobs pay significantly more than \$10,000 per year, making the effective unemployment tax rate much lower than the 1.7% nominal rate. Colorado ranks 11th lowest in the nation for unemployment insurance premiums.

WORKER'S COMPENSATION

Workers compensation insurance is provided by over 200 private companies authorized to conduct business in the State of Colorado. Coverage for the majority of Colorado employers is provided by the State Compensation Insurance Fund, doing business as Pinnacle Assurance. The fund is a permanent, self-sustaining, nonprofit service organization operated for the benefit of its Policyholders and their employees. Employers meeting strict financial and loss

control standards are permitted to self-insure under Colorado law.

Recent reforms have resulted in significant premium reductions for most employers. These reductions have saved Colorado employers well over \$100 million in insurance premiums alone. Colorado ranks in the middle group of states in comparative worker's compensation costs.

PROPERTY TAXES

State government does not levy property taxes. These revenues are exclusively for local government services, primarily school districts.

Industrial and commercial property is assessed for property tax purposes at 29 percent of market value. The statewide average local mill levy for 2000 was 75.733. They ranged from a low of 35.264 mills to a high of 101.348. Because of various special districts and incorporated cities and towns, rates can vary considerably, even within a county. Overall, Colorado ranks 25th in per capita property tax revenue.

Personal property used in commercial and industrial operations is subject to personal property tax. This property is also assessed at 29 percent of actual value (based on depreciation schedule, replacement cost, expected economic life of the asset, and other factors).

Beginning in 2001, business personal property with an economic life of one year or less, or with acquisition cost of \$250 or less, is exempt. Computer and telecommunications equipment will have new, accelerated depreciation schedules and reduced residual values. Local governments have the option of negotiating rebates or credits on their portion of personal property tax as an economic development incentive.

Taxpayers may receive a credit on Colorado income tax for business personal property taxes paid. This credit is contingent upon a state surplus in a given fiscal year.

Residential personal property is exempt.

INVENTORIES, GOODS IN TRANSIT AND INTANGIBLES ARE NOT TAXED IN COLORADO, AND THERE IS NO FRANCHISE TAX.

MANUFACTURING

A Diverse Array of Products for Niche and Global Markets

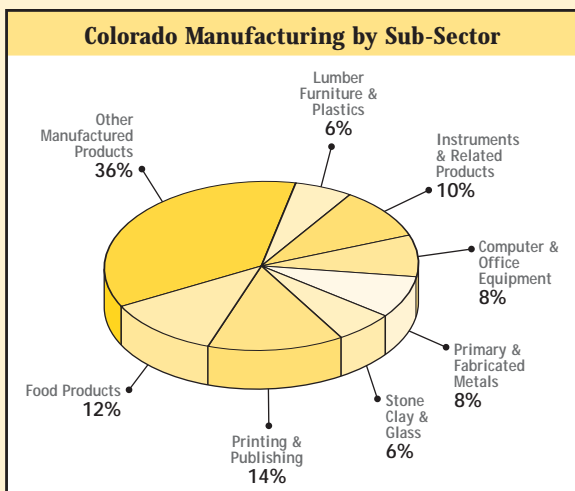
Colorado's manufacturing sector is relatively young. While many older industrial states have a history of manufacturing dating back well over 100 years, Colorado's manufacturing base has evolved during the last half of the 20th century. As recently as the late 1940s, nearly two-thirds of Colorado's manufacturing output resulted from processing agricultural products.

While food processing is still an important segment of Colorado's manufacturing base, in recent decades other sub-sectors, many in the high-tech industries, have evolved, resulting in a very balanced and diversified mix of manufacturing firms.

Colorado manufactured exports are mostly high-tech products (62%), which represents one of the highest shares of high-tech exports of any state in the nation.

Today, more than 6,000 manufacturing firms employ over 205,000 Colorado workers. These firms produce a diverse mix of manufactured products, including high tech instruments, machinery, computer equipment and peripherals, aerospace equipment, medical devices and pharmaceuticals.

