

The Year Ahead – Solid and Maybe Exciting

NAIOP Breakfast
January, 2012



What to watch....

When the phones start or stop ringing –
January 16th – 20th.

The cost of oil.

1st Quarter hiring.

Types of companies announcing locations.

Production tax credits.

Tax and regulatory changes in CA or IL.

Frontier and Iceland Air partnership



What We Saw Last Year...

Continued strong growth in New Energy Economy

Niobrara's impact was just starting

Record prospect numbers

3rd quarter begins "across the board" activity, signaling solid recovery

Name brand locations/expansions

No tax increases – centrist governance



Metro Denver EDC Prospect Report December 2011



Prospect Activity by Year

All Prospects 2003 – Nov. 30, 2011		January 2006 – Nov. 30, 2011	
2003	26	Active	169
2004	45	Pending	9
2005	97	Eliminated	
2006	110	• Total	437
2007	109	• 2011	77
2008	116	Successful	
2009	106	• Total	133
2010	135	• 2010	21
2011	163	• 2011	27
Total	907	• New business	78
		• Existing business	55
		• HQ	26

Active Prospects as of Nov. 30, 2011

Prospect Type		Industry Function	
Aerospace	6	Data center	9
Aviation	-	Manufacturing	67
Beverage	1	Distribution warehouse	6
Bioscience	6	Office	33
Data storage	4	HQ	10
Distribution	5	Call center	9
Energy	73	Service center	11
Financial services	10	Other	17
IT/software	11	<u>R&D</u>	<u>8</u>
Manufacturing	26	International	57
Services	16	Existing business	44
Telecommunications	4	New business	125
<u>Unknown</u>	<u>7</u>		
Total	170		

Prospects Pending December 2, 2011

- 9 companies pending
 - 7 existing businesses
 - 2 new businesses
- 2 International companies
- \$239,000,000+ total investment expected
- 1,590+ total new jobs expected



Prospects Won as of December 2, 2011

- 27 companies announced
 - 11 existing businesses
 - 16 new businesses
- 8 International companies
- \$688,600,000+ total investment announced
- 3,250+ total new jobs expected



Prospects Won as of December 2, 2011

Prospect Type

Industry Function

Aerospace	1	Call center	3
Bioscience	3	HQ	4
Distribution	1	Manufacturing	7
Energy	6	Office	8
Financial services	2	Other	1
IT/software	6	R&D	4
Manufacturing	4		
Services	4		

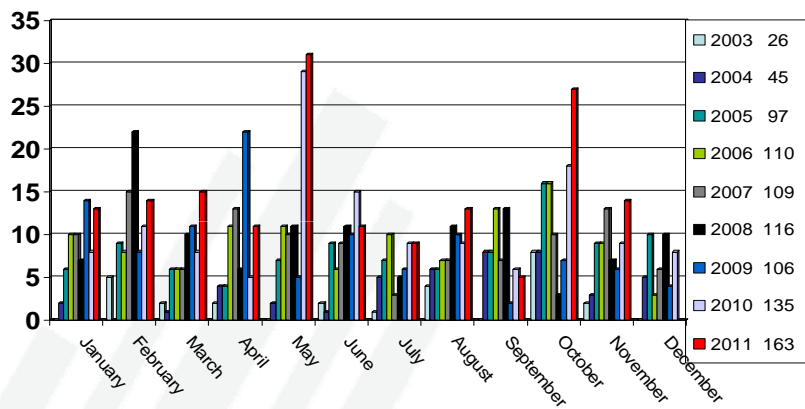


Prospects Won as of December 2, 2011

- Southwest Windpower
- Magellan Travel Supplies
- DaVita Clinical Research
- DaVita (call center)
- Coleman
- GE
- Arrow
- J. Schneider Elektrotechnik
- Ascend Clinical (fka Satellite Labs)
- ASpire Financial Services
- 24-7 In Touch
- Avago Technologies
- EST, Inc. of Colorado
- Agility Recovery Solutions
- ACE Park (CAMT/NASA)
- Intrawest
- MicroDATA
- RingCentral
- Altius Space Machines
- SMA
- Weldcom/International Motor Controls
- PricewaterhouseCoopers
- Mitomics
- Bridgepoint
- Trulia.com



