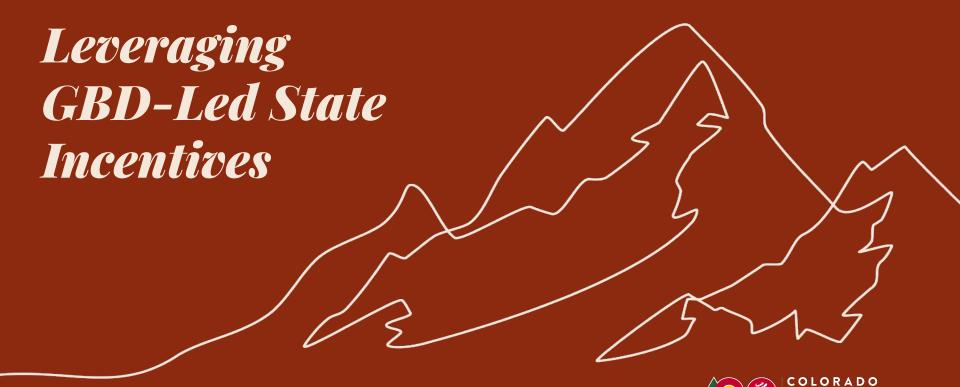




### **Contents**

- 1. LEVERARING GBD-LED STATE INCENTIVES
- 2. OEDIT RFI's
- 3. LOCAL COMMUNITY BUSINESS ATTRACTION
- 4. QUESTIONS & FEEDBACK







Multiple OEDIT divisions provide incentives and grants that benefit local communities - Please always reach out to us of you would like to learn more about them!

OFFICE OF THE GOVERNOR

OFFICE OF ECONOMIC DEVELOPMENT & INTERNATIONAL TRADE

CREATIVE INDUSTRIES

**BACKGROUND ON OEDIT** 

OUTDOOR RECREATION OFFICE BUSINESS FUNDING & INCENTIVES RURAL OPPORTUNITY OFFICE

GLOBAL BUSINESS DEVELOPMENT

COLORADO TOURISM OFFICE FILM, TELEVISION, & MEDIA BUSINESS
SUPPORT &
MINORITY
BUSINESS OFFICE



#### **GBD INCENTIVES FOR BUSINESS ATTRACTION & GROWTH**

### INCENTIVES TO ATTRACT OUT-OF-STATE BUSINESSES OR EXPANSIONS

#### **Job Growth Incentive Tax Credit (JGITC)**

 Gives businesses a Colorado state income tax credit equal to 50% of FICA tax (Federal Insurance Contributions Act) per net new job for 8 years.

#### **Strategic Fund (SF)**

Provides cash payments of up to \$6,500 per job over five years to companies
that create and maintain new permanent jobs in Colorado.

#### **Enterprise Zones (EZ)**

Businesses are eligible for state income tax credits and sales and use tax exemptions to spur economic growth in distressed communities



#### **INCENTIVES TO SPUR QUANTUM INDUSTRY**

CBD + BEC

#### **Colorado Quantum Fund for Business Development**

 100% Refundable tax credits should lender that make favorable loans for quantum companies incur losses (up to 15% of loan)

#### **Colorado Quantum Fund for Shared Facilities**

 100 % Refundable state income tax credit for eligible capital expenditures on property meant for developing a shared collaborative quantum laboratory

#### INCENTIVES TO SPUR SEMICONDUCTOR INDUSTRY

#### **CHIPS Refundable Tax Credit**



- A company has to earn tax credits though another program to be refunded;
   eligible tax credits are: EZ or JGITC tax credits
- A taxpayer that holds a refund certificate may claim a refund of 80 percent of the income tax credit

#### **CHIPS Zones**

 Municipalities & counties can apply through OEDIT to establish a CHIPS Zone; companies in a CHIPS Zone have access to the following EZ credits: Job training Tax Credit, Commercial Vehicle Investment Tax Credit, Business facility new employee tax credit, Research and development tax credit

#### **INCENTIVES FOR COLORADO BUSINESSES**

#### **Advanced Industries Accelerator Programs**



- Supports the development and commercialization of innovative and disruptive technologies in Colorado's seven advanced industries:
- ADVANCED MANUFACTURING I AEROSPACE I BIOSCIENCE I ELECTRONICS I ENERGY & NATURAL RESOURCES I INFRASTRUCTURE ENGINEERING I TECHNOLOGY & INFORMATION
- Includes Proof-Of-Concept grant, Early-Stage Capital grant, Infrastructure
   Grant. Export Grants, and access to a Global Consultant Network