COLORADO'S MANUFACTURER-FRIENDLY BUSINESS CLIMATE:



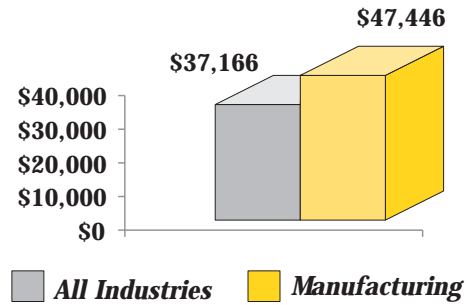
- Approximately nine percent of Colorado work force is employed in manufacturing, and they enjoy annual average wages almost 30% higher than average wages for all industry sectors in the state.
- Colorado manufacturers exported \$6.6 billion worth of products in 2000, an increase of 11.2% over 1999 levels. Manufactured exports grew steadily throughout the 1990s, more than doubling over the course of the decade.
- Manufacturing contributes more than \$15 billion to the Colorado economy, and accounts for over 10% of the Gross State Product.
- Colorado has among the lowest unemployment insurance premiums in the nation, with a base rate of 1.7% of taxable wages, defined as the first \$10,000 of each worker's wage.
- Colorado has implemented substantial workers' compensation reforms, and ranks 26th in the nation in workers' compensation comparative costs.
- Colorado's manufacturing workers have low union membership rates, with just 6.6% of workers belonging to unions.
- Colorado's 4.63% corporate income tax rate, and favorable apportionment methods, places it among the lowest states in the nation for this tax.
- Colorado exempts sales tax for manufacturing equipment and machinery over \$500.
- Colorado has no franchise or inventory tax.
- Colorado offers income tax credits to offset business personal property taxes paid to local governments, contingent upon state budget surplus.

COLORADO'S MANUFACTURER-FRIENDLY BUSINESS CLIMATE

A Sampling of Colorado Manufacturers:

- Adolph Coors Company*
- Amgen, Inc.*
- Atmel Corporation*
- Avaya*
- Ball Corporation*
- Cobe Cardiovascular/Gambro Renal*
- Celestica Colorado*
- Eastman Kodak*
- Geneva Pharmaceuticals, Inc.*
- Hewlett Packard*
- IBM Corporation*
- Lockheed Martin*
- Longmont Foods*
- Neoplan USA Corp.*
- StorageTek*
- SCI Systems, Inc.*
- Water Pik*

Colorado's Manufacturing Wages
(2000 Average)



COMMUNITY DEVELOPMENT PROGRAMS

Building Strong Communities Statewide

Two Community Development Block Grant (CDBG) programs are administered by the State of Colorado to encourage economic development in rural areas of the state. These programs are designed to assist communities in building the infrastructure needed to support businesses that create or retain jobs in the community. They also provide access to capital in these areas by establishing local revolving loan funds to make loans to new and growing businesses.

INFRASTRUCTURE ASSISTANCE

To assist rural, non-metropolitan communities in developing the infrastructure needed by businesses, the State of Colorado offers an infrastructure assistance program. Local governments may apply for assistance in developing infrastructure projects that support a specific business committed to locating within that community. As a result of the state providing funding for infrastructure to eligible communities, program guidelines require that the assisted business is expected to create or retain permanent jobs with at least 51% of those jobs being filled by low and moderate income persons. For certain types of infrastructure, a community must also have at least 51% of its population qualify as low and moderate income in order to be eligible. This program encourages business expansions, new business development and business retention. Applications are accepted throughout the year and funds are awarded on a competitive basis.

Funding may be provided for the construction and/or improvement of the following types of facilities:

- Water and Sewer Lines
- Pre-Treatment Facilities
- Road and Street Improvements
- Natural Gas Lines
- Electric Lines
- Telephone Lines
- Railroad Spurs
- Lighting
- Sidewalks
- Drainage Channels and Ponds
- Telecommunication Upgrades

Note: Communities eligible for this funding are typically defined as cities or counties which do not receive Community Development Block Grant (CDBG) funding directly from the U.S. Department of Housing and Urban Development. They are generally cities with fewer than 50,000 residents and non-urban counties with fewer than 200,000 residents (excluding large cities within the county).

This list is not necessarily all-inclusive. These improvements must be owned and maintained by a public or quasi-public entity, usually a local government. Generally, the minimum award is \$100,000 and the maximum award is \$500,000. The award may not exceed fifty percent (50%) of the total project costs. The assisted business must create at least one full-time permanent job for every \$20,000 of state funding.

REVOLVING LOAN FUND PROGRAM

To improve business access to capital in primarily rural areas, the State of Colorado has developed a network of fifteen revolving loan funds (RLFs) which cover a majority of the rural areas of the state. As a result of a business receiving a loan from an RLF, the assisted business is expected to create or retain permanent jobs with at least 51% of those jobs being filled by low and moderate income persons. For micro-enterprises, the assisted business may not be required to create/retain permanent jobs if the owner of the business qualifies as earning within the low to moderate income range. Additionally, the RLF may have other sources of loan funding which could allow for other types of loan eligibility determinations and structures.