Total New Prospects by Month 2003 – Present



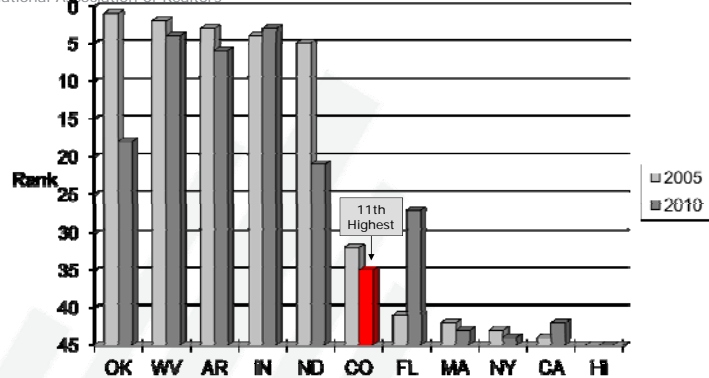
What We Worry About...

- Non-stop flight to Asia
- The “wrong” tax incentives – Senior Homestead Exemption
- Rising cost of higher education
- Infrastructure projects, esp. FasTracks/roads
- Increasing attacks on Enterprise Zones and its adverse impact on rural development



Lowest Single-Family Median Home Price in Largest Metro Area*

National Association of Realtors



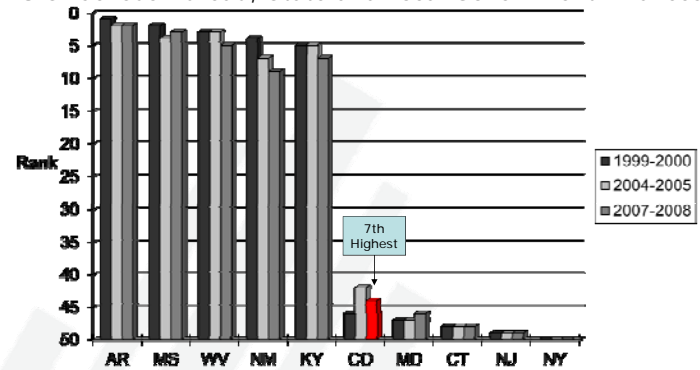
Colorado was one of only six states in 2009 to report home price appreciation in its largest metro area, which is Metro Denver. The trend continued in 2010 with 5.7 percent growth in the median price from 2009. Metro Denver's median home price was \$232,400 in 2010.

*Ranking based on data available for the largest metro areas in 45 states in 2011.

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Energetic Bodies. Energetic Minds.

Lowest Local Government Tax Revenue per Capita

U.S. Census Bureau, State and Local Government Finances

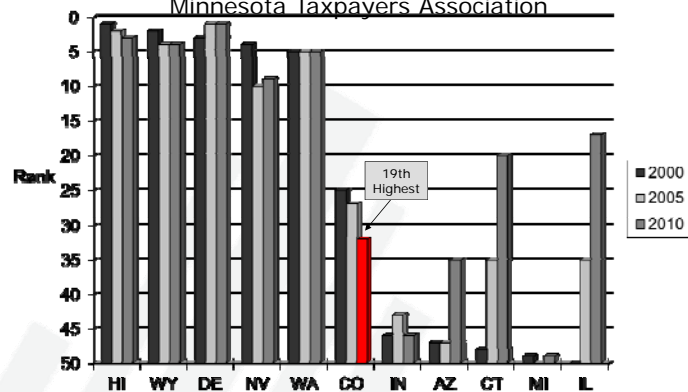


States with low levels of state tax revenue generally compensate with higher levels of local government tax revenue. Colorado is no exception. Maryland, Connecticut, New Jersey, and New York all rank among the states with the highest taxing local governments and they have some of the highest state taxes as well.

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Lowest Urban Industrial Property Taxes on \$1 Million Property

Minnesota Taxpayers Association



The Minnesota Taxpayers Association measures the tax burden for a hypothetical industrial property valued at \$1 million with another \$1 million of personal property for the largest metro area in each state. Due to the combination of real and personal property tax levied in Colorado, the state tax rate is 19th highest.