### EDA QUANTUM TECH HUB DESIGNATION

- In July 2024, the *Economic Development Administration (EDA)* selected *Elevate Quantum (EQ)* a consortium of private and public sector organizations, academic institutions and nonprofits across Colorado, New Mexico and Wyoming for \$40.5 million in funding as part of its Tech Hub grant funding.
- To further promote the growth of Colorado's quantum ecosystem, the Colorado General Assembly passed and Governor Polis signed bipartisan legislation that invests an additional \$74 million across two incentive programs that will reduce growth barriers and ensure a bright future for all Coloradans:

#### **COLORADO QUANTUM FUND FOR BUSINESS DEVELOPMENT**

To improve access to capital for quantum companies, lenders are encouraged to make favorable loans to quantum companies by registering up to 15% of the loan in a pooled loan loss reserve. The reserve is funded with a 100% refundable tax credit should the lender incur losses associated with those loans.

#### COLORADO QUANTUM FUND FOR SHARED FACILITIE s

Eligible capital expenditures on property meant for the purpose of developing a shared collaborative quantum laboratory space and procuring professional quantum laboratory equipment are eligible for a 100% refundable state income tax credit.









#### **SEMICONDUCTOR**

- GBD has three NEW programs that are designed to help develop semiconductor operations within the state:
  - CO CHIPS Refundable Tax Credits
  - CO CHIPS Zones
  - CO CHIPS Community Support Program
- CO CHIPS Refundable Credits
  - A mechanism for companies to trade in earned credits for a cash refund from the DOR
  - Can be used against JGITC or 5 EZ Credits
  - First 2 years for semiconductors, then years 3 to 5 open to advanced manufacturing
- CO CHIPS Zones
  - Community-designated areas in which semiconductor companies can access 5 EZ Credits (the same 5 that apply to the refund program)
  - Cannot overlap with an existing Enterprise Zone
  - Applying communities must include a resolution from governing body (city council/county commissioners)



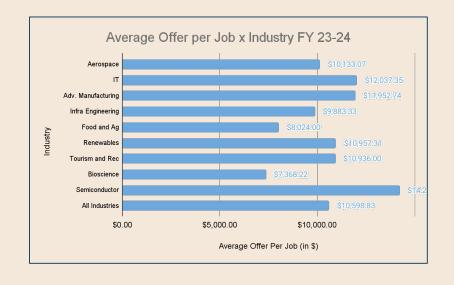
- CO CHIPS Community Support Program (CCCSP)
  - Suite of three grants for communities to identify, invest in, and market assets relevant to semiconductor or advanced industry operations:
    - Market Study Grant
    - Implementation Grant
    - Marketing Grant
  - Eligible applicants include sub-state governments and regional EDOs
  - Cycle 1 awardees included Southern Colorado Economic Development District and Grand Junction Economic Partnership
  - Cycle 2 open through November 15



#### JOB GROWTH INCENTIVE TAX CREDIT

- The Job Growth Incentive Tax Credit (JGITC) is an eight-year job creation incentive to support competitive, multi-state, or country relocation and expansion projects, and gives businesses a Colorado state income tax credit equal to 50% of the FICA (Federal Insurance Contributions Act) tax paid by the business per net new job for each calendar year in the credit period.
- A company applying for the JGITC must fulfill the following criteria:
  - The project must be competitive; they have to consider other countries or states outside of Colorado
  - The company must create at least 20 new net jobs over 8 years
  - The average annual wage (AAW) of the new employees has to be equal or higher than the AAW of the county where the project is located
- Each project will be vetted by OEDIT and brought forward at the monthly EDC meeting

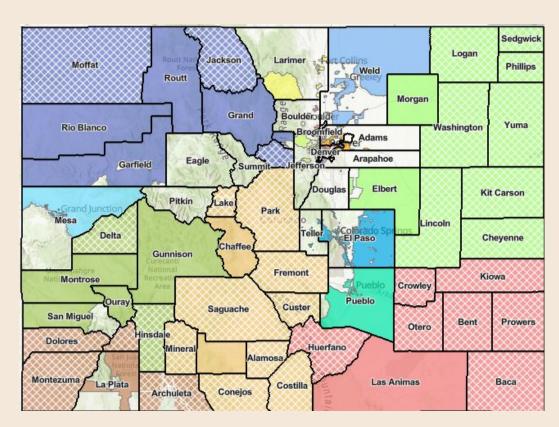






#### **ENTERPRISE ZONE**

- 16 Enterprise Zones across the state
- Provides a suite of tax credits and exemptions for a range of activities for companies situated in designated Enterprise Zones
- The EZ program is an opportunity to drive economic growth aligned with regional priorities and local businesses and is overseen by local EZ Administrators





