

CITY OF IDAHO SPRINGS INVESTMENT PROSPECTUS

A destination for innovation.





Prepared by the Clear Creek Economic Development Corporation
in partnership with:

City of Idaho Springs

Colorado Office of Economic Development and International Trade

Colorado Department of Local Affairs

Photography
provided by Frozen Fire



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“The Clear Creek Economic Development Corporation supports diverse and sustainable development that highlights the unique rural character of Clear Creek County and the community of Idaho Springs. We look forward to supporting and assisting with development during this next chapter for Idaho Springs!”

- Lindsey Valdez, President & CEO
Clear Creek Economic Development Corporation

“With each new season comes exciting changes for Idaho Springs and Clear Creek County.”

- Cassandra Patton, Executive Director
Clear Creek County Tourism Bureau

“Idaho Springs is experiencing a renaissance and the Mighty Argo is part of the transformation!”

- Mary Jane Loevlie, Owner
The Mighty Argo Mill & Tunnel

"It's an exciting time for Idaho Springs and I am fortunate to be here. I am optimistic that any changes to come will further enhance the unique and special look and vibe of our town."

- Brandi Murphy, Executive Director
Idaho Springs Chamber of Commerce

EXECUTIVE SUMMARY

Idaho Springs has a rich history as Colorado's first gold rush town, conveniently rooted in a beautiful mountain setting 35 minutes west of downtown Denver on Interstate 70. With over 18M cars passing through Idaho Springs annually and, over the last decade, nearly \$500M in infrastructure improvements within a 10-mile radius, Idaho Springs is strategically prepared to be at the center of adaptive redevelopment in the state of Colorado. Enjoy a pro-business climate that thrives on tourism, with a 500 acre biking and hiking terrain park in the works, the second most rafted river in Colorado, and world class skiing just minutes away. Idaho Springs is a great place to visit, a charming community to call home, and a vibrant environment to do business.



OPPORTUNITY ZONE: BACKGROUND



- *Opportunity Zones (OZs) are a bipartisan provision of the Tax Cut and Jobs Act of 2017 sponsored by Senators Tim Scott (R-SC) and Cory Booker (D-NJ).*
- *The Opportunity Zones program is designed to incentivize patient capital investments in low-income communities nationwide.*
- *All of the underlying incentives relate to the tax treatment of capital gains, and all are tied to the longevity of an investor's state in a qualified Opportunity Fund, providing the most upside to those who hold their investment for 10 years or more.*
- *"Opportunity Funds" are currently being formed for the purpose of investing directly into low-income communities designated "Opportunity Zones."*
- *Opportunity Zones have no detrimental effect upon state or local tax revenue. The goal is to increase investment in low-income communities to solidify and strengthen the state and local tax base.*
- *The tax provision provides three main benefits to an OZ investor: 1) Temporary tax deferral, 2) Basis "step-up," 3) Permanent exclusion of gain*

The 2017 Tax Cut and Jobs Act of 2017 established Opportunity Zones (Internal Revenue Code Section 1400Z)

WHAT ARE TAX INCENTIVES FOR OZ INVESTORS?

The Opportunity Zone program offers three tax incentives for investing in low-income communities through a qualified Opportunity Fund.

TEMPORARY TAX DEFERRAL

An investor may defer recognition of income associated with any current capital gains realized (but not yet recognized for Federal tax purposes by the private investor) that are reinvested into an Opportunity Fund.

BASIC STEP-UP

An investor is granted a step-up in the basis of any current capital gains reinvested into an Opportunity Fund. The private investor's basis in his/her original investment is increased by ten percent (10%) of the amount of unrecognized capital gain of the Opportunity Fund investment is held for a minimum of five (5) years and a fifteen percent (15%) of the investment is held for a minimum of seven (7) years. The effect of the step-up in basis is to reduce the amount of the reinvested capital gain that is subject to tax.

PERMANENT EXCLUSION

Long term investments in Opportunity Funds are encouraged, because private investors are granted a permanent exclusion of any future capital gain income realized upon the sale or exchange of an investment in an Opportunity Fund if the investment is held for at least ten (10) years. Thus, in such a case, a private investor would be permitted to exclude the entire amount of gain an investment accrues after the initial investment is made into the Opportunity Fund.



ASSETS FOR REINVESTMENT

Real estate and businesses (i.e., LLCs, corporations, partnerships, etc.) located in opportunity zones are generally eligible for investment. Federal Treasury Regulations provide additional detail about qualifying investments. Generally, the following applies:

- Opportunity Funds may generally hold interest in real estate in Opportunity Zones (either directly or through business entities) and develop real estate properties.
- Opportunity Funds may generally invest in for-profit entities located in Opportunity Zones (e.g. start-up companies in business accelerators or incubators).
- Investments must meet “substantial improvement” requirements which are set forth in the Federal Treasury Regulations.



METHODOLOGY OF OZ CENSUS TRACT SELECTION

Colorado's Office of Economic Development and International Trade (OEDIT) conducted an inclusive and rigorous process to nominate census tracts for Opportunity Zone status. OEDIT produced metrics for evaluation, took public input, and collaborated with regional economic development partners who brought extensive human intelligence to the table to select census tracts with need and opportunity characteristics that present a good case for private capital investment. Colorado's Opportunity Zones present a portfolio of investment opportunities from urban to rural, and business starts to infrastructure. Most of the census tracts are outside of the Front Range and touch much of the state with the goal of raising up our rural economies. The census tracts nominated have been approved. Colorado's OZs are now set for the duration of the program (through 2026).

