

Denver South EDP Support HB 1287

Mike Fitzgerald's Testimony in Support of HB 1287

- Mister/Madam Chair and members of the committee, I am Mike Fitzgerald, here today in support of House Bill 1287. I am President and CEO of the Denver South Economic Development Partnership.
- Denver South EDP is a non-profit economic development organization of government and business leaders committed to the economic vitality and sustainability of the Denver South region. We are committed to the belief that if the economy is growing, diversifying and the tax base is expanding, most other dreams are possible.
- In the past year, we have seen intense competition between states and regions for relocations and expansions. Competing locations have initiated an ever-escalating array of incentives and benefits to give them the edge in the decision making process
- The Colorado Job Growth Incentive Tax Credit has been an important incentive that our state can offer to tip the scales in our favor and has been utilized by 14 companies within the Denver South region since 2011
- Partnering with Arapahoe/Douglas Works, our organization has done economic analysis showing that each new job created, paying competitive wages, creates long term annual benefits
- For instance, Arrow Electronics will receive \$11.4 million in tax credits over 5 years but is adding an additional 1250 Initial Jobs – with multiplier = **5,366** jobs; Direct earnings - **\$155,366,577** annually – with multiplier = **\$345,942,922** annually
- TriZetto will receive a Job Growth Incentive Tax Credit of \$4.9 million over 5Yrs for **750** Initial jobs – with multiplier = **1,778** jobs; Direct earnings - **\$72,882,563** annually– with multiplier = **\$122,442,706** annually
- Companies in the Denver South region, companies that are utilizing this incentive have created jobs paying salaries between \$104,903 to the \$50,000 range
- Please see the attached analysis for details on Arrow, TriZetto and other new companies located in Denver South
- You can see then how important these incentives can be to economic developers and perhaps more importantly, the message this bill sends that Colorado welcomes these companies.
- I want to you all for initiating this proposal. I respectfully urge the members of this committee to support House bill 1287. I'm happy to answer any questions at this time.

DENVER SOUTH EDP – MAJOR BUSINESS ANNOUNCEMENTS

2011 – 2013

2011 – 9 Announcements totaling 2185 jobs anticipated

Trulia
MicroData
Ring Central
Gordon Composites / Polystrand
TransCom North America
24/7 In Touch
TIC (The Industrial Company)
Arrow Electronics
Innovation Pavilion

2012 – 11 announcements totaling 3436 jobs anticipated

Comcast
TriZetto
Blockbuster/DISH
National Bank Holdings
Connexions
Star Tek
Hitachi Data Systems
Community Power
Charles Schwab
Redwood Trust
Kaiser

2013 – 5 announcements totaling 1282 jobs anticipated

Visa
Fidelity Investments
Surrey Satellite Technologies
Washington University – Olin School of Business
Merrick & Company

The above announcements represent over \$1Billion in investment in the Denver South region.

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Input/Output Analysis Showing Total Estimated Economic Benefit Based on Denver South Economic Development Partnership Activity, 2012										
Company Name	NAICS	Jobs Mult.	Earnings Mult.	Description	Initial Jobs Added	Direct, Indirect, and Induced Jobs Added	Initial Earnings Added	Direct, Indirect, and Induced Earnings Added	Total New Jobs	Total Added Earnings
Arrow Electronics	423690	3.66	2.06	Other Electronic Parts & Equipment Merchant Wholesalers	750	1,995	\$ 95,439,266	\$ 101,165,622	2,745	\$ 196,604,888
Blockbuster/DISH	515210	2.89	1.98	Cable and Other Subscription Programming	150	284	\$ 13,150,766	\$ 12,887,751	434	\$ 26,038,517
Charles Schwab	523120	3.46	2.13	Securities Brokerage	480	1,181	\$ 55,827,521	\$ 63,085,099	1,661	\$ 118,912,620
Comcast	517110	5.87	3.07	Wired Telecommunications Carrier	126	614	\$ 15,066,342	\$ 31,187,328	740	\$ 46,253,670
Community Power	332410	1.93	1.90	Power Boiler & Heat Exchanger Manufacturing	45	42	\$ 2,369,516	\$ 2,132,564	87	\$ 4,502,080
Connexions	561422	1.61	1.69	Customer Contact Center	550	336	\$ 23,305,142	\$ 16,080,548	886	\$ 39,385,690
Hitech Data Systems	518210	3.40	2.13	Data Processing, Hosting & Related Services	240	576	\$ 24,790,295	\$ 28,013,033	816	\$ 52,803,328
Kaiser	621491	2.53	1.89	HMO Medical Center	500	765	\$ 42,495,533	\$ 37,821,024	1,265	\$ 80,316,557
National Bank Holding	551111	3.03	1.71	Offices of Bank Holding Companies	50	102	\$ 7,129,835	\$ 5,062,183	152	\$ 12,192,018
Reedwood Trust	523110	4.24	2.17	Investment Banking & Securities Dealing	550	1,782	\$ 81,378,546	\$ 95,212,899	2,332	\$ 176,591,445
Star Tek	561422	1.61	1.69	Customer Contact Center	95	58	\$ 4,025,434	\$ 2,777,549	153	\$ 6,802,983
Trizetto	541512	2.37	1.68	Computer Systems Design	750	1,028	\$ 72,882,563	\$ 49,560,143	1,778	\$ 122,442,706
Totals		3.04	2.02		4,286	8,760	\$ 437,860,759	\$ 444,985,743	13,046	\$ 882,846,502

Sources: EMSI Complete Employment 2012.4