# Leveraging GBD-Led State Incentives STRATEGIC FUND

- The Strategic Fund Job Growth Incentive (SF) is a 5-year job creation incentive to support competitive, multi-state, or country relocation and expansion projects that have received a commitment of local government funding that matches any requested state government incentives. The incentive provides a cash payment for up to \$6,500 per net new job.
- A company applying for the SF must fulfill the following criteria:
  - The project must be competitive; they have to consider other countries or states outside of Colorado
  - The average annual wage (AAW) of the new employees has to be equal or higher than the AAW of the county where the project is located
  - The company has a local match offer. Matches are cash or something of monetary value to the company for a business development project, for example:
    - Cash, such as money per net new job, or traditional cash payments.
    - Sales tax abatement.
    - Business or real property tax reduction.
    - Waiving of building permits and fee or other taxes.
- Each project will be vetted by OEDIT and brought forward at the monthly EDC meeting



Non-Enterprise Zone	
Annual Wage %	\$ Incentive/job
100%	\$3,000
120%	\$4,000
140% or >	\$6,500

Enterprise Zone	
Annual Wage %	\$ Incentive/job
100%	\$3,000
110%	\$4,000
120%	\$5,000
140% or >	\$6,500



STRATEGIC FUND EXAMPLE - GRAND JUNCTION ECONOMIC PARTNERSHIP



- West Star Aviation GJT specializes in business aircraft maintenance, modifications, and refurbishment for aircraft.
- Weighing the costs of an expansion between their Grand Junction location and their Chattanooga location.

#### **EXPANSION DETAILS:**

- 82 net new full-time jobs with a minimum Average Annual Salary of about \$78,000
- \$15.6 M in capital investment
- \$1 M in annual operating costs
- \$37 M potential economic impact to our region



STRATEGIC FUND EXAMPLE - GRAND JUNCTION ECONOMIC PARTNERSHIP

### GRAND JUNCTION economic







#### **COLLABORATION FOR STRATEGIC FUND:**

• GJEP, GJ Area Chamber of Commerce , City of Grand Junction, Grand Junction Regional Airport



<u>Annual Average Wage</u> 100% (\$46,280)

Cash per net new job \$6,000 <u>Total with 82 new jobs</u> \$492,000 (\$246,000 paid up front)



#### STRATEGIC FUND EXAMPLE - GRAND JUNCTION ECONOMIC PARTNERSHIP













#### WEST STAR AVIATION EXPANSION INCENTIVE PACKAGE:

• Strategic Fund Cash Incentive



<u>Annual Average Wage</u> 100% (\$46,280)

Cash per net new job \$6.000 <u>Total with 82 new jobs</u> \$492,000 (\$246,000 paid up front)

- Job Growth Incentive Tax Credit
- Skill Advance Colorado Job Training Grant
- MCWC Career Development Program
- City of Grand Junction Aviation Tax Exemption on Parts and Components
- Approximately \$4.3M in total incentives

# RFIs (Prospect Alerts)







# OEDIT RFI's (Prospect Alerts)

#### THE RFI PROCESS

#### **OEDIT Receives RFI**

#### RFI's are coming from:

- Site Selection firms, e.g., JLL, Cushman & Wakefield, Deloitte, KPMG, etc.
- Companies that have reached out to OEDIT
- Companies that GBD engaged with via conferences, trade shows, or delegations

### OEDIT Sends RFI to EDO's

- OEDIT repackages the original RFI to "RFI Template"
- RFI's under 5 days: OEDIT sends out RFI to all EDO's
- RFI with more than 5 days: OEDIT sends out RFI to Metro Denver EDC for the metro region & to all other EDO's directly

# OEDIT Sends Submissions to Client

- OEDIT checks if every submission satisfies the client's needs.
  - Note: Only complete applications will be submitted!
- OEDIT packages all submissions to one application and submits it to the client

### OEDIT Supports Site Visits

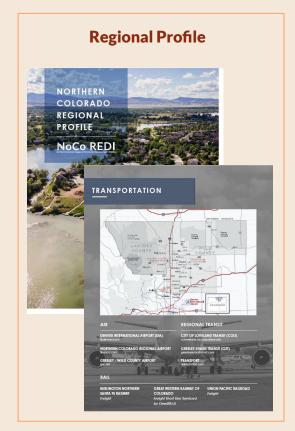
- If the client is interested in a site, OEDIT coordinates call between site selector and/or company and the EDO
- OEDIT organizes agenda for site visits (with MDEDC)



