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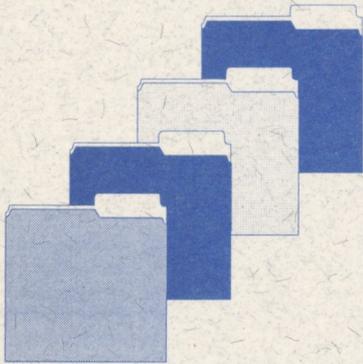
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COLORADO



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COLORADO FACTS

*Statistics and comparisons of key indicators to evaluate Colorado's economic climate
and to provide information of special interest to the business community.*

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NOTE: This document is available online at www.aclin.org/other/business/facts

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COLORADO'S ECONOMIC BASE

Colorado's key economic strength going into the 21st century is its diversity. The state is a hub for communications and transportation. It is the headquarters of US WEST, which provides telecommunications services to 14 western states, and which recently acquired Continental Cablevision, Inc. AT&T and MCI also have a major presence in Colorado. Telecommunications, Inc. (TCI), one of the largest cable companies in the U.S. is headquartered in Colorado.

Colorado is also a major transportation center. With the opening of Denver International Airport in February 1995, the state is strengthening its position as an air transportation hub. Colorado serves as a key distribution center for the growing Rocky Mountain region. An excellent system of highway and rail transportation support this function.

Colorado has a strong manufacturing base. Major non-durable goods include food processing, an important link to the state's agricultural production, and printing and publishing. In the durables sector, electrical and non-electrical machinery and instruments are the largest employers, primarily in computers and peripherals.

Colorado's exports of manufactured products grew 14% to \$4.7 billion in 1995. This was the third consecutive year of double-digit growth, with a three-year cumulative growth rate of 80%, making Colorado the number one ranked state in the nation for export growth from 1992-1995.

The largest employment base is in the multi-faceted "services" sector. Colorado is a regional medical center, serving neighboring states as well as its own population. The business services and professional service sectors, led by legal, engineering and architectural services, are also expanding.

Agriculture and mining, once the economic strongholds in Colorado, represent a decreasing share of the state's total output. Nevertheless, technological advances have increased productivity in these sectors, and they continue to play an important role in the state's economy.

Finally, tourism, though not easily identifiable as a separate economic sector, is an important industry in Colorado. Visitors are drawn to Colorado year round, but primarily for the world class skiing in winter, and in summer for the myriad of recreational activities and scenery. Colorado ranks 6th in the nation for total tourism spending.

For the fourth straight year, Colorado received the best grades in the nation for economic performance in the Corporation for Enterprise Development's "1996 Report Card for the States." It was the third consecutive year of "Straight A's" earned in this rigorous, objective ranking based on leading economic performance measures.

Colorado Facts

Colorado's excellent business climate and diversified economic base have attracted a number of major companies in 1996, most notably:

- ▶ **Rockwell International** will construct a \$68 million semiconductor plant in Colorado Springs, to be completed late in 1997, creating 600 high tech manufacturing jobs.
- ▶ **Mitsui Advanced Media, Inc.**, a wholly owned subsidiary of Mitsui Toatsu Chemicals, Inc. recently began manufacturing recordable compact discs (CD-R) at its new \$100 million facility in Colorado Springs. The new plant employs 400.
- ▶ **Western Union Financial Services** recently moved its corporate headquarters from New Jersey to Greenwood Village, Colorado. It will create up to 300 jobs over three years. Western Union is a wholly owned subsidiary of First Data Corp., which already has 2,000 employees in Colorado.
- ▶ **Adaptec**, which designs and manufactures computer I/O products, announced a major expansion in Longmont which will employ 1,500 people over a five year period.
- ▶ **Sun Microsystems, Inc.** will construct a \$204 million research and development facility in the Interlocken Technology Park in Broomfield (Denver Metro), CO. The facility will employ up to 4,000 in three phases over five years. Average salaries will be \$65,000 - \$70,000 per year. The facility will develop computer networking products.

The above announcements notwithstanding, Colorado is dominated by small business. Over 100,000 business establishments, 88% of the total, have employment of less than 20 workers. Together, they employ about 29% of the state's workforce. Only 202 establishments have employment greater than 500, but they employ over 17% of the state's workers, as shown in the following table and graphic.

Colorado Establishments by Sector and Employees Size Category, 1994

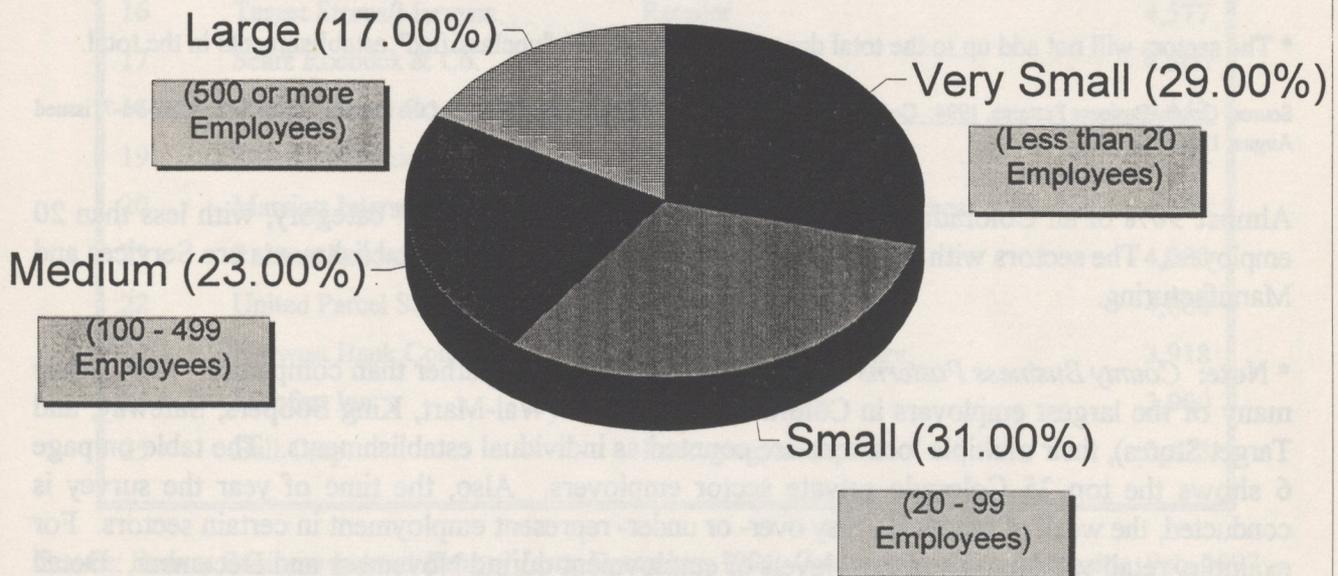
<i>Sector</i>	<i>Total Establishments</i>	<i>Very Small (< 20 Emp.)</i>	<i>Small (20 - 99 Emp.)</i>	<i>Medium (100 - 499 Emp.)</i>	<i>Large (>500 Employees)</i>
Ag/Forest/ Fisheries	1,905	1,833	70	2	0
Mining	1,097	936	118	42	1
Construction	12,425	11,454	878	90	3
Manufact.	5,623	4,355	967	244	57
Trans/Com. Utilities	4,447	3,731	566	130	20

Colorado Facts

Sector	Total Establishments	Very Small (> 20 Emp.)	Small (20 - 99 Emp.)	Medium (100 - 499 Emp.)	Large (<500 Employees)
Wholesale Trade	8,026	6,974	946	100	6
Retail Trade	23,907	20,084	3,395	424	4
Finance/Ins. Real Estate	11,404	10,399	862	123	20
Services	40,589	36,586	3,343	673	87
Unclass.	1,177	1,169	8	0	0
TOTAL	108,753	95,808	10,940	1,810	195

Source: County Business Patterns, 1994

Colorado Employment by Size of Establishment



Source: County Business Patterns, 1994 (U.S. Census Bureau)

**Colorado Business Establishments by Sector and Employees
1994**

Sector	Number of Employees	Number of Establish- ments	Average Employees Per Establish.
<i>Total*</i>	<i>1,480,796</i>	<i>114,069</i>	<i>13</i>
Agriculture/Forestry/ Fisheries	9,086	1,905	5
Mining	16,545	1,097	15
Construction	94,587	12,425	8
Manufacturing	184,818	5,623	33
Transportation, Communications & Utilities	106,704	4,447	24
Wholesale Trade	96,708	8,230	12
Retail Trade	334,192	24,798	13
Finance, Insurance & Real Estate	114,036	12,306	9
Services	522,689	42,287	12

* The sectors will not add up to the total due to inclusion of 951 "unclassified" establishments in the total.

Source: *County Business Patterns, 1994: Colorado*, U.S. Department of Commerce, Bureau of the Census, Publication #CBP-94-7, issued August 1996.

Almost 90% of all Colorado establishments fall into the "very small" category, with less than 20 employees. The sectors with the most large (over 500 employees) establishments are Services and Manufacturing.

*** Note:** *County Business Patterns* is based on **establishments** rather than companies. Thus, while many of the largest employers in Colorado are retailers (Wal-Mart, King Soopers, Safeway, and Target Stores), their multiple locations are counted as individual establishments. The table on page 6 shows the top 25 Colorado private sector employers. Also, the time of year the survey is conducted, the week of March 12, may over- or under- represent employment in certain sectors. For example, retail will have its highest levels of employment during November and December. Detail on *average annual* employment by sector is included in the section entitled "Colorado Employment."

Top 25 Private Sector Employers in Colorado

Rank	Company	Type of Business	Colorado Employees
1	US WEST	Telecommunications	17,264
2	King Soopers/City Market	Supermarkets	14,075
3	Centura Health Systems	Health Care	14,000
4	Wal-Mart/Sam's Club	Discount Stores	10,200
5	Columbia Colorado Division	Health Care	9,898
6	Safeway Stores	Supermarkets	9,240
7	AT&T	Telecommunications	8,085
8	Hewlett Packard	Computer systems	8,000
9	Lockheed-Martin Astronautics	Defense contractor	7,924
10	United Airlines	Air transportation	7,759
11	CH2M Hill	Env. global project delivery	7,400
12	MCI Telecommunications	Telecommunications	6,000
13	Neodata Services Inc.	Direct marketing services	5,500
14	Coors Brewing Company	Beverage manufacturer	5,000
15	Albertsons	Supermarkets	4,800
16	Target Stores/Mervyns	Retailer	4,577
17	Sears Roebuck & Co.	Retailer	4,500
18	Public Service Co. Colorado	Public Utilities	4,443
19	Tele-Communications Inc.	Telecommunications	4,134
20	Marriott International	Lodging, food, contract svcs	4,100
21	Ralston Resorts	Ski resorts	4,000
22	United Parcel Service	Package Delivery	4,000
23	Norwest Bank Colorado	Banking, financial serv.	3,918
24	Monfort Inc.	Food processing	3,900
25	Ball Corp.	Packaging, aerospace	3,625

Source: Denver Business Journal *Book of Lists*, December, 1996; Colorado Business Magazine, Feb. 1997

COLORADO GROSS STATE PRODUCT, 1992
(Millions of Dollars)

TOTAL GROSS STATE PRODUCT	\$82,463
<i>PRIVATE INDUSTRIES</i>	<i>\$70,563</i>
Agriculture/Forestry/Fisheries	\$1,660
Mining	1,185
Construction	3,787
Manufacturing	10,318
Durable Goods	5,705
Non-Durable Goods	4,612
Transportation/Communications and Public Utilities	8,330
Wholesale Trade	5,214
Retail Trade	8,472
Finance/Insurance & Real Estate	13,957
Services	17,634
Business Services	4,052
Health Services	4,608
Other Services	8,974
Government	11,899
Federal Civilian & Military	4,548
State & Local	7,351

Colorado's estimated gross state product per capita in 1992 was \$23,763, slightly higher than the U.S. average of \$23,599 per capita Gross Domestic Product for 1992.

Source: U.S. Department of Commerce, Bureau of Economic Analysis.

POPULATION AND DEMOGRAPHICS

Colorado's population has grown more rapidly than the national average since the 1940s. Since the 1990 census, Colorado has grown at an average of almost 2.5% annually. The 1995-1996 growth rate of 2% was approximately twice the national average. The U.S. Census Bureau's July 1, 1996 population estimate for Colorado was 3,822,676.

Population projections for Colorado indicate a growth rate higher than the national average, but considerably lower than the growth rates experienced in the early 1990s. The high growth rates are largely driven by net in-migration, which is not a smooth, or easily predictable, variable.

The following table shows the population census counts, current estimates and projections for Colorado and major Metropolitan Statistical Areas and sub-regions, from 1980 through 2010. Breakdown by sub-state region is based on Colorado State Demography Office 1995 estimates.