The RLFs are responsible for promoting and fostering economic development efforts at the local level by providing financial assistance in the form of loans and loan guarantees to businesses in their respective regions. The RLF program is locally driven, with each RLF having its own loan review committee and Board of Directors who determine loan policies and procedures for their regional fund. All funding decisions of \$100,000 or less are made at the local level, with final oversight approval provided by the state. All funding requests over \$100,000 are reviewed by the RLF and state staff, with final approval by the Governor's Financial Review Committee.

LOCAL REVOLVING LOAN FUNDS:

Northeastern Colorado Revolving Loan Fund Wray, Colorado (970) 332-4335; Toll-free (877) 459-4345	Region 9 Economic Development District of SW Colo., Inc., Durango, Colorado – (970) 247-9621
Greeley/Weld Economic Development Partnership Greeley, Colorado – (970) 356-4565	Region 10 League for Economic Assistance & Planning, Inc. Montrose, Colorado – (970) 249-2436
Clear Creek Economic Development Corporation, Inc. Georgetown, Colorado – (303) 569-2133	Western Colorado Business Development Corporation Grand Junction, Colorado (970) 243-5242
Pikes Peak Development Corporation Colorado Springs, Colorado – (719) 471-2044	Region 12 Revolving Loan Fund Corporation Silverthorne, Colorado - (970) 468-0295
Prairie Development Corporation Stratton, Colorado – (719) 348-5562	Upper Arkansas Area Development Corporation Buena Vista, Colorado – (719) 395-2602
Southeast Colorado Economic Development Corporation Lamar, Colorado – (719) 336-3850	Otero County Revolving Loan Fund La Junta, Colorado – (719) 383-3006
Pueblo County Community Development Corporation Pueblo, Colorado – (719) 583-6382	Huerfano County Revolving Loan Fund Walsenburg, Colorado – (719) 738-2380
San Luis Valley Development Resource Group Alamosa, Colorado – (719) 589-6099	

ENVIRONMENTAL PROGRAMS

Protecting Our Exceptional Environment

Environmental protection programs in Colorado are administered by the Department of Public Health and Environment. The Department emphasizes pollution prevention and is dedicated to working with the business community to protect the state's environmental resources.

ENVIRONMENTAL CUSTOMER ASSISTANCE CENTER

The Department recognizes that environmental compliance is a significant task due to the complexity of the federal and state environmental statutes and regulations. In order to help the regulated community comply with these regulations, the Department created an Environmental Customer Assistance Center (ECAC) to assist in understanding and dealing with the many environmental programs the Department administers. Functions provided are as follows:

- **Serves as a central point of contact for new or expanding businesses accessing the Department's environmental programs.**
- **Assists businesses through the maze of environmental regulatory requirements.**
- **Provides environmental permit assistance to new or expanding businesses.**
- **Develops and presents multi-media environmental compliance seminars.**
- **Develops and distributes various types of informational and guidance material related to environmental regulation and permitting.**

*For more information on Colorado's environmental programs, please visit the center's homepage at the following Internet location:
www.cdphe.state.co.us/ic/ecachome.html*

*You can contact the Center at (303) 692-2035 (toll free 1-800-886-7689) or by mail at the following address:
Environmental Customer Assistance Center
4300 Cherry Creek Drive South
Denver, Colorado 80246-1530*

AIR QUALITY

Coloradans enjoy good air quality that continues to improve. Programs like auto fuel additives to reduce vehicle pollution and emission reductions from stationary (industrial) sources account for this improvement in air quality. Increased street sweeping, use of alternative deicers, and wood burning reduction programs have been effective in reducing wintertime pollutants. Voluntary programs to reduce summertime concentrations of ground level ozone are also having a positive impact.

As a result, the Denver Metro area may be reclassified as an air quality maintenance attainment area.

If uncontrolled air emissions are greater than one ton per year in a nonattainment area, or two tons in an attainment area, an Air Pollution Emission Notice (APEN) is required to be submitted for each air pollution source. APENs are valid for five years, unless there is a significant increase in emissions.

In addition to the APEN there are various levels of emissions that require a permit, depending upon the area in which the air emission source is located and the specific pollutants being emitted.