### OEDIT RFI's (Prospect Alerts)

#### **EXAMPLES OF COMMUNITY RESPONSES - NORTHERN COLORADO**



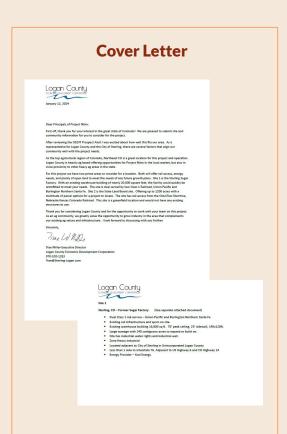


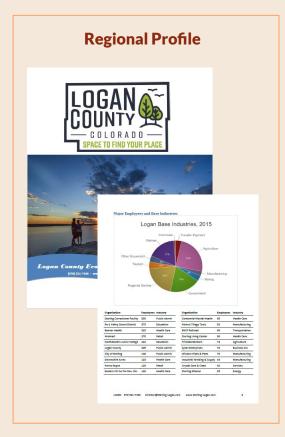




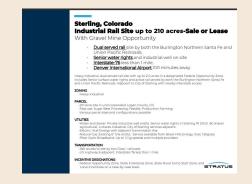
# OEDIT RFI's (Prospect Alerts)

### **EXAMPLES OF COMMUNITY RESPONSES - STERLING, LOGAN COUNTY**





### **Property Brochure**





\*Initial Conceptual Design – (Plan may change or be altered by demand and highest and best use.)



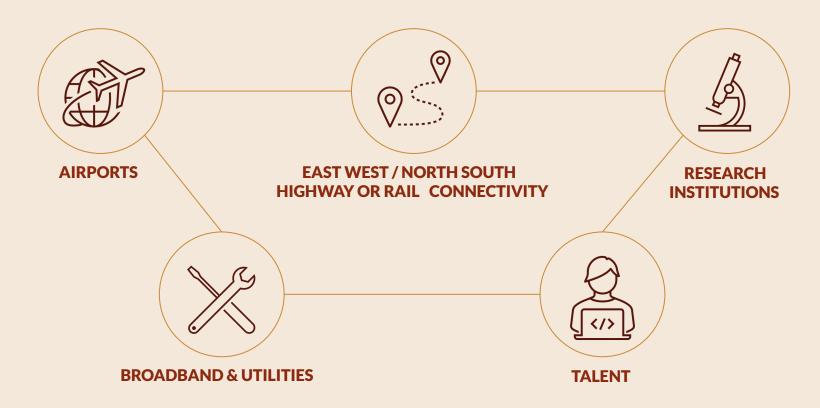








**Top Community Attributes** 





LOCAL PROGRAMS: PUEBLO'S SALES & USE TAX CAPITAL IMPROVEMENTS FUND



- In 1984, Pueblo voters approved a half-cent sales tax to support economic development and job creation.
- The overall economic impact of the project to the community is taken into consideration when making this award.
- Eligible uses of the fund include brick and mortar project expenses, infrastructure and in some instances

#### PROJECT EXAMPLE FOR USE OF FUND:



"Fomcore, a manufacturer of soft seating furniture using single cut construction announced it selected Pueblo, Colorado for the site of its new facility. The facility at full capacity will employ 87 full time workers and generate an estimated \$3,753,702 in annual pre-benefit payroll. The new factory will be located at 200 Greenhorn Dr. in the City of Pueblo."

**Details of the project include:** 

- 87 guaranteed new full-time jobs with a minimum Average Base Annual Salary: \$43,146. (Pre-Benefit)
- \$1,740,000 from the City of Pueblo's half-cent fund for economic development (contingent on approval from the Pueblo City Council)
- \$10 Million investment



LOCAL PROGRAMS: COLORADO SPRINGS' DEAL CLOSING FUND



- The Colorado Springs Chamber & EDC launched the Deal Closing Fund in 2022 to incentivize the creation of new, high-paying jobs and capital investment in Colorado Springs.
- Qualifying companies may be eligible to receive from \$1,000 to \$5,000 per net new full-time permanent job created. Maximum incentive levels are based on the region's average annual wage.