COLORADO POPULATION (1980 - 2010)

REGION	1980 Census	1990 Census	1994 Est.	1995 Est.	2000 Proj.	2010 Proj.
COLORADO	2,889,735	3,294,473	3,655,650	3,746,235	4,112,600	4,695,280
FRONT RANGE*	2,326,479	2,686,341	2,970,800	3,037,010	3,545,860	3,755,850
Denver/Boulder/Greeley CMSA	1,741,899	1,980,140	2,183,000	3,229,150	2,423,300	2,724,200
Ft. Collins MSA	149,184	186,136	210,000	215,775	243,450	288,425
Colo. Springs MSA	309,424	397,014	450,500	462,710	515,150	596,100
Pueblo MSA	125,972	123,051	127,350	129,400	134,800	147,100
WESTERN SLOPE	290,331	332,297	378,370	391,950	444,850	534,800
EASTERN MTNS.	96,714	102,995	120,800	126,860	141,800	166,750

Colorado Facts

REGION	1980 Census	1990 Census	1994 Est.	1995 Est.	2000 Proj.	2010 Proj.
SAN LUIS VALLEY	37,914	40,207	42,430	43,750	47,000	51,925
EASTERN PLAINS	138,297	132,633	143,250	146,650	162,250	186,000

**Composition of Regions:*

FRONT RANGE includes Adams, Arapahoe, Boulder, Denver, Douglas, El Paso, Jefferson, Larimer, Pueblo and Weld counties.

WESTERN SLOPE includes Archuleta, Delta, Dolores, Eagle, Garfield, Grand, Gunnison, Hinsdale, Jackson, La Plata, Mesa, Moffat, Montezuma, Montrose, Ouray, Pitkin, Rio Blanco, Routt, San Juan, San Miguel and Summit counties.

EASTERN MOUNTAINS includes Chaffee, Clear Creek, Custer, Fremont, Gilpin, Huerfano, Lake, Las Animas, Park and Teller counties.

SAN LUIS VALLEY includes Alamosa, Conejos, Costilla, Mineral, Rio Grande, and Saguache counties.

EASTERN PLAINS includes Baca, Bent, Cheyenne, Crowley, Elbert, Kiowa, Kit Carson, Lincoln, Logan, Morgan, Otero, Phillips, Prowers, Sedgwick, Washington and Yuma counties.

PROJECTED POPULATION GROWTH ATTRIBUTABLE TO NET IN-MIGRATION

AREA	Net Migration	% Share
COLORADO	480,000	58%
Front Range	322,500	51%
Western Slope	103,912	78%
Eastern Mtns.	23,588	83%
San Luis Valley	3,750	52%
Eastern Plains	26,250	83%

Source: Demographics Section, Colorado Division of Local Government, Department of Local Affairs, October 1995.

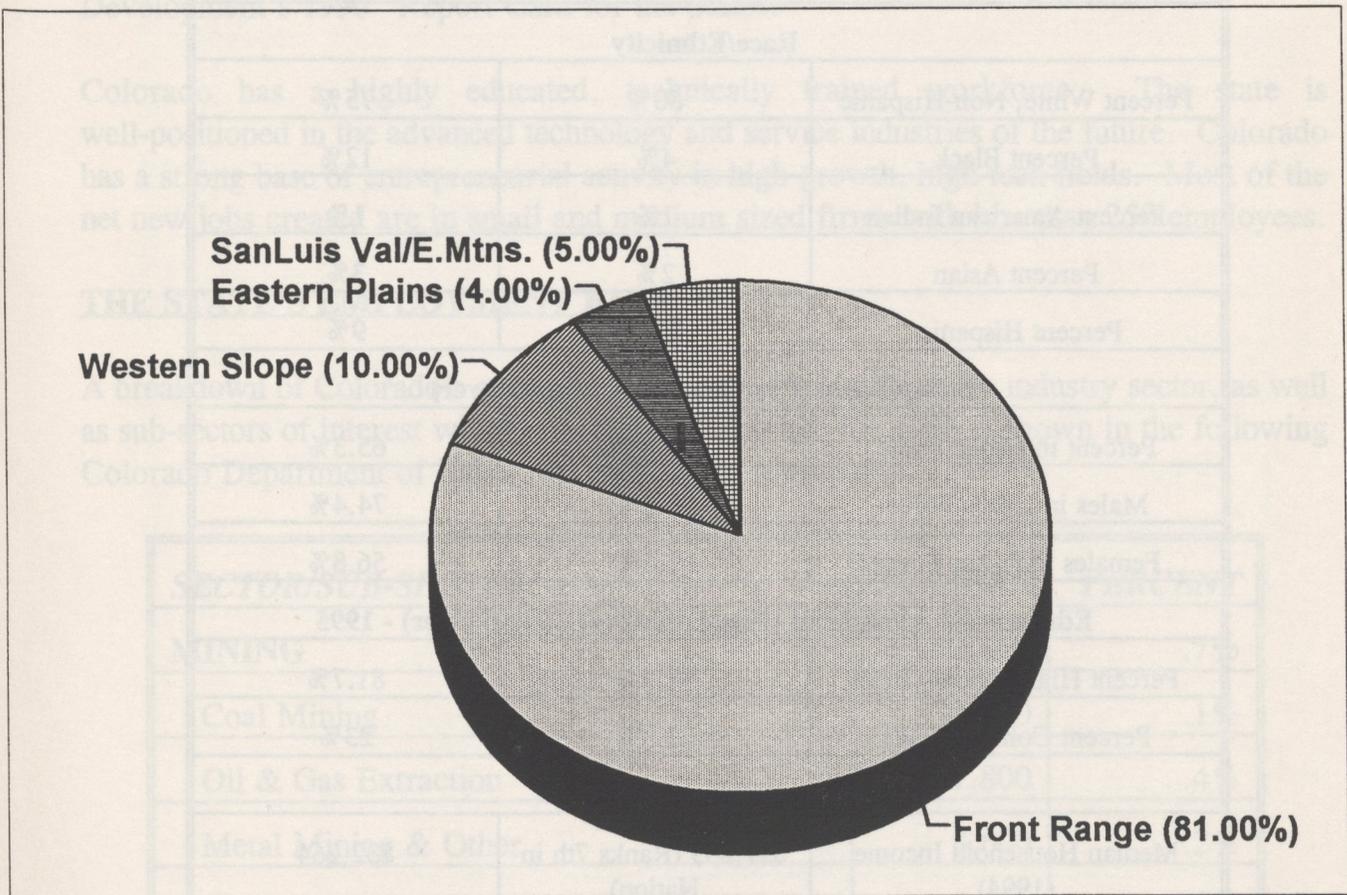
Colorado is projected to add over 800,000 people between 1995 and 2010. Almost 60% of this population increase will come from migration into the state rather than natural increase.

Colorado Facts

For the state as a whole, nearly 3/5ths of the total population increase between 1995 and 2010 will come from net in-migration to the state. The remainder will come from natural increase: births minus deaths. In some regions, the percentage from in-migration will be far higher, exceeding 80%. As indicated earlier, this is the most difficult variable to project -- people moving into or out of the state respond to changes in the Colorado and national economies, as well as other factors.

The following graphic of population distribution by region shows the concentration of population along the Front Range corridor.

COLORADO POPULATION DISTRIBUTION BY REGION, 1995



See preceding page for specific counties included in each of these regions.

BASIC DEMOGRAPHICS

The following table provides a comparison of very basic demographic characteristics for Colorado and the U.S. as a whole. In general, Coloradans are slightly younger, considerably better educated, more likely to be in the labor force, and have incomes above the national average.

VARIABLE	COLORADO	U.S.
Median Age (1993)	33.5 Yrs.	33.7 Yrs.
Percent of Population Under Age 18	26%	26%
Percent of Population Over Age 65	10%	13%
Race/Ethnicity		
Percent White, Non-Hispanic	80%	75%
Percent Black	4%	12%
Percent American Indian	1%	1%
Percent Asian	2%	3%
Percent Hispanic	13%	9%
Labor Force (Population Age 16 and Over)		
Percent in Labor Force	70.3%	65.3%
Males in Labor Force	78.5%	74.4%
Females in Labor Force	62.5%	56.8%
Educational Attainment (Population Age 25 and Over) - 1995		
Percent High School Grads	91.3%	81.7%
Percent College Grads	33.3%	23%
Income		
Median Household Income (1994)	\$37,833 (Ranks 7th in Nation)	\$32,264
Per Capita Income (1995)	\$23,961 (Ranks 15th in Nation)	\$23,208

Source: Colorado State Data Center and U.S. Bureau of the Census and Bureau of Economic Analysis press releases.

COLORADO EMPLOYMENT

Colorado is recognized as a major hub for business and industry. This can be attributed in part to the quality of life available to be enjoyed here. The state's employment base is stronger than the national average in construction, transportation/communications/utilities, finance, and services. It is below the national average in manufacturing and approximately equal to the national norms in retail trade, government and agriculture.

Colorado ranked fifth in the nation in long-term (10 year) job growth, and third in the nation for short-term (1994-95) job growth according to the Corporation for Enterprise Development's 1996 "Report Card for the States."

Colorado has a highly educated, technically trained workforce. The state is well-positioned in the advanced technology and service industries of the future. Colorado has a strong base of entrepreneurial activity in high-growth, high-tech fields. Most of the net new jobs created are in small and medium sized firms with less than 250 employees.

THE STATE'S EMPLOYMENT BASE

A breakdown of Colorado's average annual employment by major industry sector, as well as sub-sectors of interest within the major categories, for 1996 is shown in the following Colorado Department of Labor and Employment statistics:

<i>SECTOR/SUB-SECTOR</i>	<i>NUMBER</i>	<i>PERCENT</i>
MINING	13,600	.7%
Coal Mining	2,200	.1%
Oil & Gas Extraction	7,800	.4%
Metal Mining & Other	3,600	.2%
CONTRACT CONSTRUCTION	111,100	5.9%
General Building Contractors	22,600	1.2%
Heavy Construction Contractors	13,700	.7%

Colorado Facts

SECTOR/SUB-SECTOR	NUMBER	PERCENT
Special Trade Contractors	74,700	4.0%
MANUFACTURING	196,000	10.3%
Durable Goods	121,700	6.4%
Non-durable Goods	74,300	3.9%
TRANSPORTATION/COMMUNICATION & UTILITIES	120,300	6.3%
Transportation	50,700	2.7%
Communications	40,700	2.1%
Utilities & Other	28,900	1.5%
WHOLESALE TRADE	97,600	5.1%
Durable Goods	60,600	3.2%
Non-Durable Goods	37,000	1.9%
RETAIL TRADE	366,900	19.3%
Eating & Drinking Establishments	146,600	7.7%
General Merchandise	40,000	2.1%
Food Stores	48,300	2.5%
Other Retail	132,000	7.0%
FINANCE/INSURANCE & REAL EST.	117,900	6.2%
Depository Institutions	25,600	1.3%
Insurance	35,400	1.9%
Real Estate	29,200	1.5%
Other	27,700	1.5%

Colorado Facts

SECTOR/SUB-SECTOR	NUMBER	PERCENT
SERVICES	564,900	29.8%
Hotels and Lodging	36,900	1.9%
Business Services	147,400	7.8%
Health Services & Hospitals	122,400	6.5%
Other Services	258,200	13.6%
GOVERNMENT	308,600	16.3%
Federal	54,900	2.9%
State Government*	72,600	3.8%
Local Government*	181,100	9.6%
TOTAL WAGE & SALARY EMPLOYMENT	1,896,900	100 **

* Includes public education.

** Sub-sectors may not total 100 due to rounding.

Source: Colorado Department of Labor and Employment, April 1997.

AVERAGE ANNUAL EMPLOYMENT BY SECTOR 1986-1996

The following table shows the change in employment by sector over the decade from 1986-1996. While total wage and salary employment increased by 35%, certain sectors such as mining and services showed much more dramatic increases, or decreases.

COLORADO WAGE & SALARY EMPLOYMENT, 1986-1996

Sector	1986 Employ.	1996 Employ.	# Change	% Change
Mining	25,800	13,600	(12,200)	-47%
Construction	77,600	111,100	33,500	+43%
Manufactur.	185,300	196,000	10,700	+6%
TCPU	87,000	120,300	33,300	+38%
Wholesale Trade	78,300	97,600	19,300	+25%
Retail Trade	270,200	366,900	96,700	+36%
FIRE	98,700	117,900	19,200	+19%
Services	329,400	564,900	235,500	+71%
Government	256,000	308,600	52,600	+21%
TOTAL	1,408,300	1,896,900	488,600	+35%

Source: Colorado Department of Labor and Employment, April 1997. (The numbers in parentheses denote declines in employment).

GEOGRAPHIC DISPERSION OF THE LABOR FORCE

<u>REGION</u>	1996 <u>Average Total Labor Force</u>	Percent of <u>Colorado</u>
FRONT RANGE	1,727,024	82.2%
Denver MSA	1,054,691	50.2
Boulder/Longmont	162,096	7.7
Ft Collins/Loveland	133,108	6.3
Greeley	80,234	3.8
Colorado Springs	238,745	11.4
Pueblo	58,150	2.8
WESTERN COLORADO (1)	271,624	12.9
SOUTHERN COLORADO (2)	34,840	1.6
EASTERN COLORADO (3)	68,379	3.3
TOTAL COLORADO	2,101,867	100.0%

(1) Western Colorado includes the following counties: Archuleta, Chaffee, Clear Creek, Delta, Dolores, Eagle, Fremont, Garfield, Gilpin, Grand, Gunnison, Hinsdale, Jackson, Lake, La Plata, Mesa, Moffat, Montezuma, Montrose, Ouray, Park, Pitkin, Rio Blanco, Routt, San Juan, San Miguel, Summit, Teller.