PERMIT TIMEFRAMES:

Completeness determination /

Preliminary analysis completed – 60 days

Public notice (if required) – 15 days

Public comment period (if required) – 30 days

Permit issued – 30 days (from completion of preliminary analysis or end of public comment period)

*For further information contact the Air Pollution Control Division at (303) 692-3100 or the Division's Small Business Assistance Program (303) 692-3148 or visit the Division's homepage at the following Internet location:
<http://www.cdphe.state.co.us/ap/aphom.asp>*

WATER QUALITY

Stormwater: Stormwater dischargers in a broad range of activities, generally construction, mining, transportation and manufacturing industries, are required to obtain stormwater discharge permits. These are issued on a fast-track timeframe (30 days; 10 days for construction

projects), and fees range from \$53 to \$317 per year. The main requirement of the permit is the development of a stormwater management plan, which outlines the best available techniques for controlling pollutants in the site's stormwater runoff.

WATER QUALITY (Continued)

Industrial Pretreatment: “Categorical” industries, mostly manufacturing or processing, have national standards for pretreatment before discharging their wastes into municipal treatment systems. Industries are inspected and permitted according to the specific nature of their discharge. Annual administrative fees range from \$150 - \$1,600 and are based on the quantity of daily discharge.

Wastewater Discharge: Direct discharge of wastewater into Colorado’s lakes, streams and groundwater is regulated

under the Colorado Discharge Permit Systems (CDPS). Treatment standards and water quality standards for pollutants must be met before wastewater can be discharged. Permit processing is generally completed within 180 days after a company submits a completed application.

For further information contact the Water Quality Control Division at (303) 692-3500 or visit the Division’s homepage at the following Internet location:
<http://www.cdphe.state.co.us/wq/wqhom.asp>

SOLID AND HAZARDOUS WASTE

Solid Waste: The siting, permitting and regulation of solid waste disposal sites and facilities is an area of dual jurisdiction between the Solid Waste Unit and local governing authority. Anyone operating a facility for solid waste disposal where processing, treatment, storage or final disposal of solid waste is performed must obtain a Certificate of Designation from the county commissioners or municipality where the proposed facility would be located. The Solid Waste Unit conducts a comprehensive technical review to determine if the proposed facility would be in compliance with state regulations. Issuance of the Certificate of Designation is based on the recommendations of the Solid Waste Unit and on local factors. The disposal of one’s own waste on one’s own property must meet the same technical standards. This practice may not be permitted by some local ordinances.

Permit Timeframes: Completeness determination completed – 30 days; Comprehensive technical review completed – 150 days; Public notice and comment period – at least 30 days; Public hearing required. There is no regulatory time limit for when the local governing authority must issue the certificate of designation.

Hazardous Waste: Colorado’s hazardous waste program is substantially similar to the federal program. The first step in complying with the Department’s hazardous waste regulations is to determine if your business generates waste

exhibiting one of the four characteristics of a hazardous waste; (ignitable, corrosive, reactive or toxic), or is identified as one of the more than 400 substances listed in the hazardous waste regulations.

Generally, hazardous waste generators with less than 100 kilograms of hazardous waste and less than one kilogram of acutely hazardous waste in any calendar month and no more than 1000 kilograms of accumulation, are conditionally exempt, and need only identify their hazardous wastes and ensure that they are properly treated or disposed. Hazardous wastes from businesses can’t be disposed in the regular trash.

Facilities above the 100-kilogram threshold are required to file a “Notification of Hazardous Waste Activity” with the Department and receive an Environmental Protection Agency (EPA) identification number. This ID number is not a permit, but it identifies activities to be regulated. Specific management requirements for the waste, including labeling, container and tank standards, limitations on accumulation, employee training, contingency planning and record keeping, must be met.

For more information, contact the Hazardous Materials and Waste Management Division at (303) 692-3320 or visit the Division’s homepage at the following Internet location:
<http://www.cdphe.state.co.us/hm/hmhom.asp>

POLLUTION PREVENTION PROGRAM

An alternative to “end of the pipe” solutions, the state’s pollution prevention program is dedicated to making pollution prevention and waste minimization the tool of first choice for Colorado companies. Because opportunities for pollution prevention are greater in a new business location decision, this program can be especially effective in partnership with economic development activities.

For further information contact the Pollution Prevention Program at (303) 692-2977. or visit the Program’s homepage at the following Internet location: **<http://www.coloradop2.org/>**

LOCAL ENVIRONMENTAL REGULATIONS

This fact sheet describes state-administered environmental programs. Local units of government may have environmental standards that are more stringent. Any location decision should be based on discussions with all local government entities, including those responsible for environmental programs, to determine exact requirements for a given site.

