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

<table>
<thead>
<tr>
<th>Year</th>
<th>Active</th>
<th>Pending</th>
<th>Eliminated</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2003</td>
<td>26</td>
<td></td>
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<td>2004</td>
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<tr>
<td>2010</td>
<td>135</td>
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<td><strong>2011</strong></td>
<td><strong>163</strong></td>
<td><strong>9</strong></td>
<td><strong>9</strong></td>
<td><strong>170</strong></td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>907</strong></td>
<td><strong>169</strong></td>
<td><strong>9</strong></td>
<td><strong>437</strong></td>
</tr>
</tbody>
</table>

January 2006 – Nov. 30, 2011

Active 169

Pending 9

Eliminated

• Total 437
• 2011 77

Successful

• Total 133
• 2010 21
• 2011 27
• New business 78
• Existing business 55
• HQ 26

Active Prospects as of Nov. 30, 2011

Prospect Type

<table>
<thead>
<tr>
<th>Prospect Type</th>
<th>Industry Function</th>
</tr>
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<tbody>
<tr>
<td>Aerospace</td>
<td>Data center</td>
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<tr>
<td>Aviation</td>
<td>Manufacturing</td>
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<tr>
<td>Beverage</td>
<td>Distribution warehouse</td>
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<tr>
<td>Bioscience</td>
<td>Office</td>
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<tr>
<td>Data storage</td>
<td>HQ</td>
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<td>Distribution</td>
<td>Call center</td>
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<td>Energy</td>
<td>Service center</td>
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<tr>
<td>Financial services</td>
<td>Other</td>
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<tr>
<td>IT/software</td>
<td>R&amp;D</td>
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<tr>
<td>Manufacturing</td>
<td>International</td>
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<tr>
<td>Services</td>
<td>Existing business</td>
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<tr>
<td>Telecommunications</td>
<td>New business</td>
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<tr>
<td>Unknown</td>
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<tr>
<td><strong>Total</strong></td>
<td>170</td>
</tr>
</tbody>
</table>
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

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### 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*

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 2010.

Lowest Local Government Tax Revenue per Capita

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.
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.
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.

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.
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.

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.
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.