(2) Southern Colorado includes the following counties: Alamosa, Baca, Conejos, Costilla, Custer, Huerfano, Las Animas, Mineral, Rio Grande, Saguache.

(3) Eastern Colorado includes the following counties: Bent, Cheyenne, Crowley, Elbert, Kiowa, Kit Carson, Lincoln, Logan, Morgan, Otero, Phillips, Prowers, Sedgwick, Washington, Yuma.

Source: Colorado Department of Labor and Employment, Labor Market Information Section, April 1997.

COLORADO'S UNEMPLOYMENT RATE

Colorado's unemployment rate has consistently been lower than the national unemployment rate since 1991. The 1996 unemployment rate was 4.2%, unchanged from 1995, and still 1.2% points below the national average. The February 1997 seasonally adjusted unemployment for Colorado was 3.1%.

The following table indicates the unemployment rate averages of representative labor markets throughout the state since 1991. Additional county-specific labor market information is available from the Labor Market Information Section of the Colorado Department of Labor.

**AVERAGE UNEMPLOYMENT RATE
(Percent of Labor Force)**

Labor Market	1991	1992	1993	1994	1995	1996
U.S. Avg.	6.8	7.4	6.8	6.1	5.6	5.4
Colorado	5.0	5.8	5.2	4.2	4.2	4.2
Denver MSA	4.6	5.6	4.7	3.9	3.8	3.8
Boulder/ Longmont	3.5	4.0	4.5	3.7	4.1	3.8
Ft. Collins/ Loveland	4.1	4.4	4.9	3.9	3.9	3.8
Greeley	4.5	5.1	5.3	4.4	4.7	4.6
CO Springs	6.1	6.8	5.9	4.7	4.6	4.6
Pueblo	7.0	7.6	7.8	5.5	5.9	5.9

Source: Colorado Department of Labor and Employment, Labor Market Information Section, April 1997.

JOB TRAINING PROGRAMS IN COLORADO

Colorado is proud of its highly trained and hard-working labor force. There are excellent training programs in place to provide the skills demanded by employers. These programs, Colorado FIRST and the Governor's Job Training Office, are designed to have the flexibility to offer any type of training required by either existing employers or new firms coming to the state.

Colorado FIRST and Existing Industry Customized Training Programs

The purpose of the Colorado FIRST Program is to encourage quality economic development by providing training assistance as an incentive for the location of new or expanding firms in Colorado. Since the start of the program in 1985, over 25,000 workers have been trained for newly created jobs in over 300 firms.

A related program for existing industries adopting new technologies, or striving to become more competitive, has trained almost 10,000 additional Colorado workers employed by nearly 100 firms since the program's beginning in 1985.

Recent Colorado FIRST recipients run the gamut of economic sectors, from telecommunications to manufacturing to service industries. Particularly notable successes include Hughes Information Technology, which recently trained 180 software designers. MCI, a leading telecommunications company with a growing Colorado workforce, trained 385 workers in an expansion of its Colorado Springs operations. OEA, Inc. and Sheldahl, manufacturers of automotive airbags and computer chips, respectively, used the program to train workers in new products. California Casualty, which recently moved a division to Colorado Springs, trained 250 new workers.

An innovative use of Existing Industry funds was made by a consortium of companies led by Advanced Energy, Inc. of Ft. Collins, and its suppliers, Blackfox of Longmont, and Beta Metals of Wheat Ridge, and RJR Circuits of Denver, will utilize a "cluster" approach to training. When completed these four companies will add 350 new jobs. Advanced Energy designs, manufactures and services power supplies for the semiconductor and thin film industries.

These training programs will receive \$3.7 million in funding for the 1996-97 program year.

The Colorado FIRST job training program is intended for:

- Companies that utilize innovative approaches to training.
- Permanent, non-seasonal, primary jobs created by non-retail companies newly locating or undertaking a significant expansion in Colorado;
- Job-specific and short-term training, lasting until the start-up or expansion training needs of the participating company are satisfied. Training programs are not designed to assist companies with normal, on-going training requirements;
- Jobs which pay well above minimum wage and provide a health plan for their employees, to generate an adequate return on the tax dollars invested;
- Companies which coordinate their training through local community college or vocational/technical institutions. The same institutions can also administer the paperwork on behalf of the business;
- Companies willing to contribute technical expertise, machinery, training space, money and other appropriate resources to improve program effectiveness;
- Company sponsorships, in some cases requiring a percentage of the training costs of in-kind contributions to be provided by the company. Colorado FIRST funds cannot be used to pay wages or stipends to trainees during a training session;
- Companies that make conservative projections of new job and wage creation; funds may be recovered by the state if stated goals are not met.

Governor's Job Training Office

The Governor's Job Training Office (GJTO) administers the Colorado allocation of Federal Job Training Partnership Act (JTPA) funds for training and development

of economically-disadvantaged youth and adults and the state's dislocated workers.

The majority of the nearly \$25.5 million in JTPA funds available for Colorado's 1995-96 program year are forwarded directly to the state's nine Service Delivery Areas (SDAs) to facilitate responsive, locally-directed youth and adult training programs. A Private Industry Council oversees program development in each SDA that is tailored to local needs.

Of the above-referenced amount, \$469,237 was used for employment and training programs for economically disadvantaged individuals aged 55 and older.

JTPA funds totaling \$9.0 million were directed to the SDAs for the 1995-96 Summer Youth and Training Program. This program provides basic and remedial education, pre-employment skills, on-the-job training and work experience to eligible youth 14 to 21 years of age.

A third JTPA program, totalling \$8.0 million, provides funds to the SDAs for "dislocated workers" training and job search assistance. Rapid Response to large scale layoffs is coordinated through GJTO.

The coordinated and professional approach of the Job Training Partnership System with the Colorado Training Network provides Colorado businesses with excellent access to publicly-funded worker training programs for JTPA eligible persons.

The Governor's Job Training Office, working in conjunction with the Colorado Department of Labor and Employment, Colorado Community College and Occupational Education System, and the local Service Delivery Areas, can assist new or expanding businesses by providing customized training programs, on-the-job training, federal tax credits, and a labor brokerage service to assure that employers have an available and trained workforce.

Workforce Coordinating Council

A 21-member council - represented by business, labor, education, community-based organizations and state and local government - was charged with systematically evaluating all of Colorado's training programs. The council made five key recommendations to enhance and coordinate various programs:

- ▶ *Recommendation 1* - Develop an information and job exchange network with multiple access points.
- ▶ *Recommendation 2* - Direct resources designated for subsidized services so that funds follow the individual, not the program.
- ▶ *Recommendation 3* - Create a network of one-stop career centers.
- ▶ *Recommendation 4* - Consolidate state programs that provide training and employment services and tie them to economic development.
- ▶ *Recommendation 5* - Assist in the creation of regional workforce development boards to oversee employment and training programs in designated geographical areas.

The overarching principle in making these recommendations was that services must be coordinated in a flexible, market-driven system, which encourages lifelong learning investments.

Implementation

An executive order by the governor, issued February 12, 1997, implements the recommendations for consolidating programs. The Office of Rural Job Training and the Governor's Job Training Office will be transferred into the Colorado Department of Labor and Employment. This consolidation at the state level will facilitate local program integration by helping to streamline planning, reduce waste and duplication, and ensure overall goal congruence.

Another program in the process of implementation is Colorado's One-Stop Career Center system. After receiving a federal planning grant in 1995, the state has focused on building the framework of the system, with the U.S. Department of Labor's principles of universality, customer choice, service intergration and performance outcomes as the guiding forces. The creation of a statewide framework for action has led to a proposed implementation strategy that will open seven One-Stop Career Centers by October 1997, a second round by October of 1998 including service for 90% of the state's population, with full implementation, including a rural network of Centers, by October 1999.

COLORADO TAXES

COLORADO BUSINESS TAXES

Corporate Income Taxes

Colorado's corporate income tax rate is a flat 5% of Colorado net income, defined as the corporation's federal taxable income, with some modifications. This corporate income tax rate is among the lowest in the nation. Colorado ranks 45th, the second lowest of all states which have a corporate income tax, in per capita corporate income tax revenue. Its collections in 1995 totaled \$50.70 per capita, compared to a national average of \$110.83 for corporate income tax revenue.

Unitary Taxation

Colorado has a liberal "water's edge" system of unitary taxation rather than a "worldwide" unitary system. Specifically, foreign corporations, as well as "80-20" corporations, i.e., corporations with 80 percent of their property and payroll outside the U.S., are not included in a Colorado income tax 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 the Colorado Income Tax Act or the Multi-State Tax Compact. The Tax Act apportions income according to percentages of property owned in Colorado versus nationally, and the gross receipts in Colorado versus nationally. The Tax Compact adds the payroll in Colorado versus nationally as an additional factor.

A Colorado unitary return includes domestic corporations that fall within certain "objective" measures. The Colorado system eliminates the uncertainty that existed under the traditional "subjective" measure used in the past.

The objective tests of allowing or requiring a combined report of unitary business activities are summarized as follows:

Members of an affiliated group or corporation shall be included in a combined report only if they meet three of the following criteria for the current tax year and two preceding tax years, as listed below.

Colorado Facts

1. Sales or leases of one member to, or from, another member must exceed 50 percent of gross receipts or gross sales of member.
2. Fifty percent or more of five or more of certain listed services must be provided by other members of the affiliated group. The listed services are advertising, public relations, accounting, legal, personnel, sales, purchasing, research and development, insurance procurement, employee benefit programs and pensions, profit-sharing and stock purchase plans.
3. Twenty percent of long-term debt of one member is owed to another member.
4. One member substantially uses the patents, trademarks, logo, copyrights, etc., of another member.
5. Fifty percent or more of the directors of one member are officers or directors of another member.
6. Twenty-five percent or more of the twenty highest ranking officers of a member are officers or directors of another member.

Colorado has a statutory provision that allows the filing of a consolidated return in lieu of separate returns for those members of an affiliated group that would otherwise be required to file a separate tax return for Colorado purposes.

Sales and Use Taxes

The State of Colorado collects a 3 percent sales or use tax on goods purchased by a business that are not intended for resale. Local municipalities may collect up to an additional 4.1 percent sales tax. Services are not taxed, only sales of non-food items.

Use taxes substitute for sales taxes in cases where an item is purchased for consumption in Colorado from a source outside Colorado or other circumstances where a sales tax was not paid. Sales or use taxes on manufacturing equipment or machine tools are not collected after the first \$500 of such purchases during the calendar year. Sales or use taxes are not collected on component parts, fuels and electricity, ink and newsprint or packaging materials.

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 wages. If covered for the first time, the tax rate will be 2.7 percent of the wage base or a rate equal to the average rate for the industry, whichever is greater. All employees who are not yet eligible for the computed rate will be assessed with a tax surcharge of 1/10th of one percent, as of January 1, 1996. The surcharge is reviewed each year and adjusted depending on financial condition of the UI fund.

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. Because most jobs pay more than the \$10,000 annual base rate, the effective unemployment tax rate is much lower than the 2.7 nominal rate. Colorado has cut unemployment taxes for the past three years and is one of the lowest cost states in the nation for this tax.

Specific information on the tax rate for a business can be obtained from the Colorado Department of Labor and Employment at (303) 603-8234.

Worker's Compensation

Worker's Compensation Insurance is provided by private companies and the State Compensation Insurance Fund, which carries coverage for the majority of Colorado employers. The fund is a permanent, self-sustaining, non-profit service organization operated for the benefit of its policy holders and their employees.

Major worker's compensation reform legislation in 1991 has resulted in effective cost containment. As a result, Colorado employers have had four consecutive years of premium reductions, averaging 6.3% in 1994, 9.6% in 1995, 8.6% in 1996, and proposed 1.5% decrease in 1997. These follow a three year freeze on rates so that effectively, many Colorado employers are paying lower rates for coverage in 1997 than they did in 1990.

These cuts have saved Colorado employers well over \$100 million in premiums alone, with total savings calculated at \$1.5 billion when benefits from fraud prevention and safety programs are factored in.

For rate information for a specific business, please contact the Colorado Compensation Authority at (303) 782-4000 or 1-800-FON-CCIA.

Property Taxes

The State of Colorado does not impose property taxes on businesses; local governmental units assess property taxes primarily to fund public school operations and local government services.

Commercial and industrial property is assessed for property tax purposes at 29 percent of market value. Cities or counties in state-designated Enterprise Zones have the option of providing an incentive payment to new companies. This incentive cannot exceed the difference in property taxes after development less the property taxes prior to Zone designation.