ENTERPRISE ZONES

Location is Everything

Colorado's Urban and Rural Enterprise Zone Act of 1986 established a program for the designation of state enterprise zones. The enterprise zone program provides incentives for private enterprise to expand, relocate or establish new businesses in economically lagging areas of the state. Sixteen zones have been designated, in both urban and rural areas, and are outlined on the map on the reverse of this page.

COLORADO'S ENTERPRISE ZONES

ADVANTAGES TO BUSINESSES LOCATING OR EXPANDING WITHIN ZONE BOUNDARIES INCLUDE:

- A \$500 tax credit for each new full-time employee
- A \$200 tax credit during the first two years of operations for each full-time employee covered by health insurance
- An additional \$500 tax credit for each employee hired for agricultural processing or manufacturing
- A 3% investment tax credit for equipment purchased and used within the zone
- A 3% tax credit for expenditures on research and development
- A 25% tax credit of qualified expenditures up to \$50,000 to rehabilitate buildings which are at least 20 years old and have been vacant for two or more years
- A 25% tax credit up to \$100,000 for private contributions to local zone administrators for enterprise zone development projects
- A 10% tax credit for qualified job training within the enterprise zone
- An exemption from state sales and use tax for manufacturing and mining equipment used in the enterprise zone
- Possible additional tax incentives from the local government within the enterprise zone

STATEWIDE AIRPORT SYSTEM

DIA is by no means the end of the story of air transportation in Colorado. Modern, efficient and innovative facilities exist statewide. Colorado Springs, Grand Junction, and Montrose have recently completed expansions of their airports. Montrose has attracted a testing facility for experimental aircraft to its airport industrial park.

A number of ski area communities have invested in airports to permit direct jet flights from around the nation during ski season.

In addition to the commercial airports, Colorado has a well-developed network of general aviation airports to serve both business and pleasure travel.

RAIL SERVICE

Colorado is well served by both freight and passenger rail service. The major freight railroads in the state are Burlington Northern and Union Pacific/Southern Pacific. A total of 3,218 miles of Class 1 railroad tracks are operated throughout the state. Intermodal train/truck transfer facilities are located in the Denver Metro Area to efficiently move goods from their ultimate destinations without reloading from one form of transportation to another.

The Transportation Test Center near Pueblo, Colorado, is a world class intermodal research and test center offering a wide range of evaluation services for transportation systems. This 52 square-mile facility is federally owned, and operated by the American Association of Railroads. The center includes 48 miles of test tracks, test laboratories and support services.

Amtrak routes provide passenger rail service to Denver, Glenwood Springs, Grand Junction, and several communities in southeast Colorado.

STATE HIGHWAY SYSTEM

Colorado is spanned by over 9,300 miles of highways. Three segments of the interstate system make up over 950 miles; I-25 north-south along the Front Range; I-70 east-west through Denver and Grand Junction; and I-76 northeasterly out of Denver to connect with I-80.

Colorado's strategic location as a transportation hub is evidenced by the presence of over 150 motor freight carriers in the Denver metropolitan area and the Front Range from Fort Collins south to Pueblo. Major distribution centers have been built in recent years by Wal-Mart, K-Mart, and Target stores.

A major transportation improvement project on I-25 and I-225 in Metro Denver is underway. It will add capacity to relieve congestion. The \$1.67 Billion, five-year project will also include replacement bridges and interchange reconstruction.

Well-maintained highways are a very high priority for the state of Colorado. The perception that Colorado's highways are often closed in the winter is erroneous. All major highways are kept open year round, with the exception of a few roads that serve primarily tourist traffic (such as Trail Ridge Road in Rocky Mountain National Park).

MASS TRANSIT

The urbanized areas of the state are being proactive in addressing special needs of densely populated areas.

Key Elements Include:

- High Occupancy Vehicle (HOV) lanes on the free ways during peak hours, which can be reversed to change with the traffic patterns.
- Light rail transit – the existing 14-mile system connects Downtown Denver to south suburbs.

The most recent line opened in the summer of 2000 and has been very successful, with ridership far

beyond projections. A new light rail connecting Downtown with the Denver Tech Center and rapidly growing Douglas County will begin construction soon. This 19-mile route will be completed by 2006.

In addition to RTD, which serves the metropolitan Denver area, all of the urbanized areas in Colorado have public transit systems. There are also transit systems serving eight resort communities and another 14 serving rural areas of the state.