Every state and territory could designate up to 25% of eligible census tracts as OZs; Colorado has 126 census tracts designated as Opportunity Zones. Private equity in Opportunity Funds will seek the best investment opportunities aligned with their mission and return requirements - it's important to remember that OZs in Colorado will frequently be completing with OZs throughout the United States for capital investments.



Source: Office of Economic Development and International Trade

IDAHO SPRINGS IS JUST MINUTES AWAY!

- 35 minutes to **UNION STATION**
- 55 minutes to **DENVER INTERNATIONAL AIRPORT**
- 25 minutes to the **CONTINENTAL DIVIDE**
- 3.5 million residents within 45 minutes
- 2nd most rafted river in Colorado
- Major influx of tourism for outdoor recreation, heritage tourism and nearby gambling



HISTORY OF IDAHO SPRINGS: THE DISCOVERY OF GOLD



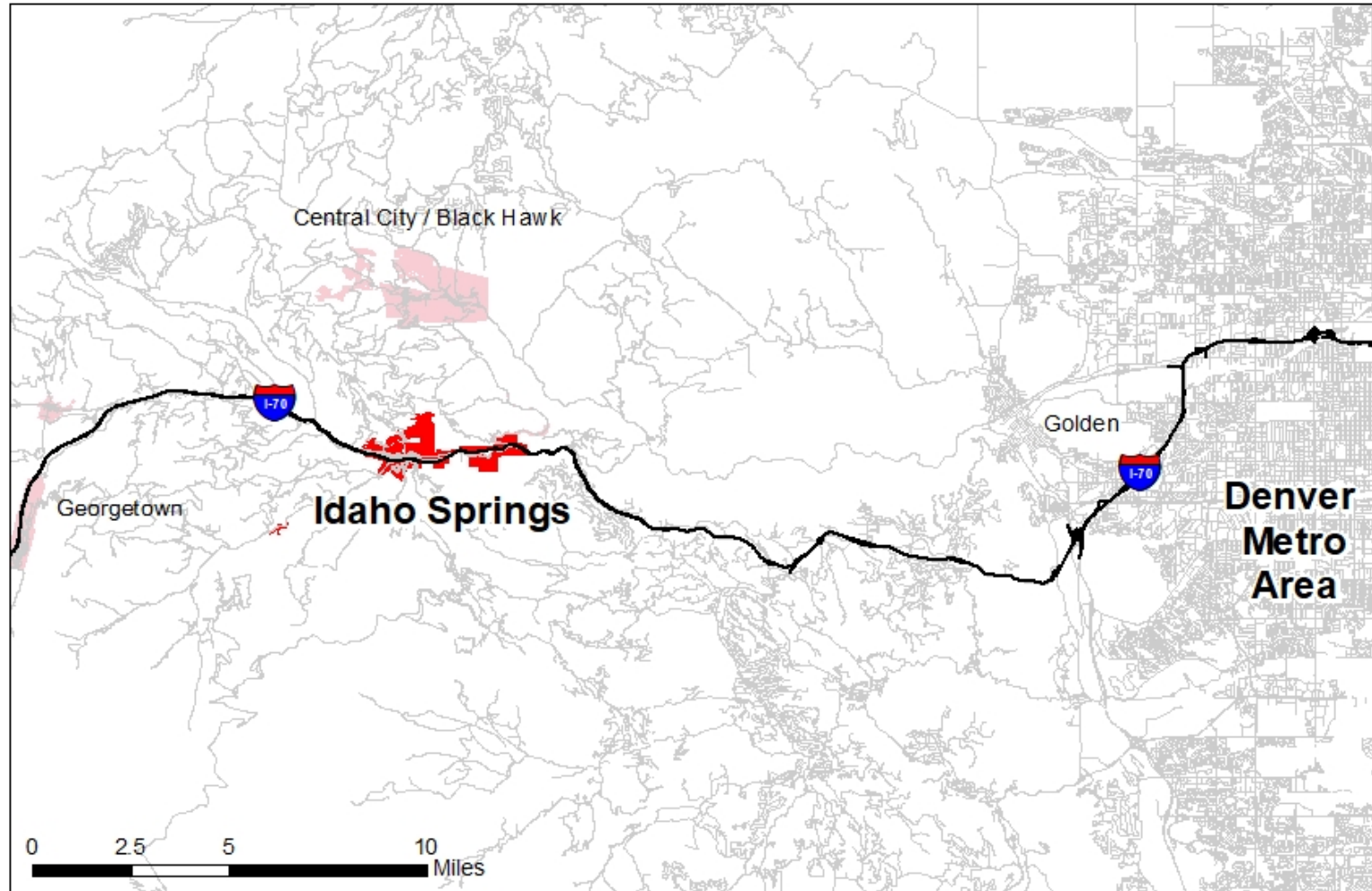
In early January of 1859, George Andrew Jackson, a native of Glasgow, Missouri, left his winter camp at the site of present day Golden, Colorado, to go on a hunting trip. While camped out on a sandbar where Chicago Creek flows into Clear Creek, Jackson decided to pan some of the thawed gravel around his campfire.

The indescribable longing that stirs within one's soul to explore an unknown area, seeking out its hidden secrets and treasures, can probably explain George Andrew Jackson's action on a cold day in January 1859.