The statewide average of local mill levies in 1995 was 82.287 mills.

Personal property (machinery and equipment) used in commercial and industrial operations is also assessed at 29% of actual value, based on replacement cost, expected economic life of the asset and other factors. Local governments, including municipalities, counties and school district, have the option to negotiate up to a 50% rebate or credit on their portion of personal property tax as an economic development incentive.

Inventory Taxes

Inventory taxes are not assessed in Colorado.

Severance Taxes

Colorado levies a tax upon the severance from the earth of metallic minerals and energy resources based upon the gross income of the extraction operation or upon the amount extracted. Only operations exceeding \$11 million in annual gross income are subject to this tax.

TAX CREDIT INCENTIVES FOR INVESTMENT IN THE STATE

Investment Tax Credits

The Colorado Tax Equity Act, signed into law during the 1987 legislative session, reinstates the Colorado Investment Tax Credit, up to \$1,000 per year, for tax years beginning on or after

January 1, 1988, based on 10 percent of what the Federal Investment Tax Credit would have been had such credit not been restricted by the Tax Reform Act of 1986. Excess credits may be carried forward up to three years.

Enterprise Zone Tax Credits

Enterprise Zones are geographic areas designated to promote economic development. Sixteen such zones have been designated in Colorado. They cover most rural areas of the state with the exception of the ski area/resort counties. There are also urban zones designated to attract investment and jobs to selected areas. Enterprise Zones offer the following advantages to businesses locating or expanding within their boundaries:

1. **\$500 job tax credit.** A \$500 credit for each new full-time employee working within the Zone. This credit is available during the first full income tax year in the Zone. The credit may be taken in subsequent years for each additional employee above the maximum number employed in any prior tax year. An expansion of an existing facility may be considered a "new" facility subject to certain conditions.
2. **Double job tax credit for agricultural processing.** A credit of an additional \$500 for each employee employed in a business which adds value through manufacturing or processing to agricultural commodities. The credit applies to the number of employees employed during the year in excess of the maximum number employed in any prior tax year.
3. **\$200 job tax credit for employer health insurance.** A credit of \$200 during the first two years of business operations within the Zone for each new full-time employee covered by a company-provided (company providing greater than 50 percent of the cost) health insurance plan or program.
4. **Local government incentives.** The ability to negotiate for credits or refunds with municipal or county governments on property taxes payable or sales tax charges paid.
5. **Three percent investment tax credit.** Businesses making investments in equipment used exclusively in an Enterprise Zone may claim a credit against their Colorado income taxes equal to three percent of the amount of the investment, subject to limitations on the amount which can be claimed in any one year.

6. **Exemption from state sales and use taxes for manufacturing equipment.** Purchases of manufacturing machines and machine tools are exempt from the three percent state sales and use tax statewide.
7. **R & D tax credit.** Income tax credit of up to three percent of their expenditures on research and development activities (as defined in federal tax laws) in an Enterprise Zone.
8. **Building rehab credit.** A credit of 25 percent of qualified expenditures up to \$50,000 to rehabilitate buildings which are at least 20 years old and which have been vacant at least two years.
9. **Credit for contributions to Zones.** A 25 percent tax credit for private contributions to local zone administrators for qualifying projects or programs within zones.
10. **Job Training and School-to-Work Credit.** A 10% tax credit for employer expenditures for qualified job training and school-to-work programs.

Sales Tax Exemptions

1. A number of business-oriented sales/use tax exemptions related to the formation, transfer and dissolution of corporations and partnerships range from exempting the transfer of assets when forming a corporation to exempting any transfer of assets which would otherwise be taxable if the transferrer has already paid a sales/use tax on the transferred asset.
2. Sales or use tax exemptions for purchases over \$500 are granted on machinery and machine tools purchased for use in manufacturing.
3. Sales and purchases of electricity, coal, gas or fuel oil for use in processing, manufacturing, and all industrial uses are deemed to be wholesale sales and are exempt from taxation. The exemption would not apply to office areas, parking lots, cafeterias, etc., within the operation.
4. The sale of tangible personal property for testing, modification, inspection, or similar types of activities in Colorado is exempt from sales tax. Such an exemption is available if the ultimate use of such property in manufacturing or similar types of activities occurs outside Colorado, and if the test, modification, or

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inspection period does not exceed ninety days.

5. Interstate long distance telephone charges are exempt in Colorado.

Various other special interest and general sales tax exemptions are available. These are found in 1973 C.R.S., Sections 39-26-102 and 39-26-114.

THE STATE'S METHOD OF APPORTIONING INCOME

Colorado is unique among states in that two alternative apportionment formulas have been adopted which allow the taxpayer to choose the method which produces the lesser tax liability. The taxpayer can make a decision annually on whether to use the standard three-factor formula or a special two-factor formula. The three-factor formula averages the corporation's wages, property, and sales in Colorado and compares that average to total wages, property, and sales to determine what proportion of its profits will be taxed.

The two-factor formula averages property and sales in Colorado only, and compares that average to the total property and sales.

The three-factor formula, commonly referred to as the Multi-state Tax Commission formula, was adopted in 1968. At the same time, the legislature determined that the two-factor formula should remain as an option.

The two-factor election is particularly advantageous to corporations with a significant part of their business in Colorado, as it omits the payroll factor and eliminates "throwback sales." For example, the placement of a facility in Colorado which would be labor intensive would not unduly increase tax liability. Conversely, placement of such a facility in another state with a formula averaging wages would have the opposite effect. Moreover, under Colorado's two-factor formula, income that is directly attributable to the State of Colorado and is produced by a corporation whose state of domicile is Colorado, is still apportionable but may go untaxed since none of such income is apportionable (or allocable) to any state using a three-factor formula.

Source: Colorado Public Expenditure Council, *New Colorado Corporates*, 1986 Edition

COLORADO PERSONAL TAXES

Income Taxes

Individual income taxes in Colorado are a flat rate of 5 percent of *federally-adjusted taxable income*, with some modifications. Local governments in Colorado do not assess income taxes.

Sales Taxes

The State of Colorado levies a 3.0 percent sales tax on all nonfood retail sales. Cities, counties and special districts are permitted to add up to 4.0 percent additional local sales tax by public referendum. Various special districts may impose additional sales taxes, including the Regional Transportation District in the Denver metro area and Mass Transit districts in Pitkin and Summit counties, the Cultural Facilities District and the Major League Baseball Stadium District, Jefferson County Open Space, and several others. In no case does the cumulative special district sales tax exceed .8 percent.

Property Taxes

Residential property is assessed at approximately 12 percent of market value (it fluctuates from year to year due to a statutory formula for shares of revenue from commercial versus residential property). The mill levy, which is the tax rate on each dollar of assessed valuation, varies widely within the state. For the 1995 fiscal year, the average total mill levy for the state was 82.287. This figure includes counties, municipalities, school districts and other special district. Mill levies for cities and counties in Colorado can be found in the Colorado Economic and Demographic Information System (CEDIS) maintained by the Department of Local Affairs at (303) 866-2771, or the county assessor for each county.

Occupational Taxes

All persons who work in the City and County of Denver and earn more than \$250 per month are assessed a monthly occupational tax of \$5.75. Their employers pay an additional \$5.00 per month per employee. Anyone working in the cities of Greenwood Village or Aurora, who receives a salary greater than \$250 per month, is assessed \$2 per month, regardless of salary level, which is matched by the employer.

COMPARATIVE DATA AMONG SELECTED STATES

Factors such as sales tax exemptions and graduated rates for income tax are recognized to significantly compromise the use of rates as a method of comparison. As a consequence, nationally and locally recognized public interest research groups have adopted the concept of "effective rate," typically measured by sales or income tax paid per \$100 or \$1,000 of personal income. Here, "effective rate" is measured by tax paid per \$100 of personal income. Colorado's effective combined state and local tax rate was among the lowest of the following states for fiscal year 1993.

**State/Local Tax Collections
per \$1,000 of Personal Income**

<u>State</u>	<u>Revenue Per \$1,000 In Personal Income</u>	<u>National Rank</u>
New York	\$147.10	2
New Mexico	130.87	3
Minnesota	127.79	4
Iowa	119.50	9
Arizona	116.60	11
North Dakota	115.38	13
Washington	111.30	17
Oregon	111.05	18
Utah	110.46	19
<i>U.S. Average</i>	<i>110.36</i>	<i>N/A</i>
California	109.45	20
Nebraska	108.08	23
Kansas	106.84	27
North Carolina	105.50	30
Oklahoma	104.25	34
Georgia	103.83	35
Texas	101.74	39
Nevada	100.92	41
Florida	98.48	44
COLORADO	97.14	45

Source: Colorado Public Expenditure Council, *How Colorado Compares*, 1996 Edition

**Per Capita State Corporate
Net Income Tax Revenue (1995)**

<u>State</u>	<u>Per Capita</u>	<u>National Rank</u>
Alaska	\$875.63	1
Connecticut	213.67	4
California	182.10	6
New York	154.72	7
Minnesota	144.26	11
Illinois	125.65	15
Idaho	111.04	17
<i>U.S. Average</i>	<i>110.83</i>	<i>N/A</i>
Kansas	101.95	19
Oregon	99.08	20
Arizona	96.98	21
New Mexico	88.96	24
Nebraska	75.61	31
Utah	75.27	33
COLORADO	50.70	45

Colorado's 45th ranking is the second lowest of all the states that have corporate income taxes.

Source: Morgan Quitno Corporation, State Rankings - 1997.

PUBLIC FINANCING PROGRAMS

This section describes major federal and state business financial assistance programs available in Colorado. The information provided covers eligible applicants, eligible uses, terms of assistance, and the general application process. All of these programs require varying degrees of documentation showing the ability of applicants to succeed in their field, the financial requirements of the business, past performance, future projections, and public benefits to be derived. Private sector participation through lending institutions and equity most likely will be required by all of these programs. **Public funds are designed to fill gaps in project financing.**

COMMUNITY DEVELOPMENT BLOCK GRANT REVOLVING LOAN FUND PROGRAM

Every year, the State of Colorado receives an allocation of federal Community Development Block Grant ("CDBG") funds from the Department of Housing and Urban Development to use for both community development and economic development efforts in the state. The funds are allocated to the Department of Local Affairs which uses the funds for community development projects such as housing and public facilities. The Colorado Office of Business Development (OBD) receives approximately one-third of the annual allocation of CDBG funds to use specifically for economic development efforts statewide.

The Office of Business Development uses its allocation of CDBG funds to further economic development in two ways:

First, OBD provides direct financial assistance to businesses throughout rural regions of Colorado for a variety of purposes. The CDBG funds may be awarded in the form of low interest loans, loan guarantees, or infrastructure grants.

Second, OBD uses its allocation of CDBG funds to capitalize the state's Regional Revolving Loan Fund ("RLF") program. Currently, the state has fifteen RLF locations which have service areas covering the majority of the rural areas of the state. The state's RLF program does not cover any of the metropolitan or "entitlement" cities in Colorado. These urban communities receive their own allocation of CDBG funds.

The fifteen RLF programs 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 local loan review committee and local Board of Directors who approve the types of businesses they feel will have a positive economic impact in the community. The process for application and approval follows brief summaries of the Loan and Infrastructure Grant programs.

Summary of Programs

The CDBG is designed to create new permanent jobs and retain existing jobs, primarily for low- and moderate-income persons. This program encourages new business development, expansions and retentions of businesses located in non-entitlement cities and counties (that shall minimize, to the extent practicable, displacement of existing businesses and jobs in neighborhoods).

Federal funds are utilized for this program; therefore, there are federal requirements which must be met.

The Office of Business Development may provide a loan or an infrastructure grant in support of a specific business through an eligible public entity such as a city or county that is willing to take the financial risk

in order to create or retain jobs. Additionally, for a grant, all other businesses which will create or retain jobs as a result of the CDBG improvements may be required to comply with the program's primary objective, creation or retention of jobs for low-to-moderate income benefit.

Eligibility

Eligible applicants are non-entitlement (primarily rural) cities and counties. Contact the Office of Business Development to determine applicant eligibility.

Assisted businesses must demonstrate project feasibility and financial capability to develop the proposed plans that will result in creating and/or retaining jobs primarily for low- and moderate-income persons.

At least one full-time equivalent job must be created and/or retained for every \$20,000 of CDBG assistance.

Final funding decisions are made by the state's Financial Review Committee.

Use of Proceeds

GRANTS*

water/wastewater facilities/lines
sewer/sewage treatment facilities/lines
roadways
natural gas-line services
electric-power services
railroad spurs
lighting
sidewalks
alternative power sources (such as solar)

LOANS

machinery and equipment
furniture and fixtures
working capital
purchase of land and depreciable property
new construction
rehabilitation of existing facilities

*this list is not necessarily all inclusive. These improvements are typically owned and/or maintained by a public or quasi-public entity.

Terms

INFRASTRUCTURE GRANTS

For businesses that have been operating for at least three years, the grant amount may not exceed fifty percent of the total cost of the CDBG defined project.

For businesses that have been operating for less than three years, the grant amount may not exceed thirty-five percent of the total cost of the CDBG defined project.

