

# Colorado

## Summary of Colorado Business Financial Assistance Options

The Colorado Office of Economic Development and International Trade (OEDIT) provides several financing tools including debt and equity financing, cash incentives, grants, and tax credits to support economic development activities that improve and support employment opportunities in Colorado. Visit [www.AdvanceColorado.com](http://www.AdvanceColorado.com) and contact OEDIT's staff to learn more about opportunities for businesses.

### Available Statewide:

#### Economic Development Commission

OEDIT provides administrative support for the Economic Development Commission (EDC), which was legislatively created in 1987 to encourage, promote, and stimulate economic development in Colorado, through the use of incentive and marketing funds, and consists of a nine member appointed board. Commission members make all policy and funding decisions.

#### \* Job Creation Performance Incentive Fund

The Job Creation Performance Incentive Fund (PIF) provides a performance-based incentive payment to qualifying companies that have created and hired net new full-time permanent jobs paying above average wages. The employer must maintain all of the new jobs for at least one year in order to claim an incentive from \$1,500-\$4,500 per net new full-time job. The program is designed to support and encourage new business development, business expansions, and relocations that have generated new jobs throughout the state. Due to the overwhelming success of this program, funding is limited. Please contact program staff or visit our web site at [www.AdvanceColorado.com](http://www.AdvanceColorado.com), Business Finance, to determine program status.

#### \* Strategic Fund Program

The Strategic Fund Program (SF) provides an upfront performance-based incentive commitment to businesses that will create and hire net new full-time permanent jobs paying at or above average wages and that can meet other specified requirements. Businesses that receive approval for an incentive commitment under the SF Program, will execute a contract with the state which will authorize disbursement of funds when specified contract terms have been met. The cash incentive award may range from \$2,000-\$5,000 per net new full-time job created based on the average wage rate of the new jobs actually created, the location of those jobs and other factors. The program is designed to support highly desirable and high-impact job creation opportunities.

#### \* Regional Tourism Act

The Regional Tourism Act creates a mechanism for a local government to undertake a regional tourism project to attract out-of-state visitors, to create a regional tourism zone in which the project will be built, and to create a regional tourism authority (or to designate other financing entities) with the power to receive and utilize the increment of revenues derived from the state sales tax collected in the zone, that is above a designated base amount, to be used to finance eligible improvements to the project.

#### \* Colorado Innovation Investment Tax Credit

The Colorado Innovation Investment Tax Credit (CIITC) was created in 2009 by the Colorado legislature (House Bill 09-1105) to encourage, promote, and stimulate investments in Colorado businesses. The CIITC provides a state income tax credit for persons or entities that make investments during calendar year 2010 in small, Colorado early-stage businesses involved primarily in research & development or manufacturing of new technologies, products, or processes. CIITC is a one year pilot program that provides investors a state income tax credit of 15% (not to exceed \$20,000) of the amount invested during calendar year 2010. The program's primary goal is to motivate angel investors to provide capital to early-stage companies.

- \* **Colorado Credit Reserve**

The Colorado Credit Reserve (CCR) Program increases the availability of credit to small businesses in Colorado by establishing a pooled loan-loss reserve fund that banks or sponsored lending entities may access to recover losses associated with loans registered with the program. During the 2009 legislative session, the General Assembly appropriated \$2,500,000 for this program. OEDIT has executed a contract with the Colorado Housing and Finance Authority (CHFA) to administer this program. More information can be found at [www.chfainfo.com](http://www.chfainfo.com).

- \* **Job Growth Incentive Tax Credit**

The Job Growth Incentive Tax Credit provides a state income tax credit to businesses undertaking job creation projects that would not occur in Colorado without this program and that have met certain requirements under the Economic Development Commission's (EDC) Job Growth Incentive Tax Credit Program.

- \* **Enterprise Zone Program**

Colorado's Enterprise Zone Program provides tax incentives to encourage businesses to expand or locate in designated economically distressed areas of the state. Businesses located in a zone may qualify for 9 different Enterprise Zone tax credits and incentives to encourage job creation and investment in these areas.

- \* **Enhanced Rural Enterprise Zone Job Credits**

The state offers additional Enterprise Zone incentives for businesses creating jobs in qualifying rural counties.

## Certified Capital Companies (CAPCOs)

The state has six Certified Capital Companies (CAPCOs) that make loans and provide equity to Colorado businesses. CAPCOs' minimum and maximum investment may generally range from \$100,000 - \$3.3 million. The CAPCOs are independently operated and make the funding decisions. State approval is limited to ensuring that businesses receiving funding meet minimum specified requirements.

## The Venture Capital Authority

The Venture Capital Authority (VCA) has selected a fund manager (High Country Venture, LLC) and established a fund (Colorado Fund 1) to provide seed- and early-stage capital to businesses. The minimum and maximum investment size may generally range from \$250,000 - \$3.375 million; however, High Country Venture, LLC has indicated a preference for investments ranging from \$500,000 to \$2 million. High Country Venture, LLC is independently operated and makes funding decisions. State approval is limited to ensuring that businesses receiving funding meet minimum specified requirements.