Using his drinking cup, he washed out gold nuggets. He headed back to Golden with the news of his discovery of gold and prospectors rushed to the area to seek their fortunes. Small camps of tents and shacks sprang up through the narrow valley of what is now Idaho Springs.

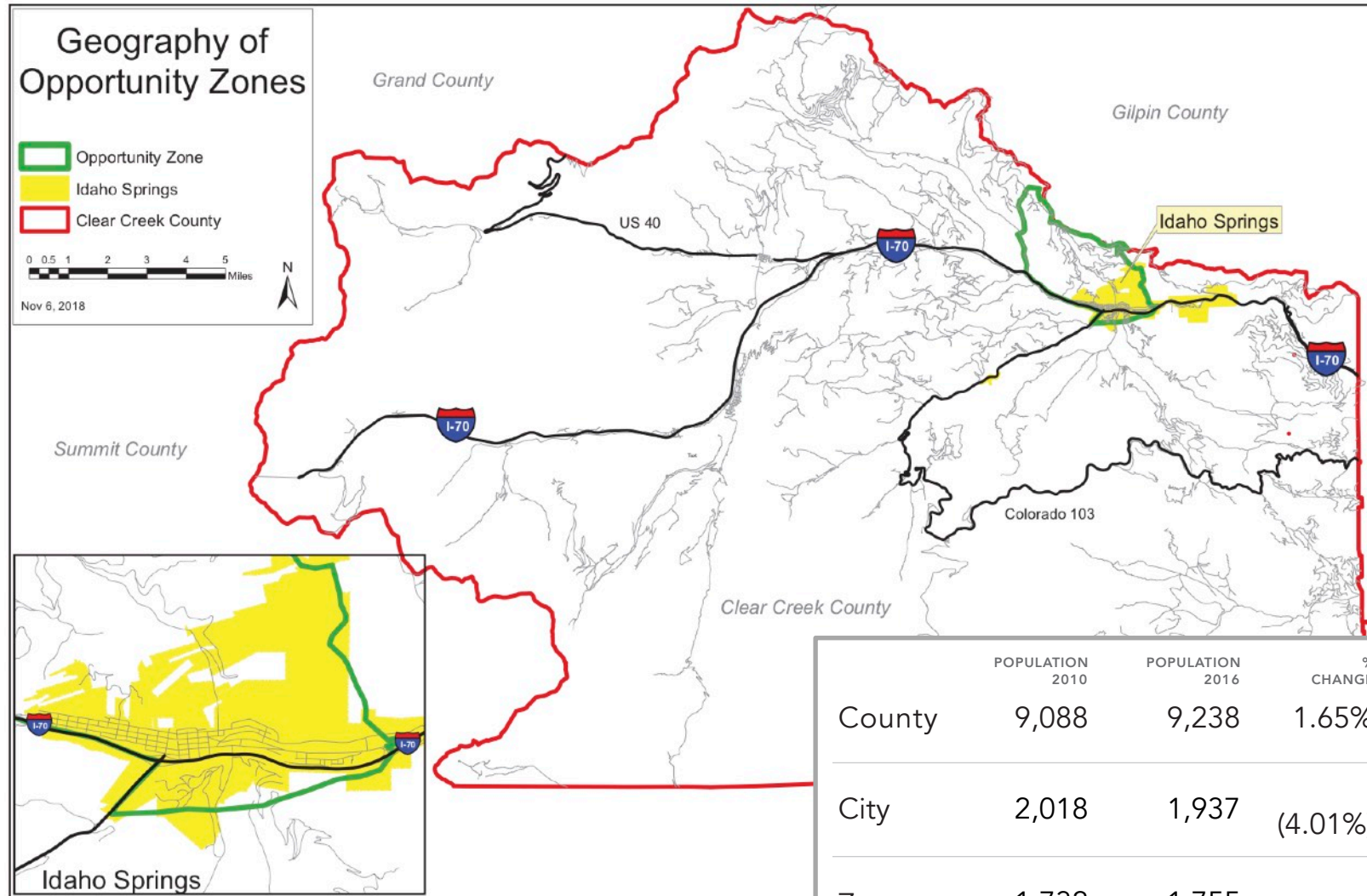
Source: Historical Society of Idaho Springs / Learn more at historicaidahosprings.com

VICINITY MAP



Map Source: City of Idaho Springs Planning Dept.