The minimum award is generally \$100,000. OBD will consider requests for less than \$100,000 on a case-by-case basis.

The maximum award is \$500,000. OBD will consider requests for more than \$500,000 on a case-by-case basis.

LOANS

The minimum award is \$100,000. (Local revolving loan funds typically review proposals in the amount of \$100,000 or less).

The maximum award is \$250,000. OBD will consider requests for more than \$250,000 on a case-by-case basis.

For businesses that have been operating for at least three years, the loan amount may not exceed fifty percent of the total cost of the CDBG defined project.

For business that that been operating for less than three years, the loan amount may not exceed thirty-five percent of the total cost of CDBG defined project.

For businesses that have been operating for at least three years, a minimum ten percent new equity injection of the total project cost by the business or its principal(s) is required.

For businesses that have been operating for less than three years, a minimum twenty percent new equity injection of the total project cost by the business of its principal(s) is required.

Loan maturity is typically tied to the remaining life of the assets being financed. Permanent working capital may be financed for up to five years.

The interest rate will be fixed at the *Wall Street Journal* prime rate.

Adequate collateral value to support the loan amount is recommended.

Process

The business should contact the local unit of government (or the regional revolving loan fund, if applicable) as the federal guidelines require the local unit of government to make an application for funding in support of the business.

Prior to submitting a pre-application, the applicant (and the regional revolving loan fund, if applicable) and the business must complete a CDBG application workshop and a specific project consultation with OBD staff. In some cases, it may be possible to request an individual CDBG project consultation in place of the required workshop; however, this determination must be made on a case-by-case basis as time allows.

The applicant and the business requesting assistance must complete a pre-application which is submitted to the Office of Business Development for processing.

If the pre-application is recommended for funding by the Financial Review Committee, the applicant is invited to submit a formal application which is due within 45 days of such notice.

For further information or to obtain an application, please contact:

Jaime G. Gomez
Director of Finance and Business Development
Colorado Office of Business Development
(303) 892-3840
fax: (303) 892-3848

ECONOMIC DEVELOPMENT COMMISSION

The Economic Development Commission (EDC) receives an annual appropriation for economic development projects and marketing programs. The EDC will provide interest rate write-downs, low interest rate loans or subsidies to companies interested in relocating to or expanding in Colorado. The company must use the funds as a gap financing source by showing a matching amount from the local municipalities or two dollars in local incentives for every one dollar received from the EDC. The EDC meets once a month to determine allocations on a case by case basis, considering project merit, quality of jobs and economic impact on the state.

Below is a listing of what the Governor's Office of Business Development looks at prior to making a presentation to the EDC:

- comprehensive business plan and description of operations
- length of time in business
- legal structure (C corp., S corp., Partnership, etc.)
- last 3 FYE and current interim financial statements (include balance sheet and income statement)
- monthly cashflow and income statement projections for the past two years
- debt service requirements on existing debt (detailing term, monthly principal and interest payments, collateral pledged, and current status)
- personal financial statements
- tax returns (both business and personal) for the past two years

For information on EDC programs, contact:

Gayle Brody
Deputy Director
Office of Business Development
(303) 892-3840
fax: (303) 892-3725

PRIVATE ACTIVITY BOND PROGRAM

Private Activity Bonds (PABs) provide a tax-exempt financing vehicle for qualifying manufacturing projects. Eligible projects include facilities and equipment used in the manufacture or production of tangible personal property, including facilities which are ancillary to the manufacturing process. PABs are issued by a public entity on behalf of the borrower to finance new facilities, rehabilitate existing facilities and/or to purchase new equipment. Interest paid on the Bonds is tax-free to investors, thus inducing them to lend at substantially lower rates to the borrower, often as much as 2-3% below conventional financings.

The State of Colorado's Private Activity Bond (PAB) allocation program was established to monitor the allocation of PABs at the ceiling amount.

After direct allocation to state agencies and to the larger designated local governments, the remaining balance of the state ceiling on January 1 of each year will be available to (1) local issuers not receiving a direct allocation or (2) state agencies and larger local governments that have turned in their direct allocations to the statewide balance. The issuers may access the statewide balance through applications to the Department of Local Affairs, which will be reviewed by staff, then by the Bond Allocations Committee. An application fee is required to apply for allocation from the statewide balance.

Program Purposes

A few of the many purposes of the PAB allocation program are identified below.

- to establish an orderly and equitable process of allocating tax-exempt PAB issuance authority.
- to encourage development in areas of the state where jobs, housing, certain infrastructure improvements and higher education are most needed.
- to encourage the increase or maintenance of the local tax base.

Allocation Review Factors

Some of the factors used by staff and the Bond Allocations Committee in evaluating allocation proposals:

- to what extent does the proposed project address needs in the existing or projected community or area?
- will the project lead to creation and/or retention of jobs in the short-term/long-term or does the project shift jobs from one area to another at the expense of the original location?
- what is the availability of additional or alternative funding sources? what type of arrangements have been made for credit enhancement for the financing?
- are all required permits in place?
- is the project part of an overall plan for economic development in the community or region?
- who are the individuals and companies involved in the project, including the developer?
- what other commitments/agreements are involved with the project?
- will jobs be created by this project?

Eligibility Requirements*

Manufacturing "small issue" (not to exceed \$10,000,000) industrial development bonds - bonds sold for construction of manufacturing facilities that cause a change in the condition of goods or products.

Qualified redevelopment bonds - bonds sold to acquire real property in blighted areas; to clear and prepare land for redevelopment; and to relocate occupants of structures on the acquired property.

Exempt facility bonds - Hazardous waste facilities, solid waste disposal facilities, water and sewer facilities, mass-commuting facilities, local district heating and cooling facilities, local electric energy or gas facilities, and multifamily housing bonds.

*not all are listed

THE DEPARTMENT OF LOCAL AFFAIRS RECOMMENDS THAT ANY PROJECT DEVELOPER CONSIDERING UTILIZATION OF PRIVATE ACTIVITY BONDS WORK WITH COUNSEL AT THE OUTSET TO DETERMINE PROJECT ELIGIBILITY UNDER FEDERAL DEFINITIONS FOR PRIVATE ACTIVITY BONDS AND TO DETERMINE WHETHER OR NOT THE PROJECT FINANCING COULD BE STRUCTURED IN SUCH A WAY AS TO AVOID THE NECESSITY OF AN ALLOCATION.

For more information contact:

Patrick Coyle
Colorado Department of Local Affairs
(303) 866-4123

SMALL BUSINESS ADMINISTRATION (SBA) LOANS

The SBA offers a guaranteed loan program. They will guarantee up to 80 percent on loans under \$100,000 and up to 75 percent on loans of more than \$100,000. Guaranteed loans may be financed for seven years on working capital, ten years (or the life of) for equipment and up to 25 years on real estate.

The maximum dollar amount of an SBA guaranteed loan is \$750,000. The interest rate will vary depending upon the lender, the market and the term of the loan. You should contact your private lender first if you are interested in a guaranteed loan. The lender will contact the SBA for the guarantee. You must meet minimum credit qualifications for all SBA loans.

Additionally, the SBA has special loans for targeted industries. These loan programs include the Export Revolving Line of Credit International Trade Loans, Solar Energy & Conservation Loans, Surety Bond Guaranteed Loans to Small General Contractors, Pollution Control Loans and Seasonal Lines of Credit.

For more information regarding SBA loan programs contact:

Small Business Administration
Business Development Division
721 19th Street, Room 449
Denver, CO 80202
(303) 844-3461.

COLORADO HOUSING AND FINANCE AUTHORITY LOANS

Colorado Housing and Finance Authority (CHFA) offers a number of loan programs to small businesses. Through the Quality Investment Capital (QIC) program, CHFA acts as a secondary lender to the SBA 7(a) loan program. QIC provides fixed interest rates for projects which qualify for SBA 7(a) financing. In this program, CHFA purchases, from the lender, the guaranteed portion of an SBA guaranteed loan and sets a fixed interest rate. Through the "ACCESS" program, CHFA acts as a secondary lender in the SBA 504 loan program. Businesses are eligible if they are acquiring land or buildings in Colorado; machinery, equipment or furnishings as part of a real estate project; or performing construction, conversion, renovation or expansion work in Colorado. Through the US Export-Import Bank, CHFA assists export businesses with both technical assistance and export credit insurance to protect against liability in overseas exporting. Credit insurance covers liability for political and commercial risks. CHFA also has an Export Accounts Receivable Financing program.

For further information, please contact:

Commercial Division
Colorado Housing and Finance Authority
1981 Blake Street
Denver, CO 80202-1272
(303) 297-7329
TDD (303) 297-7305
(toll free in Colorado) 1-800-877-CHFA, ext.329

EDUCATION

Colorado's population is knowledge intensive and well-educated. The educational attainment of the citizens of Colorado has been among the highest in the nation for years. Census Bureau estimates for 1995 rank Colorado first in the nation in percent of population with a college degree, and third in the nation in percent of the population with a high school diploma. Colorado students score higher than national averages on college entrance tests.

Colorado universities have a broad range of scientific, engineering and technical training programs. Half of the scientific and technical graduates of Colorado universities remain in the state to pursue their professions. This major resource is augmented by high rates of in-migration of college graduates from other states and nations.

All higher education institutions have programs directed at encouraging women and minorities in technical disciplines, as well as programs to assist the handicapped and gifted.

All colleges and universities in Colorado conduct joint research and training programs with corporations, particularly in technical and scientific areas.

COLORADO EDUCATION FUNDING

State of Colorado K-12 Education Revenues by Source (1995)

Source	Dollars (Millions)	Percent of Total
Local Property Tax	\$1,400.8	37.1%
Other Local	628.0	16.6%
State Equalization	1,447.4	38.3%
Other State	122.3	3.2%
Federal	179.7	4.8%
TOTAL	\$3,778.2	100.0%

Source: Colorado Department of Education. State Report Card, 1996.

Per Student Expenditures on K-12 Education

The following table presents estimated current expenditures for public elementary and secondary schools in Colorado and other western and midwestern states. (Expenditures per pupil in average daily attendance for school year 1994-95):

State	Per Student Expenditure	National Rank	Dropout Rate*
Minnesota	\$5,620	18	6.1 %
Wyoming	\$5,582	19	6.3 %
Washington	\$5,581	20	10.2 %
Nebraska	\$4,992	30	6.6 %
<i>U.S.AVERAGE</i>	<i>\$5,472</i>	--	<i>11.2 %</i>
Oregon	\$5,710	17	11 %
Texas	\$5,006	29	12.5 %
California	\$4,655	37	14.3 %
COLORADO	\$5,101	27	9.6 %
Arizona	\$3,963	47	14.3 %
New Mexico	\$4,881	31	10.8 %
Oklahoma	\$4,042	45	9.9 %
Utah	\$3,432	50	7.9 %

* Dropout rate is percent of persons age 16-19 who had not completed high school and were not enrolled in school (data for 1990).

Source: U.S. Department of Education, National Center for Educational Statistics, 1995.

COLORADO STUDENT TEST SCORES

SAT: Thirty percent of Colorado's high school seniors took this test in 1996.

ACT: Sixty percent of Colorado's high school seniors took this test in 1996.

On both ACT and SAT tests, Colorado students scored above the national averages. The results are summarized in the table below:

Colorado Student Performance on College Entrance Exams, 1996

Test	COLORADO Average	U.S. Average
ACT	21.4	20.9
SAT	1074	1013

Source: Colorado Department of Education, 1996

"EDUCATION QUOTIENTS" OF COLORADO SCHOOL DISTRICTS

For the past six years, *Expansion Management* magazine has been compiling an "education quotient" for school districts across the United States. They examine over 700 school districts nationwide and create an index based on their graduate outcomes, community educational attainment, school spending, student:teacher ratios and other items. The average scores are indexed to equal 100.

Colorado's public schools have done very well in this ranking. In 1995, 11 Colorado districts from all over the state were included, and in 1996, 12 Colorado schools were included in the index. The following districts earned the "blue ribbon" rating, described as "Great Academics/Low Spending," which it characterized as being "the equivalent of a *Consumer Reports*' Best Buy." Several of the districts made this list in both 1995 and 1996.