#### PROJECT EXAMPLE FOR USE OF FUND:



"We are thrilled to welcome Boecore to Colorado, bringing over 620 new good-paying jobs to Colorado. We are the proud home of the innovative, robust aerospace industry and continue taking bold action to make sure Colorado remains the best place to live, work, and do business." said Gov. Polis

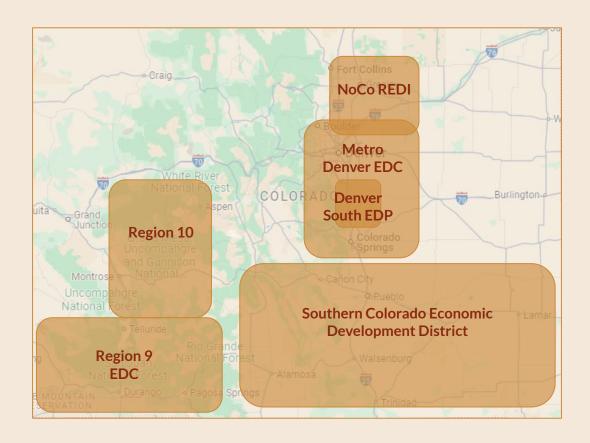
#### **Details of the project include:**

- 620 new net jobs with an average annual salary of \$160,484
- \$671,626 local incentive package that includes the Colorado Springs Deal Closing Fund, a job creation grant, as well as a city economic development agreement
- \$7,499,388 in performance-based Job Growth Incentive Tax Credits (OEDIT)



A REGIONAL APPROACH

Regional EDO's can support the mutual growth of a region's talent and businesses, while also recruiting new talent and new businesses.





**NoCo REDI - Northern Colorado Regional Economic Development Initiative** 

# LARIMER COUNTY AND WELD COUNTY

COMMUNITIES ARE CONNECTED BY ROADS, MUNICIPALITIES, BUSINESS RELATIONSHIPS AND WORKER COMMUTES.

The objective of this collaboration is to increase Northern Colorado's economic growth, resilience, and improve the business ecosystem. As a network of economic developers, Chambers of Commerce, and Workforce professionals, REDI develops and manages regional economic development strategy and assists businesses looking to locate or grow in the area.





NoCo REDI - "We Are One Economy"

The Northern Colorado Regional Economic Development Initiative represents a network of economic development organizations working to coordinate regional economic development efforts.

"No Wrong Door" – We recognize that limiting the information we provide to companies doesn't help land projects. One of the first questions we ask is where a company is looking.

Network of Economic Development Professionals – Providing regional stewardship in the attraction of new opportunities. Members also include the regional Chambers of Commerce, and Larimer & Weld County Workforce Centers

### Shared Regional Marketing Materials -

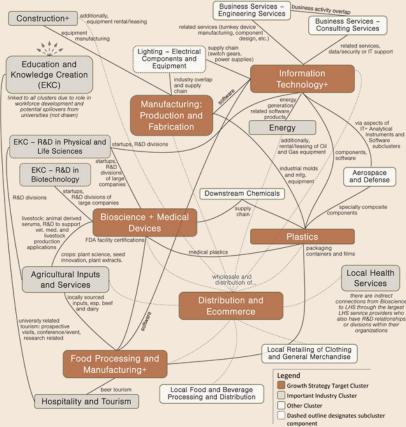
- Northern Colorado Regional Profile
- Northern Colorado Cluster Study
- Northern Colorado Workforce Report(s)
- Northern Colorado Regional Assets



**NoCo REDI - Supporting Common Goals that Benefit the Region** 





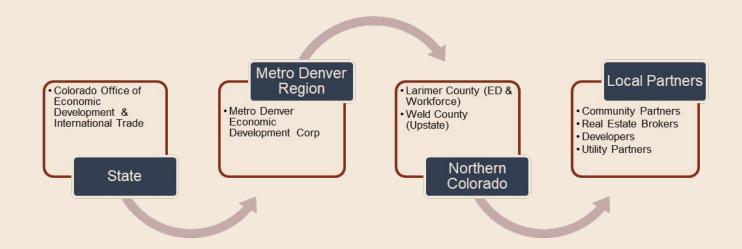




### **NoCo REDI - Coordinated Attraction and Regional Marketing**

**Regional Coordination and Process** – When a company is considering both Larimer and Weld Counties, we work closely with our municipal and utility partners to provide a comprehensive, coordinated, and unified response as Northern Colorado.

Being Responsive with Limited Time – To support aggressive response timelines of prospects, that are within our targeted industries, we maintain detailed information on key sites/buildings, as well as our prepared demographic, industry, and workforce materials.



# Questions Feedback?





### We'd Love Your Input

### **Survey on Colorado's Key Industries**

- In 2016, OEDIT and several other state agencies, defined Colorado's 14 Key Industries.
- Now, eight years later, OEDIT and its stakeholders recognize that these industries have become too broad and cumbersome.
- With support of BCG, OEDIT is redefining the state-wide Key Industries to better focus promotional efforts and tracking of growth in sectors that are strategically located in Colorado and have significant impact on the state's economy.

Please complete this 5 minute survey to share your input with OEDIT.





### Contact Us!



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