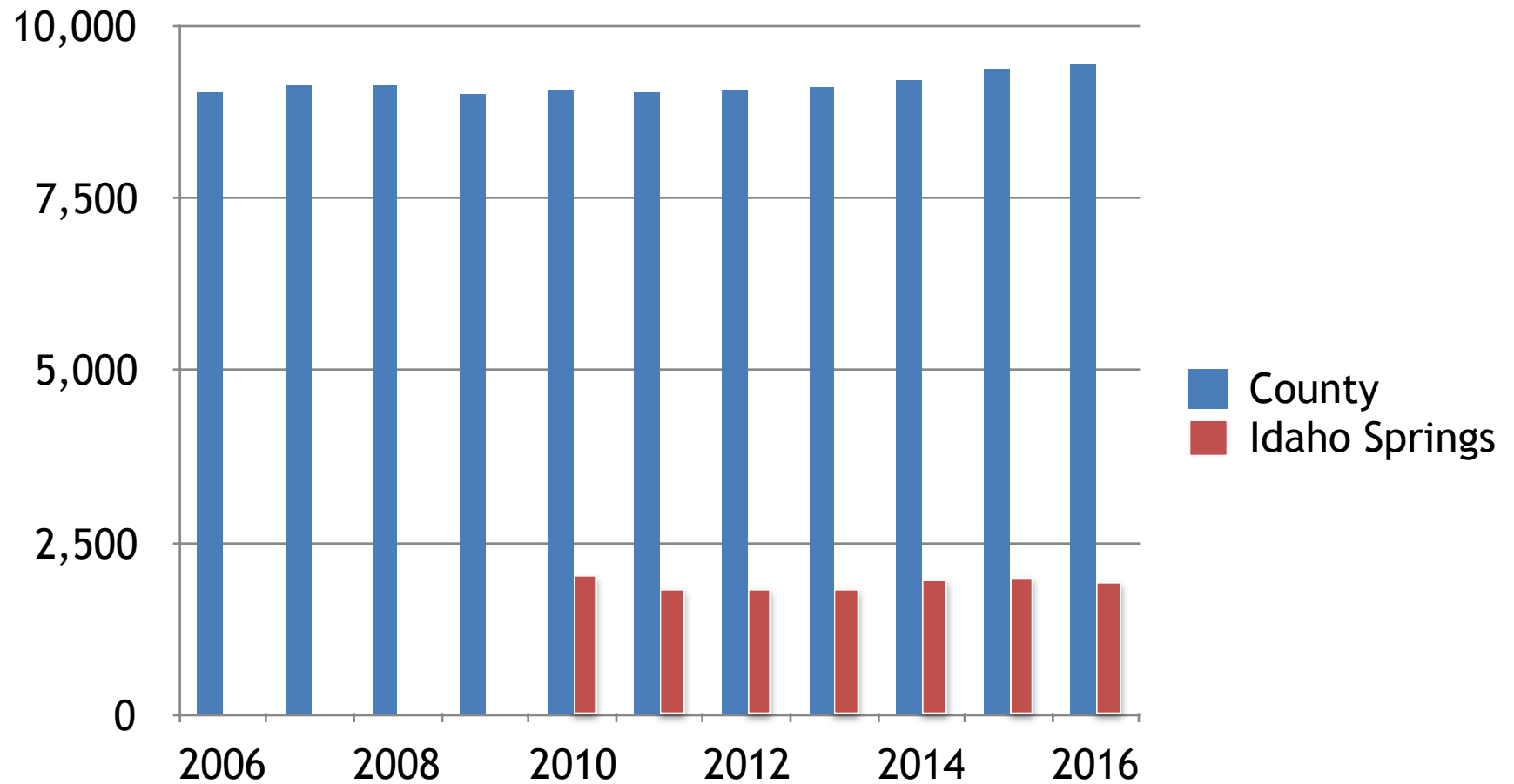
GEOGRAPHY OF OPPORTUNITY ZONE



	POPULATION 2010	POPULATION 2016	% CHANGE	SQ. MILES
County	9,088	9,238	1.65%	396
City	2,018	1,937	(4.01%)	2.2
Zone	1,732	1,755	1.33%	5.84

Data Source: US Census American Community Survey
Map Source: City of Idaho Springs Planning Dept.

POPULATION



Source: U.S. Bureau of Economic Analysis and U.S. Census Bureau (American Community Survey)

SOCIAL AND ECONOMIC OVERVIEW

County, City, Opportunity Zone

	BLACK	HISPANIC	FOREIGN BORN	POVERTY	MEDIAN HOUSHOLD INCOME	%ED BA+	%SOME COLLEGE	%NO HS DEGREE	% UNDER 18	% OVER 65	UNEMPLOYMENT RATE
County	1.1%	5.7%	3%	7.4%	\$68,250	44.6%	23.4%	2.7%	15.8%	18.2%	4.4%
City	1.7%	8.3%	4.2%	17.8%	\$52,528	22%	32%	4.9%	17.3%	16.8%	9.6%
O-Zone	1.9%	9.2%	4.6%	16.8%	\$52,869	20.1%	32.8%	3.9%	16.7%	18.9%	10.8%
State	9%	7%	5%	15%	\$50,433	25%	29%	12%	24%	14%	3.3%
US	13%	17%	13%	15%	\$55,322	30%	29%	13%	23%	15%	4.1%

Source: US Census American Community Survey (2016)