<u>District</u>	<u>"Education Quotient"</u>	<u>District</u>	<u>"Education Quotient"</u>
Aurora	109.6	Ft. Collins (Poudre)	120.7
Boulder	116.2	Jefferson County	113.1
Cherry Creek	115.5	Mesa County	101.5
Estes Park	119.0		

COLORADO EDUCATIONAL ATTAINMENT

Percent of Population Graduated From High School (1995)*

<u>State</u>	<u>Percent</u>	<u>U. S. Rank</u>
Alaska	92.1	1
Washington	91.4	2
COLORADO	91.3	3
Utah	90.2	4
Wyoming	89.3	5
Nebraska	89.1	6
Minnesota	88.4	7
Maine	88.2	8
Vermont	87.6	9
New Hampshire	86.8	10
U.S. AVERAGE	81.7	--
Pennsylvania	81.4	35
Georgia	78.2	40
Texas	76.2	45
West Virginia	72.7	50

Percent of Population With a Bachelor's Degree or Higher (1995)*

COLORADO	33.3	1
Connecticut	32.7	2
Massachusetts	32.6	3
Vermont	30.3	4
Minnesota	28.5	5
New Jersey	27.9	6
Rhode Island	27.9	6
Washington	26.6	8
Maryland	26.4	9
New York	26.3	10
U.S. AVERAGE	23.0	--
Montana	22.1	25
Wyoming	21.1	30
Louisiana	20.1	35
Arizona	19.1	40
Mississippi	17.6	45

* Persons age 25 and older. U.S. Census Bureau estimates, 1995

COLORADO HIGHER EDUCATION ENROLLMENTS - FALL 1996

Four-Year State-Supported Colleges and Universities

Adams State College - Alamosa	2,327
Colorado School of Mines - Golden	3,203
Colorado State U. - Ft. Collins	21,970
Fort Lewis College - Durango	4,456
Mesa College - Grand Junction	4,713
Metropolitan State College - Denver	16,739
University of Colorado - Boulder	24,622
University of Colorado - Colo. Springs	5,840
University of Colorado - Denver	10,844
University of Colorado Health Sciences Center - Denver	2,286
University of Northern Colorado - Greeley	10,359
University of Southern Colorado - Pueblo	4,109
Western State College - Gunnison	2,504

Major Private Four-Year Colleges and Universities

Colorado College - Colorado Springs	1,960
Regis University - Denver	6,759
U.S. Air Force Academy - Colorado Springs	4,083
University of Denver - Denver	8,714

Two-Year Colleges

Aims Community College - Greeley	6,068
Arapahoe Community College - Littleton	7,219
Colorado Mt. College - Glenwood Springs	7,876
Colorado Northwestern College - Rangely	1,728
Community College of Aurora	4,217
Community College of Denver	5,608
Front Range Comm. College - Westminster	10,763
Lamar Community College - Lamar	681

TOTAL

Source: Colorado Commission on Higher Education, FY 1996 Degree Calendar, Fall 1996

Colorado Facts

Morgan Community College - Ft. Morgan	1,097
Northeastern Junior College - Sterling	1,900
Otero Junior College - La Junta	977
Pikes Peak Community College-Colo.Springs	6,403
Pueblo Community College -Pueblo	3,854
Red Rocks Community College - Lakewood	5,977
Trinidad State Junior College - Trinidad	1,379

- **Headcount** enrollment totaled 179,719 at Colorado public postsecondary institutions for Fall 1996.
- **FTE** enrollment was estimated at 118,250, the second highest ever for Colorado higher education. FTE is calculated by dividing total student credit hours by the full-time course load, usually 30 credits hours.
- Private colleges and universities in Colorado had enrollments totaling over 21,000.
- Finally, vocational schools and proprietary institutions provide another postsecondary education option for Coloradans. Vocational schools reported Fall 1996 enrollments of 7,112, while the proprietary institutions offer instruction in a wide variety of subject areas. Their enrollment last year exceeded 17,000 in 85 institutions ranging in size from 1 student to over 1,600.

Source: Colorado Commission on Higher Education, "Fall Enrollment Report", November, 1996.

COLORADO HIGHER EDUCATION - DEGREES CONFERRED

Colorado students received 29,859 certificates and degrees awarded by 27 public higher education institutions in Fiscal Year 1995. This is the most certificates and degrees ever awarded in one year. The following table summarizes the awards, by level, by major subject area of study. More than 4,500 Colorado students received degrees in Business and Management, and over 2,500 received Engineering or Engineering Technology degrees.

<i>Major</i>	<i>Cert/Voc</i>	<i>Bach</i>	<i>Master</i>	<i>PhD/Prof</i>	<i>Total</i>
Agriculture/Nat. Res.	166	512	83	27	788
Architecture/Design	0	160	115	0	275
Area/Ethnic Studies	0	65	0	0	65
Business & Management	1,124	2,622	792	13	4,551
Communications	0	904	74	3	981
Commun. Technology	13	0	0	0	13
Computer, Info Science	0	300	149	16	465
Education	0	36	1,064	79	1,179
Engineering	0	1,123	626	157	1,906
Engineer Technology	399	231	0	0	630
Foreign Languages	0	210	42	3	255
Health Sciences	1,990	718	335	328	3,371
Law	118	0	0	152	270
Letters	0	850	97	6	953
Liberal/General Studies	2,748	364	11	0	3,123
Library Science	0	0	19	0	19
Life Sciences	0	1,101	72	80	1,253
Mathematics	0	293	85	22	400
Multi/Interdisciplinary St.	0	274	31	1	306
Physical Sciences	0	302	141	120	563
Protective Services	203	175	15	0	393
Psychology	0	1,139	188	38	1,365
Pub Affairs/Social Work	0	239	111	8	358
Social Sciences	0	2,429	198	57	2,684
Technical Trades	699	109	0	0	808
All Other	791	185	202	35	2,885
TOTAL	8,251	16,013	4,450	1,145	29,859

Source: Colorado Commission on Higher Education, FY 1995 Degrees Conferred, Dec. 1996.

Colorado students received 22,852 certificates and degrees awarded by 27 public higher education institutions in Fiscal Year 1992. This is the highest number of certificates and degrees ever awarded in one year. The following table summarizes the awards by level, by major subject area of study. More than 4,500 Colorado students received degrees in Business and Management, and over 2,500 received Engineering or Engineering Technology degrees.

Source	1991-92	1990-91	1989-90	1988-89
TOTAL	22,852	18,913	14,480	11,745
All Other	791	185	302	38
Technical Trades	899	109	0	0
Social Sciences	0	2,429	188	81
Public Affairs/Social Work	0	239	111	8
Psychology	0	1,139	188	38
Protective Services	203	175	15	0
Physical Sciences	0	302	141	120
Multidisciplinary ST	0	274	31	1
Mathematics	0	283	88	23
Life Sciences	0	1,101	72	80
Library Sciences	0	0	19	0
Liberal/General Studies	2,748	284	17	0
Letters	0	830	87	8
Law	118	0	0	182
Health Sciences	1,830	718	228	271
Engineering/Technology	393	251	9	0
Engineering	0	1,228	828	187
Education	0	98	1,084	78
Communications	13	0	0	0
Business & Management	1,124	2,922	2,948	2,948
Communications	0	804	744	2,948
Architecture/Design	0	180	113	0
Agricultural/Res.	108	512	83	27

Source: Colorado Commission on Higher Education, FY 1992 Degrees Conferred, Dec. 1992

QUALITY OF LIFE

Excellent quality of life is critical to the attraction and motivation of skilled and talented people essential to the success of a growing business.

Colorado's quality of life is a major attraction to businesses, individuals and tourists. The combination of spectacular scenery and recreational opportunities, delightful climate, excellent arts and cultural facilities, and world class health care and public school systems, make Colorado an easy choice. In addition, moderate cost of living levels, low crime rate, and a reasonable and equitable state and local tax structure add to Colorado's overall attractiveness.

Concern for the environment is a widely held value, with individuals and corporate citizens doing their part to protect the state's environmental quality. Colorado is a national leader in recycling. Air and water quality in Colorado are excellent. Domestic water quality in the state's municipal systems is of the highest standards.

Colorado is a regional center for culture and the arts, with broad support from public and private sources. Colorado is a national leader in funding for the arts, much of the support coming from the private and non-profit sectors. A small sales tax set aside for culture and the arts was recently renewed by Colorado voters to assure continued opportunities and enhancement of these valuable contributions to community life in Colorado.

Also, the state has vast national forests and parks in addition to urban and regional parks in the metro areas, world-class ski areas, golfing, fishing, boating, biking, major league sports facilities and much more.

Colorado cities and towns appear frequently in national rankings of the best places to live as well as the best business locations. The most recent was Denver's #2 ranking in *Fortune* magazine's "15 Best Cities to Live and Work" in November 1996 .

COLORADO'S COST OF LIVING

ACCRA, a national nonprofit research organization for community and economic development, produces a quarterly index which measures relative price levels for consumer goods and services in participating cities. Cost data from these cities are used to derive a relative ranking. The average value for each category is assigned a value of 100.0. A value of greater than 100.0 indicates a cost of living higher than the average, with a value lower than 100.0 indicating a lower than average cost. The table below contains relative cost of living information for those Colorado cities which participate in the ACCRA Cost of Living Index.

Second Quarter, 1996 (316 cities participating nationwide)

Colorado Cities' Composite Index Values

<i>Area</i>	<i>C.O.L. Index</i>
Boulder	116.9
Colorado Springs	102.9
Denver	103.1
Fort Collins	106.8
Glenwood Springs	113.9
Grand Junction	96.6
Gunnison	103.3
Pueblo	91.4

The Composite Index is made up of six component indexes weighted as follows: Grocery Items (16%); Housing (28%); Utilities (8%); Transportation (10%); Health Care (5%); and Miscellaneous Goods and Services (33%).

Source: ACCRA Cost of Living Index, Second Quarter, 1996

Metropolitan Cost of Living Index Comparisons

While Denver is slightly higher than the average in terms of cost of living, a comparison with some of the largest cities in the survey shows that Denver and other cities in Colorado enjoy a competitive cost-of-living. Denver is significantly lower than many of the largest cities in the nation, and generally comparable to major cities in the Western U.S. The composite index for some larger participating cities is as follows:

Second Quarter 1996 Composite Index

New York City	226.0
San Francisco	164.3
Boston	136.3
Philadelphia	126.4
San Diego	121.7
Los Angeles/Long Beach	115.7
Miami	108.4
Columbus	108.1
Portland	107.4
DENVER	103.1
Phoenix	103.0
Las Vegas	102.6
Albuquerque	101.2
Minneapolis	100.0
Dallas	98.3

Source: ACCRA Cost of Living Index, Second Quarter, 1996.

COLORADO HOUSING COSTS

Housing cost data for those Colorado communities included in the ACCRA cost of living survey are presented below:

<u>City</u>	<u>Average Monthly Rent (1)</u>	<u>Average New Home Price (2)</u>	<u>Average Residential Utility Cost (3)</u>
Boulder	\$801.00	\$222,882	\$73.01
Colorado Springs	682.00	158,313	66.55
Denver	699.00	154,868	70.58
Grand Junction	647.00	114,806	72.83
Gunnison	585.00	154,400	81.27
Longmont	574.00	136,612	78.80
Pueblo	459.00	103,374	79.58
Glenwood Springs	667.00	199,350	83.22
Fort Collins	727.00	160,000	68.47
Loveland	517.00	126,475	73.06
U.S. AVERAGE	553.00	132,005	112.48

- (1) Based on an unfurnished, two bedroom, one bathroom apartment (approximately 950 square feet).
- (2) Based on a newly constructed three bedroom, two bath, single-family detached house (approximately 1,800 square feet).
- (3) Monthly utility cost for a newly constructed three bedroom, two bathroom single-family detached house (approximately 1,800 square feet).

Source: ACCRA Cost of Living Index, Second Quarter, 1996.

METROPOLITAN AREA RENT, HOME PRICE AND UTILITY COST COMPARISON

Comparisons of housing costs for some of the larger Western U.S. cities participating in ACCRA are presented below:

<u>City</u>	<u>Average Monthly Rent (1)</u>	<u>Average Home Price (2)</u>	<u>Average Residential Utility Cost (3)</u>
Albuquerque	\$645.00	\$132,000	\$101.39
Billings	425.00	142,000	81.96
Boise	698.00	135,219	76.94
DENVER	699.00	154,868	70.58
Las Vegas	709.00	135,045	80.75
Los Angeles/Long Beach	720.00	170,210	118.61
Phoenix	625.00	126,566	116.02
Portland	620.00	160,500	78.87
San Diego	821.00	204,951	106.72
San Francisco	1,121.00	386,791	104.96
<i>U. S. Average</i>	<i>553.00</i>	<i>132,005</i>	<i>112.48</i>

- (1) Based on an unfurnished, two bedroom, one bathroom apartment (approximately 950 square feet).
- (2) Based on a newly constructed three bedroom, two bath, single-family detached house (approximately 1,800 square feet).
- (3) Monthly utility cost for a newly constructed three bedroom, two bathroom single-family detached house (approximately 1,800 square feet).

Source: ACCRA Cost of Living Index, Second Quarter, 1996.

CRIME RATE COMPARISONS

**Violent Crime Rate - 1994
(Violent Crimes per 100,000 population)**

The violent crime rate in the U.S. decreased 4.1% from 1993 to 1994. Thirty of the fifty states experienced a decrease. Colorado's decrease in violent crimes during that period was 10.2%, over twice the national average, and the 6th largest decrease of all states.

<u>State</u>	<u>Rate</u>
Florida	1,146.8
California	1,013.0
Nevada	1,001.9
New Mexico	889.2
<i>U. S. Average</i>	<i>716.0</i>
Texas	706.5
Arizona	703.1
Georgia	651.5
Oregon	520.6
Washington	511.3
COLORADO	511.3
Kansas	478.7
Nebraska	389.5
Minnesota	359.0
Utah	304.5

Source: U.S. Department of Justice, Federal Bureau of Investigation, Uniform Crime Reports, 1995.

