

Bioscience Grows Best



Photo courtesy of University of Colorado

The Colorado Office of Economic Development and International Trade is committed to growing Colorado's bioscience industry and we're proud to announce that Colorado is home to more than 400 bioscience companies with nearly 15,000 employees.

Take a peek in the back of this magazine to see the most up-to-date listing of the approximately 200 medical device companies and 210 biotech and pharmaceutical companies that are located in Colorado. Of course, new bioscience companies are launched every day in Colorado, so we're sure we missed some.

Part of Colorado's success comes from investing in and following a statewide action plan. In 2003, the Battelle Memorial Institute delivered a statewide plan called Colorado's Place in the Sun: An Action Plan to Grow Colorado's Bioscience Cluster. Colorado's bioscience industry, government and research institutions consistently refer to the plan and make amendments when actions are completed, new programs are developed and new directions are taken. The 2004

updated plan is available for viewing and download at www.AdvanceColorado.com.

In 2004, the state of Colorado created the **Colorado Venture Capital Authority**, a state fund dedicated to investing in early- and seed-stage companies throughout the state. In fact, in 2005 the managers chose Taligen Therapeutics, a bioscience company, as the first investment deal of the new fund.

Colorado consistently ranks among the top states as a place to live and to succeed in business. Check out these rankings and our in-depth Colorado Data Book on www.AdvanceColorado.com to gain additional insight into Colorado's unique opportunities.

at High Altitude



Independent Rankings:

Organization	Rank
Development Report Card for States (Corp. for Enterprise Development)	A (Honor Roll: 11 consecutive years)
State Science & Technology Index (Milken Institute)	2
Economic Freedom in North America (The Fraser Institute)	1
New Economy Index (Milken Institute)	3
New Economy Index (Progressive Policy Institute)	4
Metro Area & State Competitiveness Report 2002 (Beacon Hill Institute)	4
Tax Friendly State (Tax Foundation)	4
America's Best Cities & States (National Policy Research Council)	2
Most Preferred State to Live In (Harris Poll)	4

Rankings & Financial Assistance

Demographics:	Rank
Percent of population with college degree or higher	2
Percent population growth 2000-2002	2
Percent of population over age 65 (lowest)	4

Venture Capital

According to Ernst & Young, in 2005 Colorado's companies received \$647 million in funding, with \$164.7 million of that going into the bioscience industry.

Economics:	Rank
Concentration of High Tech Workers (American Electronics Association)	1
Gross State Product Growth, 1997-2001*	4
Average annual pay	9
Growth in New firms, 2001-2002	2

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Tom, Community Service Manager



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Some low rankings are good:	Rank
Total tax burden	40
State & local government tax burden	47
Per capita energy expenditures	49
Natural gas costs for industrial users	48



COLORADO BUSINESS

Financial Assistance Options

VENTURE CAPITAL:

The state of Colorado provides funding for two venture capital funding models — Certified Capital Companies and the Venture Capital Authority.

Certified Capital Companies (CAPCOs): The state has six Certified Capital Companies that make loans and provide equity to Colorado businesses. The CAPCOs are independently operated and generally make funding decisions. Minimum and maximum investments generally range from \$100,000 — \$3.3 million.

Venture Capital Authority (VCA): The state provides funding for a new venture capital program to provide seed and early-stage capital to businesses. The Venture Capital Authority fund manager will make nearly \$50 million in investments in Colorado businesses over the next ten years.

BIOSCIENCE R&D STATE SALES TAX REFUND:

Colorado bioscience companies can receive a refund of state sales and use taxes paid on the sale, storage, use or consumption of tangible personal property that is being used in Colorado directly or predominantly for research and development of biotechnology.

MANUFACTURING EQUIPMENT EXEMPTION:

Bioscience companies purchasing manufacturing equipment and machine tools that cost over \$500 are exempt from state sales and use tax on these purchases. The following items are also exempt from state sales and use taxes: component parts, fuels and electricity, ink and newsprint, aircraft parts used in general maintenance, interstate long distance telephone charges, farm equipment and machinery and packaging materials.

ECONOMIC DEVELOPMENT COMMISSION (EDC):

Business incentive funds are available for businesses that commit to meet certain job creation or retention requirements. Incentives vary based on a number of factors; however, requests generally range between \$1,000 and \$3,000 per each fulltime job created. The local community must also provide matching funds/incentives to the business.

ENTERPRISE ZONE (EZ):

A variety of tax benefits are provided for businesses expanding or locating new business facilities in economically distressed areas of the state (state designated enterprise zones).

JOB TRAINING GRANT FUNDS:

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

BUSINESS LOANS:

The state has 15 Business Loan Funds that operate primarily in the rural areas of the state. The funds are locally driven, with each loan fund having its own local review committee and board of directors. Generally, the maximum loan size is \$250,000; however, this may vary based on the availability of capital and other factors. Businesses typically commit to meet certain job creation or retention requirements.

INFRASTRUCTURE ASSISTANCE/GRANTS:

The state has funds available to assist with constructing public infrastructure needed by a specific business, primarily in rural areas of the state. The state provides the funding to an eligible city or county. A business needs to commit to certain job creation or retention requirements. Generally, funding may be provided up to \$500,000; however, this amount may vary based on a number of factors.

FEASIBILITY STUDY GRANTS:

The state has funds available to assist with feasibility studies in rural areas. Funding goes to an eligible city or county; however, the study must be completed in conjunction with a specific business. The specific business needs to commit to certain job creation or retention requirements if the project is determined to be feasible and is implemented. Generally, funding may be provided up to \$20,000 per study. This amount may vary based on a number of factors.

For more information visit www.AdvanceColorado.com or call the OEDIT at 303-892-3840.