COUNTY EMPLOYMENT PROFILE

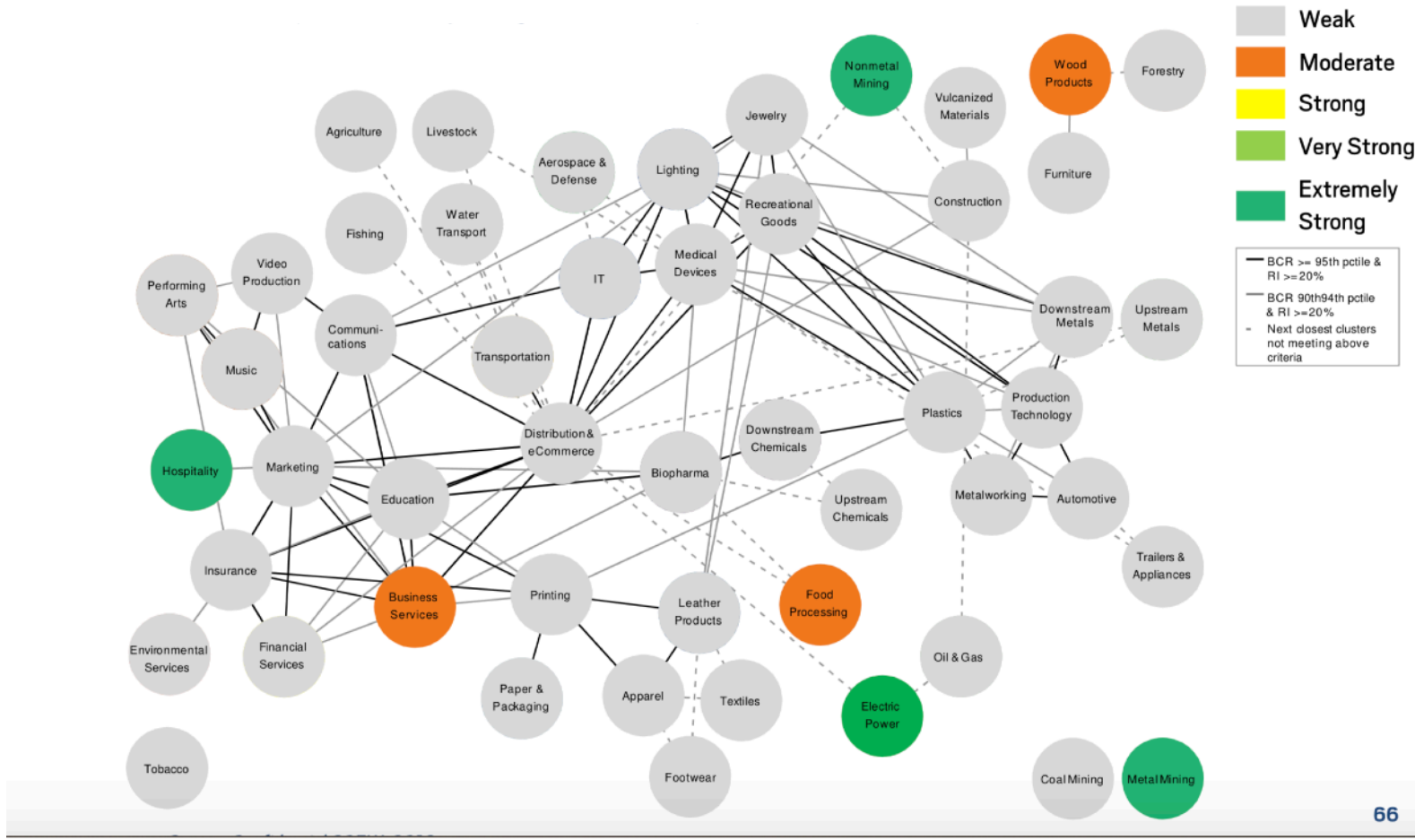
	2016 COUNT	2016 SHARE	2012 COUNT	2012 SHARE	DIFFERENCE IN SHARE
Accommodation and food services	708	17.1%	691	16.1%	1.0%
Government and government enterprises	703	17%	712	16.6%	0.4%
Arts, entertainment and recreation	392	9.5%	386	9%	0.5%
Retail Trade	362	8.7%	305	7.1%	1.6%
Real estate and rental and leasing	262	6.3%	243	5.7%	0.6%
Other services (except government and government enterprises)	239	5.8%	230	5.4%	0.4%
Construction	196	4.7%	182	4.2%	0.5%
Professional, scientific, and technical services	173	4.2%	201	4.7%	(0.5%)
Administrative and support and waste management and remediation services	111	2.7%	(D)	Unknown	N/A
Transportation and warehousing	107	2.6%	79	1.8%	0.8%
Finance and insurance	63	1.5%	(D)	Unknown	N/A
Management of companies and enterprises	61	1.5%	(D)	Unknown	N/A
Wholesale trade	60	1.4%	(D)	Unknown	N/A
Utilities	28	0.7%	(D)	Unknown	N/A
Information	17	0.4%	(D)	Unknown	N/A
Mining, quarrying, and oil and gas extraction	(D)	Unknown	(D)	Unknown	N/A

- Share calculated based on total non-farm employment estimates: (2016) 4,142, (2012) 4,293
- Estimates for 2011 forward are based on the 2012 NAICS.
- (D) Not shown to avoid disclosure of confidential information.
- Last updated: November 16, 2017—new estimates for 2016