Colorado ranks 28th nationally in violent crimes per 100,000 population, and is well below the national average.

AIR AND WATER QUALITY IN COLORADO

Air quality in Colorado varies greatly from region to region. Population, geography and meteorology all contribute to an area's air quality conditions. Due in part to frequent temperature inversions, historically air quality along Colorado's Front Range has been poor during certain times of the year. However, the implementation of reasonable strategies such as voluntary driving reductions, use of oxygenated fuels during winter months, woodburning restrictions and tougher emission controls, has successfully achieved air quality goals. **The region did not have a single violation of air quality standards in 1996.**

A State Implementation Plan was recently forwarded to EPA which will ensure reductions in carbon monoxide to below federal standards by 2000.

The State of Colorado and numerous public and private groups have launched aggressive campaigns to improve air quality through a broad range of measures. For example:

- The State Air Quality Control Commission mandated that oxygenated fuels be used during the high pollution season (November through March) in Front Range communities from Colorado Springs to Fort Collins.
- Tougher vehicle emission controls have also been enacted. The emission control program now is tied to vehicle registration, so that vehicles not in compliance with standards cannot be registered.
- The Better Air Campaign promotes **voluntary** community involvement in air quality improvement. The campaign encourages citizens to avoid driving on high pollution days and to plan not to use their cars one day a week during the winter months.
- Several communities in Colorado, including the City and County of Denver and surrounding communities, have restricted woodburning on high pollution days.

These measures have significantly improved air quality in the region. Community efforts to improve air quality are widespread and aggressive. For example, the Regional Transportation District has added methanol powered vehicles to its fleet. Several other buses are being fitted with new, lower polluting diesel engines. A program to reduce diesel fuel emissions is under study by the State. Private groups sponsor ridesharing services to reduce

Colorado Facts

driving. On Colorado's Western Slope, a proactive community-based program in Grand Junction, organized by the Colorado Air Pollution Control Division and Mesa County Health Department, is designed to "head air pollution problems off at the pass."

Water Quality

The quality of Colorado's water resources is generally high, and the state has undertaken aggressive efforts to ensure it remains so.

Over 98 percent of Colorado's drinking water fully complies with all federal and state standards. Federal clean water standards mandate increasingly more stringent treatment of local water supplies. In order to assure the highest levels of compliance, the Colorado Department of Health works closely with local water providers. The task is made more difficult in that Federal funds for construction of new water treatment facilities are no longer available.

Colorado continuously monitors its many mountain streams and lakes to ensure they are clean and safe for wildlife as well as for fishermen and other users.

Colorado's ground water quality is generally high, though there are several isolated aquifers with problems. This is a difficult area to control, but Colorado recently has set regulations for ground water, and the Department of Health is developing a comprehensive plan to ensure high-quality ground water for domestic and agricultural use.

MAJOR FORMS OF RECREATION WITHIN THE STATE

Colorado's semi-arid climate, coupled with the splendor of the mountains and wide open plains, provides an extraordinary diversity of recreational activities. A sampling of the variety of activities available in Colorado includes the following:

- **National Parks and Monuments:** Twelve national forests, five national monuments and two national parks provide a variety of attractions. Rocky Mountain National Park has 65 mountain peaks over 10,000 feet high, while Mesa Verde National Park contains some 350 cliff dwellings dating back to the twelfth century. The Great Sand Dunes National Monument is ten miles long, with the highest dunes in America. Dinosaur National Monument, 60 miles west of Craig, is one of America's richest sites for fossils.
-

Colorado Facts

- **State Parks:** Colorado's 40 state parks and outdoor recreation areas provide opportunities for boating, hiking and nature interpretive activities such as wildlife and bird watching, camping, swimming, picnicking and fishing, to name a few. Facilities are located throughout the state, and range from metropolitan areas to remote wilderness. Almost 12 million visitor days were counted in 1994.
 - **Skiing:** More than 35 winter recreation areas in Colorado offer some of the best downhill skiing in the world, along with Nordic skiing, snowboarding, ice skating, snowmobiling, sleigh rides, and dog sledding. Colorado's ski areas are continually initiating new capital improvements to improve the quality of their product. In little more than an hour, Front Range residents can go from their door to some of the world's finest ski resorts. Many of these are within a one to two hour drive.
 - **Professional Sports:** Colorado offers a variety of professional sporting activities. Denver is one of only 10 cities in the nation with major league teams in four sports. It is home to the NFL's Broncos and the NBA's Nuggets. The National League Colorado Rockies began operations in 1993, breaking attendance records in its first two seasons. In April 1995, the Rockies' new baseball park, Coors Field, opened in downtown Denver. The NHL's Colorado Avalanche moved to Denver for the 1995-95 season, winning the Stanley Cup in its inaugural season. Colorado Springs is home to the Sky Sox, the Rockies' AAA baseball franchise.
 - **Golf:** Colorado has over 160 public and private golf courses. The number of new courses being designed or under construction places Colorado in the top three states nationwide in terms of growth.
 - **Summer Recreation:** Summer recreation choices abound in Colorado. Colorado's rivers offer premiere rafting and kayaking. Bicycling is a growing sport, mountain and trail biking, as well as organized rides, are popular activities. Summer music festivals in Aspen, Telluride, and Breckenridge are major attractions. Many summer festivals are held throughout the state, including Taste of Colorado, and the Renaissance Festival.
 - **Rodeo:** Colorado's western heritage and the fact that the state is in the heart of America's cattle country makes rodeo a leading spectator sport. In 1996, an attendance record of 600,399 spectators was set at the 90th National Western Stock Show and Rodeo in Denver.
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Colorado Facts

- **Museums and Zoos:** Colorado's towns and cities provide over 110 museums and zoos. Many museums have an Old West theme featuring pioneer life, mining, railroad and military history. The most popular museum in the state is the Denver Museum of Natural History. Both Denver and Colorado Springs have nationally recognized zoos.
- **Denver Attractions:** Recreational opportunities abound within Colorado's major city. In addition to museums and the zoo, two amusement parks, Lakeside and Elitch Gardens, provide family entertainment. Elitch Gardens has been a Denver tradition for over 100 years. It opened a new 60-acre park in May 1995, in the Platte Valley near downtown Denver. The famous "twister" roller coaster was reconstructed, with the Denver skyline as the backdrop. Red Rocks Amphitheater is a spectacular outdoor concert venue, noted both for its scenic and acoustic qualities. The U.S. Mint in Denver is a major supplier of coinage and provides interesting insight into the U.S. Treasury. Denver also boasts a magnificent park system which invites jogging and cycling along the established greenways and bike paths.
- **Colorado State Fair:** The Colorado State Fair and Exposition in Pueblo, Colorado, has been a Colorado tradition for over 120 years. Attendance in recent years has surpassed the 1,000,000 mark, making it the 6th largest state fair in the nation. This seventeen-day event runs from late August through Labor Day weekend and offers top name entertainment, carnival, rodeo and numerous exhibits.
- **Dude Ranches:** Colorado offers 40 dude ranches located throughout the state. Each has a unique style of activities, including horseback riding, fishing, hiking, mountain climbing, tubing on nearby streams, and golfing.

COLORADO'S TRANSPORTATION SYSTEM

To support its operations, a firm needs to be part of a transportation system that can move people and materials both locally and throughout the world. Colorado's transportation network can meet these needs with ease. Moreover, current expansions and improvements in the transportation system, combined with planned projects, assure forward-looking business leaders ample capacity and modern design throughout the state.

Colorado is a regional, national and international transportation hub. Denver International Airport opened on February 28, 1995. It has strengthened Denver's position as one of the major air traffic hubs in the nation.

A number of other Colorado cities and towns have regularly scheduled commercial air service. All areas of the state are accessible to air travelers.

Colorado's state highway system has over 9,000 miles, of which 954 miles are interstate highways. The convergence of I-25, a major north-south interstate, and I-70, a major east-west interstate, makes Colorado's front range a transportation hub. Colorado also has over 3,000 miles of Class 1 railroad tracks, as well as intermodal train/truck transfer facilities.

The state's transportation infrastructure is modern, convenient and continually developing to respond to demand.

AIR SERVICE

Seventeen airlines offer regularly scheduled passenger service to Denver International Airport. Western Pacific Airlines announced in April 1997 it will begin operations out of DIA, with 65 flights per day initially. In addition, there are international and domestic charters, as well as cargo carriers serving DIA. Over 32 million passengers passed through Denver International Airport in 1996, a 4% increase over 1995.

As the first all new major airport to be constructed in the U.S. in over two decades, Denver International Airport has solidified Denver's position as one of the most important air traffic hubs in the nation, and has improved the efficiency of the entire national air transportation network, with a landing capacity of 99 aircraft per hour. Delays decreased dramatically, and in March of 1996, DIA rose to the #1 spot in the nation for on-time performance.

With 84 gates (plus 57 commuter positions) and five 12,000 foot runways, it is the only

facility in the world designed to accommodate three streams of aircraft simultaneously during all types of weather. DIA also features three concourses, and an underground "people mover" subway system. DIA was designed to serve the region well into the 21st century, with capacity to expand to 200 gates, capable of serving 110 million passengers per year.

DIA has over 320,000 square feet of air cargo space on 22 acres. An additional 72 acres has been planned for private commercial development of related support industries. All of the major cargo companies have a presence at DIA, and there is a full complement of support services such as freight forwarders, shipping, container and warehousing services, and ground transportation.

**DENVER INTERNATIONAL AIRPORT
OPERATIONS AND TRAFFIC DATA, 1996**

Operations and Traffic	1996	1995	% Change
AIRCRAFT OPERATIONS			
Air carrier	322,023	312,154	3.2%
Air Taxi	107,816	134,526	(19.9%)
Military	791	1,123	(29.6%)
General Aviation	22,489	28,932	(20.1%)
TOTAL	453,119	475,932	(4.8%)
PASSENGERS			
Internationals	331,837	221,885	49.6%
Majors	28,072,723	26,737,502	5.0%
Nationals	2,507,294	2,452,582	1.0%
Regionals	1,292,575	1,408,704	(8.2%)
Supplementals	91,745	215,949	(57.5%)
TOTAL	32,296,174	31,036,622	4.0%
CARGO OPERATIONS			
Air Mail (pounds)	283,565,364	264,404,937	7.2%
Freight & Express (pounds)	576,162,820	565,096,629	2.0%

Colorado Facts

A 3.1% increase in passengers is projected for 1997, for a total of just over 33 million.

Definitions:

An *aircraft operation* is either a landing or takeoff or contact with the control tower (as reported by the FAA).

Passengers include revenue and nonrevenue passengers as reported by the individual airlines.

Internationals include carriers such as Air Canada, AV Atlantic, Continental, Delta, Martinair, Mexicana, and United.

Majors include American West, American, Continental, Delta, Northwest, TWA, United and US Air.

Nationals, Regionals and Supplementals include Frontier, United Express, Vanguard, Mesa, Carnival, Casino, Viscount, and various other charter and air tour operators.

Source: Denver International Airport Monthly Operations and Traffic Report, December, 1996.

Colorado Facts

Flights to Major Metropolitan Areas Within the United States Originating and Terminating Daily at Denver International Airport

Denver International Airport provides daily air service to over 100 major U.S. metropolitan areas. The following table lists number of nonstop flights to several major cities:

CITY/STATE NONSTOP TO/FROM

Albuquerque, NM	11/11
Atlanta, GA	9/10
Baltimore, MD	4/5
Boston, MA	5/6
Chicago, IL	23/22
Cleveland, OH	4/4
Dallas/Ft. Worth, TX	20/22
Houston, TX	12/12
Kansas City, MO	11/12
Las Vegas, NV	16/16
Los Angeles, CA	20/21
Miami, FL	4/4
Minneapolis, MN	15/15
New Orleans, LA	3/3
New York, NY	16/16
Okla. City, OK	5/5
Philadelphia, PA	6/6
Phoenix, AZ	22/22
Portland, OR	7/6
St. Louis, MO	12/12
Salt Lake City, UT	15/14
San Diego, CA	8/8
San Francisco, CA	15/13
Seattle/Tacoma, WA	10/9
Washington, D.C.	7/6

Statewide Air Service

Direct service to several Colorado communities is offered through Denver International Airport. The following table summarizes available service:

COLORADO

CITIES FLIGHTS TO/FROM*

Alamosa**	3/4
Aspen (s)	20/19
Colorado Springs	11/10
Cortez	4/1
Durango	9/8
Fort Collins	7/7
Grand Junction	13/12
Gunnison	5/6
Montrose	10/8
Pueblo	3/4
Steamboat Springs (s)	18/17
Telluride (s)	7/7
Vail (s)	7/7

* Some flights are weekdays only.

** One-stop

(s) fewer flights during non-ski season

Source: Based on Denver International Airport Flight Guide, February/March, 1997.