## Colorado First / Existing Industry Customized Job Training Grant Funds

Through the Colorado FIRST Program (targeted to new jobs being created that need training) and the Existing Industry Program (targeted to existing jobs that need retraining for the business to remain competitive), the state has funds available to assist with employee training for specific businesses. OEDIT, in conjunction with the Colorado Community College System, reviews and approves requests for funding. Generally, up to \$800 per employee trained may be provided. Businesses must pay for a minimum of 40% of the total training costs.

## Bioscience Discovery Evaluation Grant Program

The Bioscience Discovery Evaluation Grant Program was created by the Colorado legislature in 2006. The program has evolved over three legislative sessions, but its purpose remains to strengthen the bioscience industry and the creation of quality jobs within the state. Grants are provided to Offices of Technology Transfer at qualified, Colorado non-profit research institutions for advancing bioscience research toward commercialization. Grants are also available to qualified, early-stage Colorado bioscience companies that are commercializing technologies founded at one of Colorado's qualified research institutions. Additionally OEDIT is using some of the funds to

develop infrastructure that results from the cooperation of industry and research institutions, and that will support the development of the industry throughout the state.

### Colorado Tourism Office's Marketing Matching Grant Program

The Colorado Tourism Office's Marketing Matching Grant Program provides funding to not-for-profit organizations in the State of Colorado for the purpose of promoting the state or a region as a tourism destination. Grants up to \$15,000 may be awarded.

### Council on the Arts - Programs and Services

The mission of the Colorado Council on the Arts is to promote the cultural, educational and economic growth of Colorado through development of its arts and cultural heritage. The Colorado Council on the Arts offers a variety of educational seminars, makes grants to schools/districts, community organizations, artists, and cultural organizations for specified purposes, administers the state's Art in Public Places Program in addition to carrying out a number of other arts-related activities.

### Colorado Film Incentives Cash Fund

In order to encourage film and television production in Colorado the Colorado Film Incentives Cash Fund has been created. The program provides a 10% performance-based incentive rebate to qualifying production companies that spend at least 75 percent of their total below-the-line expenditures and at least 75 percent of their total payroll with Colorado residents. Out-of-state production companies must spend a total of at least \$1 million, and Colorado-based companies must spend at least \$100,000. A pre-application must be submitted to the Office of Film, Television & Media a minimum of four to six weeks prior to the beginning of principle photography as the application must be approved before beginning production.

### Colorado Export of Innovative and Sustainable Technologies (CO-EXist)

The Colorado Export of Innovative and Sustainable Technologies program (CO-EXist) promotes Colorado cleantech exports to China and Mexico. The Colorado International Trade Office (ITO) created the CO-EXist program to support business exchanges between Colorado companies and business, government, and industry leaders in China and Mexico in the targeted area of sustainable and environmental technologies. CO-EXist is a three-year program that will run from January 2010 through December 2012. Companies may apply throughout the three-year program to participate in the outgoing tradeshow, incoming buyer visits, and/or to receive funding for technical assistance for Mexico and/or China.

### Colorado Export Development Grant

The mission of the Colorado Export Development Grant is to increase Colorado companies' ability to export products and services to global markets. The Colorado International Trade Office (ITO) funds this grant to assist Colorado exporters of products and services in all sectors of manufacturing and services, excluding agricultural commodities and food products (agriculture companies may contact the Colorado Department of Agriculture at 303-239-4114 to learn about assistance specifically for this industry sector).

### **Available ONLY in "NON-ENTITLEMENT COMMUNITIES":**

#### Business Loan Funds

The state provides funding to 14 Business Loan Funds serving the majority of the rural areas of Colorado. The funds are responsible for promoting and fostering economic development efforts within their respective service areas by providing loans to and loan guarantees in support of businesses. Each loan program is locally driven, with local approvals by a loan review committee and board of directors, although oversight is provided by OEDIT and the Governor's Financial Review Committee (FRC). Businesses will need to commit to meet certain job creation requirements (or retention in some cases). See the Business Loan Fund contact list for contact information.

#### Infrastructure Assistance/Grants

Colorado has funds available to assist with constructing public infrastructure needed by a specific business(es) primarily in rural areas of the state. Funding is provided to an eligible city or county; however, a specific

business(es) will need to commit to meet certain job creation requirements (or retention in some cases). The Governor's Financial Review Committee (FRC) reviews and approves all requests for funding. Generally, funding may be provided up to \$500,000; however, this amount may vary based on a number of factors.

### Planning and Feasibility Study Grants

The state has funds available to assist with feasibility studies, primarily for rural areas of the state. Funding is provided to an eligible city or county or through an existing Business Loan Fund in some cases; however, the study must be completed in support of or in conjunction with a specific business(es) rather than general economic development studies. The specific business(es) will need to commit to meet certain job creation requirements (or retention in some cases) if the project is determined to be feasible and is implemented. The Governor's Financial Review Committee (FRC) reviews and approves all requests for funding. Generally, funding may be provided up to \$20,000 per study; however, this amount may vary based on a number of factors. Applications can be submitted throughout the year.

**Additional information is available at [www.AdvanceColorado.com](http://www.AdvanceColorado.com). For complete program information and requirements, please contact the designated staff person.**