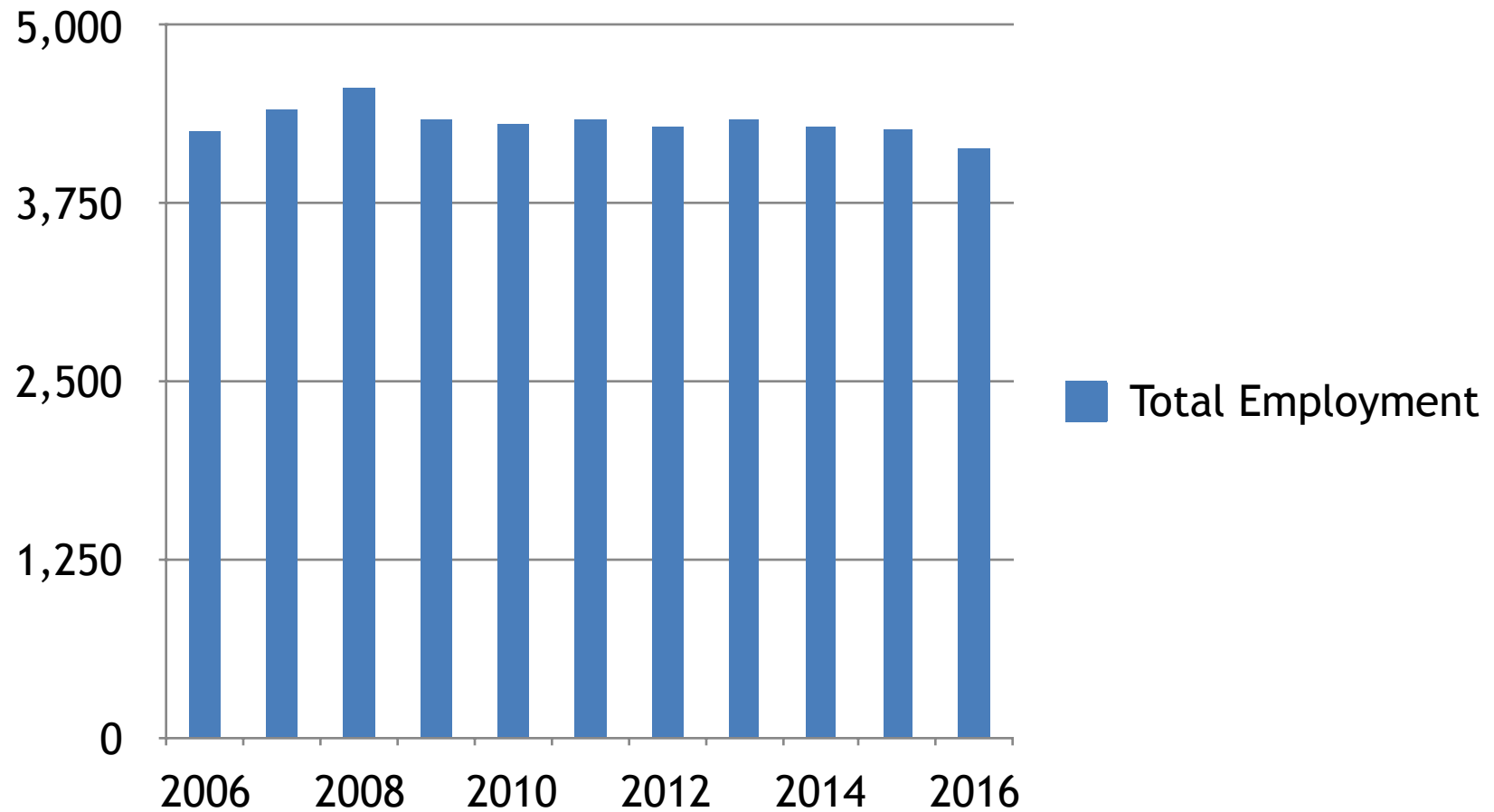
Source: U.S. Bureau of Economic Analysis