Colorado Facts

Non-Stop Flights from Colorado Springs Airport: The Colorado Springs airport has non-stop service to 32 cities nationwide. Daily non-stop flights to: Albuquerque (6), Chicago (6), Dallas/ Ft. Worth (10), Houston (4), Kansas City (1), Las Vegas 5), Los Angeles (3), Minneapolis (2), Newark (5), Phoenix (8), Salt Lake City (4), San Francisco (3), Seattle (2), St. Louis (3), and Washington, D.C. (1). Four non-stops to Eagle County, serving ski resorts, will begin in December 1996.

Commercial air service is available throughout Colorado; airports are listed below. There are also many good quality general aviation facilities located throughout the state.

ALAMOSA

San Luis Valley Regional Airport
425 Fourth Street
Alamosa, CO 81101

ASPEN

Aspen-Pitkin County Airport
0233 Airport Rd. - Suite A
Aspen, CO 81611

COLORADO SPRINGS

Colorado Springs Municipal Airport
5750 E. Fountain Blvd.
Colorado Springs, CO 80916

CORTEZ

Cortez-Montezuma County Airport
210 E. Main St.
Cortez, CO 81321

DURANGO

Durango-La Plata County Airport
1300 County Road 309
Durango, CO 81301

EAGLE

Eagle County Regional Airport
Box 850
Eagle, CO 81631

FT. COLLINS-LOVELAND

Ft. Collins-Loveland Airport
4824 E. 57th Street
Loveland, CO 80538

GRAND JUNCTION

Walker Field
2828 Walker Field Road
Grand Junction, CO 81501

GUNNISON

Gunnison County Airport
711 Rio Grande
Gunnison, CO 81230

HAYDEN

Yampa Valley Regional Airport
Hayden, CO 81639

LAMAR

Lamar Municipal Airport
Lamar, CO 81052

MONTROSE

Montrose County Airport
Montrose, CO 81401

PUEBLO

Pueblo Memorial Airport
31211 Bryan Circle
Pueblo, CO 81001

STEAMBOAT SPRINGS

Steamboat Springs Municipal Airport
P.O. Box 775088
Steamboat Springs, CO 81477

TELLURIDE

Telluride Regional Airport
P.O. Box 1807
Telluride, CO 81435

THE COLORADO HIGHWAY SYSTEM

The Colorado Department of Transportation maintains the 9,100+ mile state highway system. These highways contain 22,522 lane miles. The state has 953 miles of Interstate Highways. Each year the department measures the condition of this system according to stringent internal standards. This information is fed into the Maintenance Management System, which keeps an inventory of maintainable roadway, roadside and structure components of the highway system by location. Managers at the Department of Highways use the system to analyze, evaluate, and improve the maintenance program, including snow and ice removal, traffic services, landscaping, and rest area maintenance.

State Funding for Highway Construction and Improvements

In the 1995-96 budget year, the Colorado Department of Highways budgeted approximately \$624.6 million on highway construction and maintenance. This amount includes:

- \$165.2 million - Maintenance and Operations 26.5%
- \$352.2 million - Construction 56.4%
- \$107.2 million - Other (Surface Treatment, Safety, Etc.) 17.1%

The State of Colorado Highway User's Tax Fund is estimated at \$576.1 million, of which \$308.5 million will go to CDOT. HUTF funds are also distributed to cities and counties, the bridge fund, and related programs. Federal receipts this fiscal year will be \$291 million, with those funds included in the construction budget.

The table below presents total highway expenditures, as well as per capita expenditures, for Colorado and selected states. These expenditures reflect both state and intergovernmental revenues, and funds passed through to local governments for highways.

The Governor and the Legislature have made a commitment to maintaining and improving the highway system in the state. Colorado recognizes the importance of highway infrastructure to the economic vitality of the state.

TOTAL STATE EXPENDITURES FOR
HIGHWAYS IN SELECTED STATES

<i>STATE</i>	<i>1994 HIGHWAY EXPENDITURES¹</i>	<i>PER CAPITA EXPENDITURES²</i>
Arizona	\$1,053,985	\$258.65
Colorado	\$820,949	\$224.55
Idaho	\$312,551	\$275.86
Kansas	\$763,618	\$298.99
Montana	\$301,859	\$352.64
Nebraska	\$517,242	\$318.70
New Mexico	\$719,298	\$434.88
Oklahoma	\$685,082	\$210.28
South Dakota	\$266,477	\$369.59
Texas	\$2,921,372	\$158.96
Utah	\$367,109	\$192.41
Wyoming	\$275,404	\$578.58

Source: U.S. Bureau of the Census, State Government Finances Data, 1995.

¹Figures are in thousands of dollars and have been rounded.

²Based on Census Bureau 1994 population estimates.

AVAILABILITY OF MASS TRANSIT

Mass transit is provided in all of Colorado's metropolitan areas, and in some rural areas of the state. The Colorado Department of Transportation estimates over 1,500 buses are in operation through the state.

The Regional Transportation District (RTD) is the largest transit provider, serving 35 cities and towns, covering 2,298 square miles in the Denver Metro area. In addition, Colorado Springs, Fort Collins, Grand Junction, Pueblo and Greeley all have transit services that receive federal funding.

RTD has completed several projects to address Metro Denver's long-range mass transit needs. These include:

- Completion of a bus/high occupancy vehicle lane to facilitate movement on the region's interstates and major arterials.
- Completion of first phase of the Metro Area Connection (MAC), a 5.3 mile light rail project in central
- The next phase will be an 8.7 mile extension of the light rail to the southwest suburbs. Beginning at I-25 & Broadway, the Southwest Corridor will have stops at Evans, Hampden, Oxford, downtown Littleton, and end at Mineral Avenue. The route will run parallel to Santa Fe Drive. Once finished, the 14-mile line will give the Metro area greater access to downtown Denver. Groundbreaking for this \$127.5 million project was in January, 1997, and it will be completed by July, 2000.
- Express bus service (the Sky Ride) is available to the new Denver International Airport. Various options, including an "airport train" from Denver's Union Station, are being considered to provide alternative means of transportation to Denver International Airport.

Colorado Facts

An extensive private ground transportation network connects Denver International Airport with the entire state. A number of van companies service Boulder, Longmont, Loveland, Fort Collins and Colorado Springs. Private transit companies also operate buses to ski areas and casinos.

AVAILABILITY OF RAIL AND MOTOR CARRIER SHIPPING IN THE STATE

Colorado has an extensive rail system serving the entire state. The four Class One rail lines are:

- Santa Fe Railway
- Burlington Northern Railroad
- Union Pacific/Southern Pacific Railroad (merged 1996)

Over 3,000 miles of Class One tracks are maintained throughout the state. Intermodal train/truck transfer facilities are located in the Denver metro area to efficiently move goods to their ultimate destinations without reloading from one form of transportation to another.

Burlington Northern recently opened a "team track" facility in Commerce City, CO (Denver metro). The four-acre site is fully graded to accommodate heavy loads. It provides shippers or receivers a place to load or unload cars without having to invest in their own private industrial siding.

The Transportation Test Center near Pueblo, Colorado, is a world class intermodal research and test center. The 52 square-mile facility includes 48 miles of test tracks, laboratories and support services.

Colorado is well served by many motor carriers. Most of the nation's major carriers have facilities in the state. They provide service to all major metropolitan areas of the state. Colorado's central location and interstate highway system have made the Front Range a growing distribution point for many wholesalers and retailers.

AGRICULTURE

Colorado's crop and grazing lands are major natural resources that support the state's agricultural industry. Colorado has 36 million acres of agricultural land, 31% of the state's total land base of 66.3 million acres. Of that, almost 11 million acres is in cropland, and 3.2 million acres are irrigated. Colorado ranks 17th nationally in cash receipts from agriculture. There are 25,500 farms and ranches in the state, averaging 1,286 acres each. Major agricultural outputs include cattle, wheat, hay, corn and fruit and vegetable crops.

AVAILABILITY OF MASS TRANSIT

An extensive private ground transportation network connects Denver International Airport with the entire state. The network is operated by private companies and is subject to the same regulations as the state's public transportation system.

THE COLORADO RAILROAD SYSTEM

The Colorado Railroad System is a major transportation link in the state. It provides service to major cities and towns, including Denver, Colorado Springs, and Pueblo. The system is operated by the Union Pacific Railroad.

- Santa Fe Railway
- Burlington Northern Railroad

Other major railroads operating in the state include the Colorado and Southern Railway and the Denver and North Platte Railway. These railroads provide service to various parts of the state.

The Colorado Railroad System is a major transportation link in the state. It provides service to major cities and towns, including Denver, Colorado Springs, and Pueblo. The system is operated by the Union Pacific Railroad.

Denver is a major transportation hub in the state. It is served by several major airlines and has a large airport. The city is also a major center for rail transportation.

COLORADO'S NATURAL RESOURCES

One of Colorado's greatest assets is its natural resources. Mountains, rivers, forests, wildlife, and spectacular geography provide a beautiful backdrop for residents. Colorado has:

- 54 mountains over 14,000 feet in elevation;
- More than 1,000 peaks two miles high;
- Total land area of 103,730 square miles.

CLIMATE

Colorado's climate is one of its best features. With nearly 300 days of sunshine (more accurately, 70 percent of possible sunshine), and low humidity, averaging 33 percent, the state's moderate climate contributes to quality of life and its productivity. Precipitation averages 16.5 inches and ranges from a low of as little as eight inches in some arid lower elevations, to over 23 inches in the mountains. Depending upon moisture, that can translate to over 300 inches of snow!

LAND

The land is a major natural resource. Over one-third of Colorado is publicly owned and managed by federal, state and local agencies. These lands include 14.4 million acres of national forest land, of which 2.6 million acres are magnificent wilderness areas. State parks total over 160,000 acres; and another several hundred thousand acres are in local parks and open space.

AGRICULTURE

Colorado's crop and grazing lands are major natural resources that support the state's agricultural industry. Colorado has 34 million acres of agricultural land, 51% of the state's total land base of 66.3 million acres. Of this, almost 11 million acres is in cropland, and 3.2 million acres are irrigated. Colorado ranks 17th nationally in cash receipts from agriculture. There are 25,500 farms and ranches in the state, averaging 1,286 acres each. Major agricultural outputs include cattle, wheat, hay, corn and fruit and vegetable crops.

WATER

Water is another major resource. While located in the semi-arid West, the mountains of Colorado form the headwaters for four major American rivers: the Colorado, the Rio Grande, the Arkansas, and the Platte. Under Colorado law, water is owned by the people. An intricate system of water rights has developed since the 1880s to ensure that the consumptive, agricultural and industrial needs of the public are met, while at the same time recognizing that the lakes, rivers and streams are an important resource in their own right and must be protected for the enjoyment of all. In addition to serving the state's needs, Colorado's rivers provide over ten million acre feet of water to other western states every year.

MINERALS

Colorado is a state rich in mineral resources. Its major mineral resources are coal, gold, oil, gas and CO₂. Production for 1995 (the latest yearly period for which data are generally available) Colorado produced:

- 24.7 million tons of coal (1996) production;
- 28,609,954 barrels of oil;
- 314,117,526 mcf of gas;
- 298,919,684 mcf of CO₂;
- \$528 million in minerals (preliminary 1996 estimate); including gold, silver, zinc, stone, sand and gravel, molybdenum, and gypsum.

WILDLIFE

Wildlife is another valuable natural resource. Hunting and fishing contributes over \$1 billion to the state's economy every year. Fishing is a major source of recreation to resident and nonresident alike. There are over 11,000 miles of unposted trout streams and 2,300 trout lakes in Colorado, and over two million warm-water fish are caught annually. Big game hunting is an important activity. Colorado is considered the best state for elk hunting, and has one of the highest nonresident big game success ratios in the nation. But hunting and fishing form only a part of the wildlife picture; one-half million acres of state wildlife areas

also provide unique opportunities for wildlife study and observation.

Recreational Use of Resources

Such diverse natural resources allow Coloradans to take advantage of a variety of recreation opportunities. Mountains draw people to hike and climb, to ski, to hunt, and to sightsee. Plains and deserts attract the hunter, the 4-wheeler, snowmobiler, and the bird watcher. Rivers beckon to fishermen, rafters, kayakers. Everywhere you go there are bicyclists, joggers and walkers on trails and roads, picnickers all around with balloonists and hang-gliders overhead. Recreation and tourism bring in over \$7 billion per year to the state's economy, making tourism one of the state's largest industries employing over 115,000 people. Colorado's natural base for outdoor recreation is a magnet for in-state, national and international visitors. According to year-end 1995 data, the state saw a 9% growth in overseas visitors whose first intended destination was Colorado. The number grew from 159,015 in 1994 to 173,581 in 1995.

Among varied recreational opportunities, Colorado offers:

- 11,000 miles of national, state and local trails;
- More than 35 ski areas, featuring excellent snow conditions, varied terrain and spectacular scenery;
- Some of the best white water rafting in the U.S. on the Arkansas, Green, Colorado, and other rivers, and;
- 500 square miles of water surface in rivers and lakes suitable for recreational use.

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