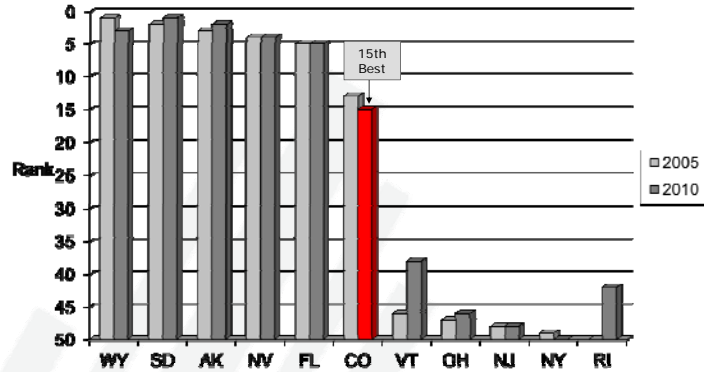
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WHAT WE'RE HAPPY ABOUT

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State Business Tax Climate Index

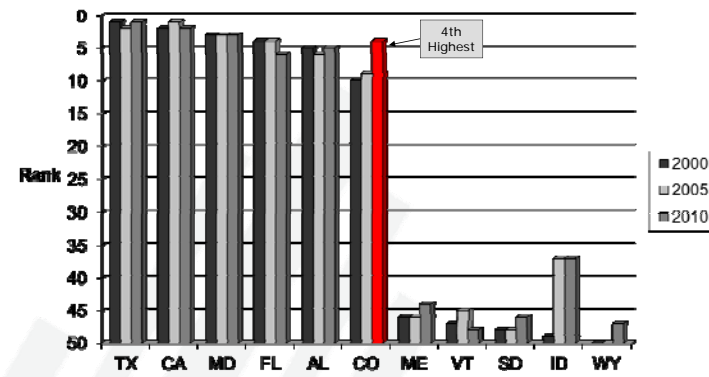
The Tax Foundation



The *State Business Tax Climate Index* published by the Tax Foundation offers a holistic measure of state business tax burdens and climate. Colorado has the 15th-most business friendly tax climate in the country.

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NASA Prime Contract Awards National Aeronautics and Space Administration

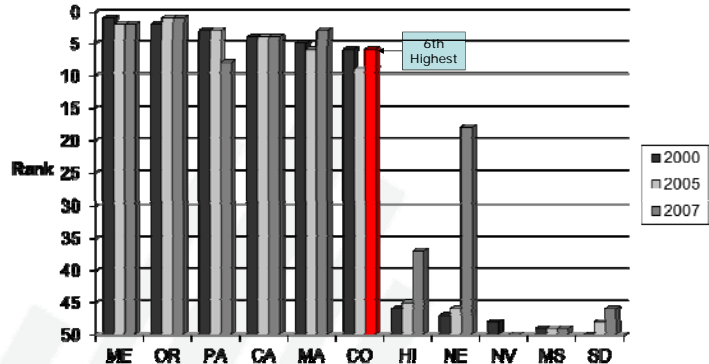


Colorado businesses, nonprofits, and educational institutions received more than \$1.5 billion in NASA prime contracts in 2010, earning the state a fourth-place ranking nationally. Award recipients included Lockheed Martin, Ball Aerospace, and the University of Colorado, which received the fourth-largest amount of research funding among public educational institutions in 2010.

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Clean Energy Employment per 1,000 Workers

Pew Charitable Trusts

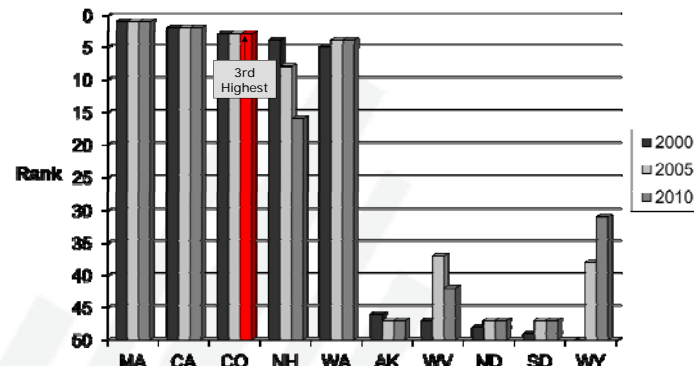


At seven clean energy employees for every 1,000 private sector workers, Colorado's concentration of clean energy jobs consistently ranks among the top-10 state concentrations.

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Venture Capital Investments per \$1,000 of State GDP

PricewaterhouseCoopers MoneyTree



Venture capital investments are often highest in states with a strong culture of innovation and entrepreneurship. With 83 completed deals in 2010, venture capital investment in Colorado was about \$483 million.

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What's the Worst that Could Happen?

Recession in Europe
Gridlock in Congress
Departure of major employer(s)
Oil goes to \$140/barrel
John Hickenlooper becomes Ambassador to Germany



What's it gonna be?

Trust me, it's going to be a very solid year.