TRADED CLUSTERS

Jobs and Wages | Clear Creek Traded Clusters 2016

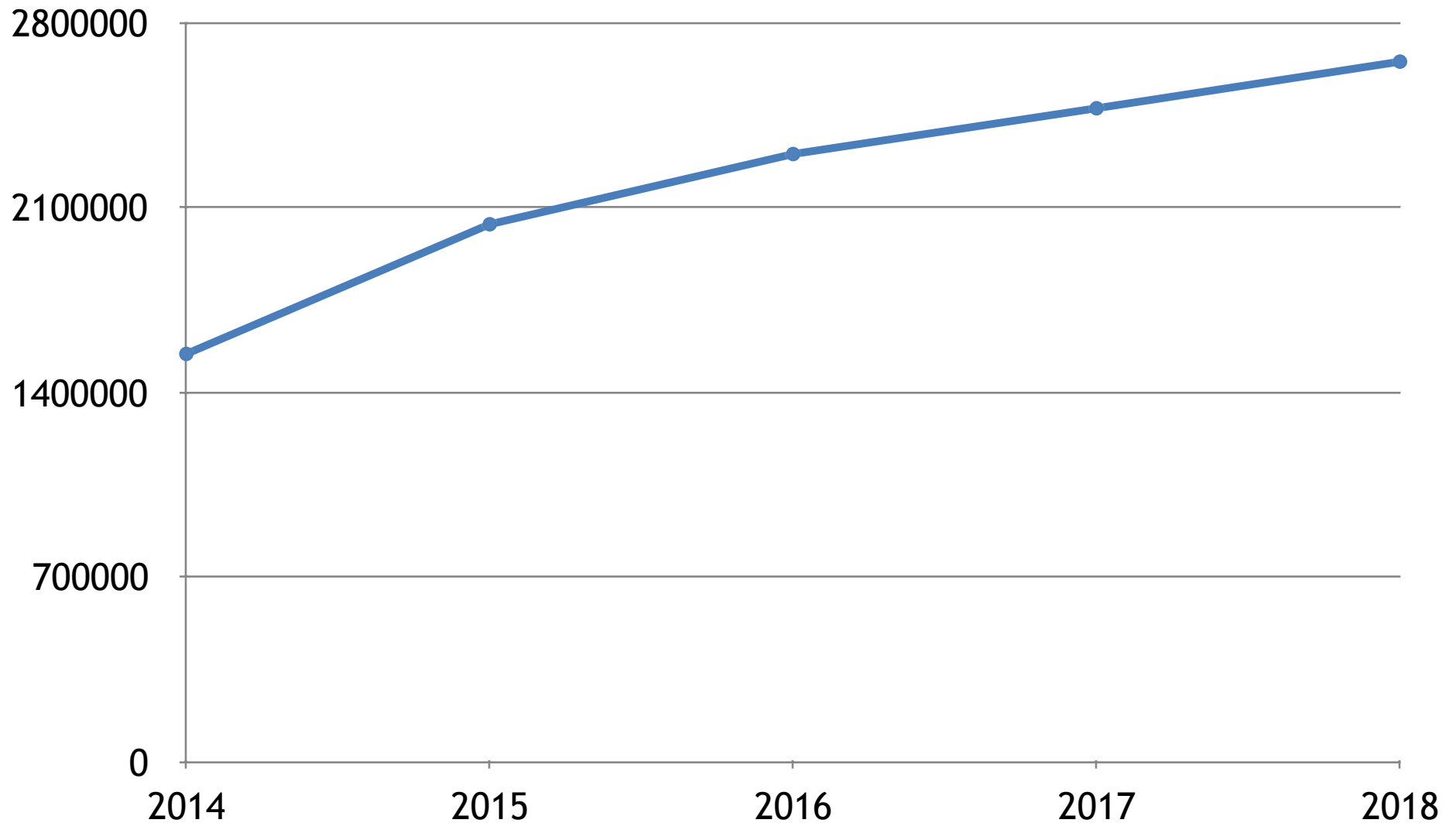


COUNTY EMPLOYMENT



Source: U.S. Bureau of Economic Analysis

IDAHO SPRINGS SALES TAX TRENDS



STRENGTHS OF IDAHO SPRINGS



Proximity to Denver Metro:

Idaho Springs is a shorter commute to downtown Denver than many Denver suburbs

Traffic Counts:

Approximately 19M vehicles pass through Idaho Springs annually which, on average, is 52,000 cars per day

World Class Recreation:

There are 10 ski areas within one hour of Idaho Springs (Loveland, Echo Mountain, Arapahoe Basin, Keystone, Breckenridge, Copper Mountain, Vail, Beaver Creek, Eldora and Winter Park)

World Class Rafting:

Clear Creek is the second most rafted river in Colorado

World Class Hiking:

There are 4 fourteeners within 45 minutes of Idaho Springs (Mt. Evans, Mt. Bierstadt, Mt. Grays and Mt. Torreys)

Scenic Byways:

The Mt. Evans Scenic and Historic Byway is the most visited in Colorado and is the highest paved road in the Northern Hemisphere (summits at 14,265')

Unique History:

Idaho Springs is a National Historic District with over 70 designated sites

Nearby Gambling:

The gaming communities of Central City and Black Hawk are a 20 minute drive from Idaho Springs, with over 13M visitors annually

Creditworthiness of City:

The City of Idaho Springs invests in the Colorado Government Liquid Asset Trust and Colorado Surplus Asset Fund. Both are rated AAA by Standard and Poor's.

Progressive City Government:

The City of Idaho Springs is business friendly with streamlined permitting procedures and a progressive comprehensive vision and master plan

Leadership:

Idaho Springs is home to numerous non-profit organizations that provide community leadership and opportunities for collaborative partnerships

