

Strategic Fund

Purpose

The Strategic Fund provides a commitment to businesses that have met certain requirements under the Economic Development Commission's (EDC) Strategic Fund.

Funding Source

This program will utilize EDC funds.

The State's Role

The Colorado Office of Economic Development and International Trade (OEDIT) provides administrative support for the EDC. The EDC has oversight authority for this program. The OEDIT's Business Development or Business Finance Staff may present a business introduction to the EDC. The Business Finance Staff will facilitate the application review process, application presentation with structuring recommendations to the EDC, and the contract implementation process.

Requirements

A business may receive funding consideration if it creates net new full-time permanent jobs (jobs) in Colorado that are maintained for at least one year.

In addition, a business must materially meet the circumstances noted below:

- Potential for economic "spinoff" benefits, such as attracting suppliers, generating tourism/travel activity, high prestige, or a large expansion initiative
- Capital investment, relative to the number of jobs (significant capital investment is \$100,000 or > per employee)
- Responds to a special local economic event, such as replacing recent lay offs
- Inter-state competitive factors
- Headquarters in Colorado
- Level of local matching commitments
- Other unique conditions

The business will need to demonstrate feasibility and financial capability along with the ability to create the number of jobs committed.

Business decisions clearly moving forward without assistance from the EDC will not be considered for funding if an announcement is made prior to an introduction to the EDC.

Businesses already receiving an incentive from the EDC may not receive an incentive from the Strategic Fund for the same net new full-time permanent jobs.

Incentive Tables

The following tables reflect potential incentive levels based on the annual average wage rate of a businesses' committed creation of net new full-time permanent jobs compared to the county average wage rate (county source: QCEW Annual Tables provided by the Dept. of Labor and Employment). The annual average wage rate calculation does not included benefits.

Enterprise Zone	
Annual Average Wage Rate %	\$ Incentive/ Job
100%	\$2,000
110%	\$3,000
120%	\$4,000
130% or >	\$5,000

Non-Enterprise Zone	
Annual Average Wage Rate %	\$ Incentive/ Job
110%	\$2,500
130%	\$3,500
150% or >	\$5,000

Businesses that are considering multiple sites within the State will be provided several options based on the Incentive Tables.

Additional Consideration

Additional consideration may be given to businesses that do not meet the EDC's minimum 100% annual average wage rate requirement (based on the Department of Labor & Employment's OCEW Annual Tables) if the following criteria is met:

- The business is located in (or will be located in) a designated Enhanced Rural EZ at the time of its introduction to the EDC;
- The local community provides rationale to the EDC outlining the businesses' economic importance to the community; and
- The local community requests consideration for use of an alternative wage rate source and provides documentation that supports that the businesses' annual average wage rate is higher than the annual average wage rate paid by private employers within their jurisdiction.

Additional consideration may be given to businesses within targeted industries (Renewable Energy, Aerospace, Bioscience, IT) on a case-by-case basis.

Process

Businesses interested in requesting a Strategic Fund commitment should work with their local economic development representative and contact OEDIT Business Development Staff or Business Finance Staff to determine if the business meets the Strategic Fund requirements.

If Strategic Fund requirements are met, the business and the local economic development representative should discuss the application process with OEDIT's Business Finance Staff. Once the application process is initiated, OEDIT Staff may complete a site visit. Applications will be reviewed by Business Finance Staff and then presented, with a staff recommendation, to the EDC for its consideration at one of the EDC's bimonthly meetings. The business to be assisted and the local economic development representative are encouraged to participate in the EDC meeting. Upon receiving all necessary approvals, the Business Finance Staff will begin the contract implementation process.

The EDC reserves the right to approve, deny or vary from these guidelines as necessary and appropriate and delay any decision due to budgetary constraints.

Job Creation Performance Incentive Fund

Purpose

The Job Creation Performance Incentive Fund (PIF) provides a performance-based incentive payment to qualifying companies that have created net new full-time permanent jobs (jobs) paying above average wages. The program is designed to support and encourage new business development, business expansions and relocations that have generated new jobs throughout the State.

Funding Source

New Jobs Incentive Cash Fund.*

The State's Role

The Colorado Office of Economic Development and International Trade (OEDIT) provides administrative support for the Colorado Economic Development Commission (EDC). The EDC has oversight authority for this program. The OEDIT's Business Finance Staff will facilitate the application review/disbursement process generally within 60 business days after receipt of an application.

Requirements

After maintaining its net new full-time permanent jobs for one year, an employer may submit an incentive application. The first month in which an application (incorporating these guidelines and the Incentive Tables below) may be submitted is November 2008. Incentives will be awarded to applicants in the order in which the EDC receives complete, accurate and eligible applications (first come, first served) until all program funds have been expended. Eligible applications that are received after funds have been expended will be placed first in line until new funding is available.

Employers located in an enterprise zone must hire at least five net new full-time permanent jobs within six months and employers located in a non-enterprise zone must hire at least 10 net new full-time permanent jobs within six months. Businesses with multiple locations within Colorado may combine locations to meet the minimum job creation requirements as long as all jobs are hired within the same six month period. If one or more of the businesses' locations are in a non-enterprise zone, the minimum job creation requirement is 10 net new full-time permanent jobs.

Net new full-time permanent jobs are those jobs that are in addition to the businesses' three year full-time employee average (from the preceding three years).

If a business is affiliated with a parent company or subsidiary that is also located in Colorado, the net new full-time permanent jobs must be in addition to a three-year average of all Colorado Affiliated entities. In addition, if a business has multiple locations, the net new full-time permanent jobs must be in addition to a three-year average of all Colorado locations.

The employer must maintain all of the net new full-time jobs for at least one year in order to claim the incentive.

Incentive Tables

The following tables reflect potential incentive levels based on the annual average wage rate of net new full-time permanent jobs compared to the county average wage rate (county source: QCEW Annual Tables provided by the Dept. of Labor and Employment). The annual average wage rate calculation does not included benefits.

Enterprise Zone	
Average Wage Rate %	\$ Incentive/ Eligible Job
100%	\$1,500
110%	\$2,500
120%	\$3,500
130% or >	\$4,500

Non-Enterprise Zone	
Average Wage Rate %	\$ Incentive/ Eligible Job
110%	\$2,000
130%	\$3,000
150% or >	\$4,500

Process

Businesses should review the state's Website for specific requirements and application instructions beginning in November 2008.

The OEDIT Business Finance Staff will facilitate the application review/disbursement process generally within 60 business days after receipt of a complete application.

A business can submit multiple applications as long as they meet the program requirements.

Businesses already receiving an incentive from the EDC may not receive an incentive from the Job Creation Performance Incentive Fund for the same net new full-time permanent jobs.

*An amount equal to 15% of each annual allocation will be used by the Commission to award performance-based incentives to employers who open a business or expand or relocate an existing business from an out-of-state location and create new jobs in an enterprise zone that is not within the counties of Denver, Boulder, Douglas, Arapahoe, Jefferson or Broomfield.