STRENGTHS: REVITALIZATION



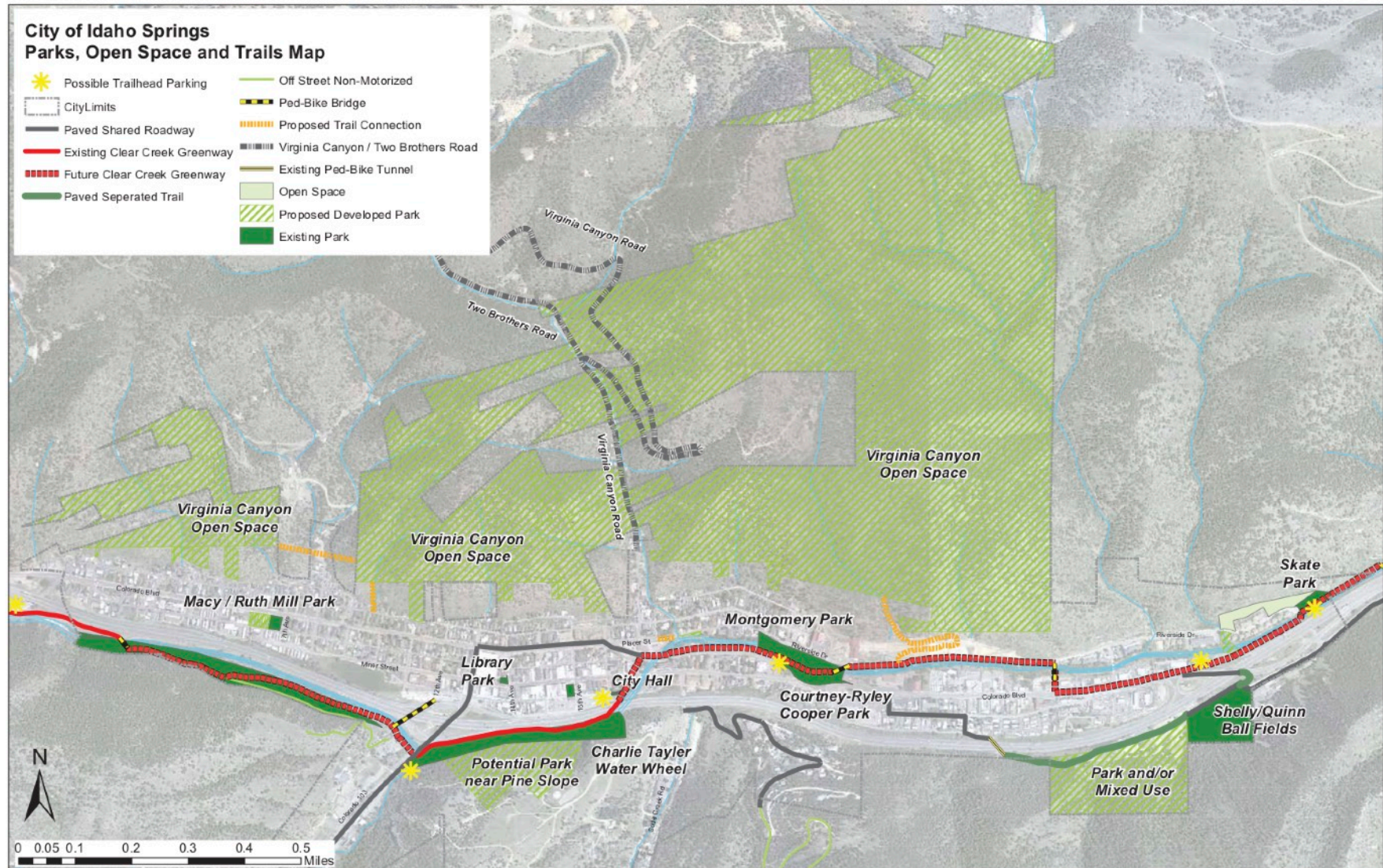
- **\$22M** in infrastructure improvements and the rebuild of East End Colorado Boulevard, Idaho Springs (Completed)
- **\$7M** remodel of the Clear Creek Recreation Center, Idaho Springs (Completed)
- I-70 Eastbound **Peak Period Shoulder Lane** Project (Completed)
- I-70 Westbound Peak Period Shoulder Lane Project (Planning in process)
- Panasonic/CDOT **Connected Vehicle I-70 Pilot** Project (In process)
- Virginia Canyon **Mountain Park** Development (In process)
- Colorado **Greenway Trail** Development (In process)
- City of Idaho Springs **Facade Improvement** Grant Program (Yr. 1 Completed/Yr. 2 In process)
- Mighty Argo Mill and Tunnel/**Gondola** Development, Idaho Springs (In process)
- Stanley Mine **Adventure Park** Development, Idaho Springs (In process)
- River Bend **Attainable Housing** Project, Idaho Springs (In process)
- Big Horn Crossing Housing and **Hotel** Development, Georgetown (In process)



STRENGTHS: COMMUNITY



STRENGTHS: RECREATION



Map Source: City of Idaho Springs Planning Dept.

CHALLENGES OF IDAHO SPRINGS

- **Attainable Housing**
- **Available Workforce**
- **Available Child Care Options**
- **Traffic Congestion**
- **Adequate Parking**
- **Economic Diversity**
- **Proximity Perception** that Idaho Springs is removed from Denver Metro
- **Investment Needs**
(philanthropic, business, local)



INCENTIVES

- **Opportunity Zone**
- **Enterprise Zone**
- **Rural Jump-Start Zone**
- **Foreign Trade Zone** (Application pending)
- **CDBG Region 3 Business Loan Fund**
- **Strategic Fund Incentive**
- **Job Growth Incentive Tax Credit (JGITC)**
- **Higher Education Partnership (HEP)**
- **Colorado First and Existing Industry Customized Job Training Program**
- **Colorado Commercial Property Assessed Clean Energy Program (C-PACE)**
- **Local incentives to be considered on a case-by-case basis**



PARTNERS

The City of Idaho Springs is eager to partner to achieve economic development success in the community. These partnerships will be critical to overall success. With strong collaboration from the following stakeholders, Opportunity Zone projects are destined for greatness:

GOVERNMENT PARTNERS:

City of Idaho Springs
Clear Creek County
Colorado Department of Local Affairs
Colorado Housing and Finance Authority
Colorado Office of Economic Development and International Trade
Denver Regional Council of Governments

ECONOMIC DEVELOPMENT PARTNERS:

Clear Creek Economic Development Corp.
Downtown Colorado Inc.
Economic Development Council of Colorado
Frozen Fire / This IS Idaho Springs
Idaho Springs Chamber of Commerce
Small Business Development Center
Urban Land Institute

COMMUNITY PARTNERS:

Clear Creek County Tourism Bureau
Clear Creek Greenway Authority
Clear Creek Library District
Clear Creek Metropolitan Recreation District
Clear Creek School District
Historical Society of Idaho Springs
Mountain Youth Network

WORKFORCE PARTNERS:

American Jobs Center
Climax Molybdenum/Henderson Mine
Colorado School of Mines
Denver University
MindSpark
Red Rocks Community College
Warren Tech

CONTACT

Clear Creek Economic Development Corporation

Lindsey Valdez, President & CEO

president@clearcreekedc.org

303-710-9218

clearcreekedc.org

