

**Metro Denver Economic Development Corporation**  
**Testimony in Support of House Bill 20-1298**

*Treat Economic Development Income Tax Credits Differently*

Prime Sponsors: Rep. Tracy Kraft-Tharp, Rep. Daneya Esgar, Sen. Leroy Garcia, & Sen. Jack Tate  
Committee: House Business Affairs & Labor  
Date/Time: Wednesday, March 11, 2020 1:30pm

Testimony of Sam Bailey, Vice President of Economic Development,  
Metro Denver Economic Development Corporation

Good afternoon members of the House Business Affairs and Labor

Committee. My name is Sam Bailey and I serve as Vice President of

Economic Development for the Metro Denver Economic Development

Corporation(Metro Denver EDC), part of the Denver Metro Chamber of

Commerce family of organizations. On behalf of the Metro Denver

Economic Development Corporation, Denver Metro Chamber of

Commerce, and its members, I am pleased to testify in support of

House Bill 1298.

The Metro Denver EDC is privately funded and represents nine counties

and seventy communities across Colorado's Front Range providing

business attraction, retention, and expansion services in partnership

with local, county, and state partners. Beyond our work in the Front

Range, we collaborate with economic development organizations across Colorado on strategic initiatives, research projects, and public policy.

The State of Colorado has a history of utilizing performance-based economic development programs to support new and existing companies to add quality jobs and investment in our state. We believe that this has been a fiscally responsible approach to creating job opportunities for Colorado residents, attracting capital investment that generates tax revenues for our state and communities, and diversifying our state economy across growing industries.

House Bill 1298 is a continuation of those themes leveraging framework created by programs like the Job Growth Incentive Tax Credit(JGITC) and Colorado Enterprise Zone(EZ) Program. These programs overseen by the Colorado Economic Development Commission provide modest, performance-based tax credits for economic activity that enhances the economic health of our state and its residents. They provide a good balance between our need to compete with other communities around

the U.S. who are pursuing the same companies and same jobs – with diligence for the investment taxpayers make through these programs.

House Bill 1298 is an extension of an important tool that modifies the Job Growth Incentive Tax Credit and Enterprise Zone programs to support the transferability of tax credits for companies that make substantial strategic capital investments in our state of \$100 million.

The limited ability to transfer tax credits from the applicant company to another Colorado taxpayer will help attract, expand, and retain employers that make major capital investments in Colorado.

These projects create significant taxable revenues for the State of Colorado, municipalities, counties, school districts, and other taxing-entities that foster strong community investment. Within the first three years of this program, the transferability of tax credits has been an important factor in supporting the attraction of VF Corporation to Metro Denver and expansion of EVRAZ Rocky Mountain Steel in Pueblo County. There will be more, albeit limited, opportunities to deploy this tool when Colorado competes for major tax-generating projects. When

those opportunities arise, we believe this program should be available to deploy.

Again, on behalf of the Metro Denver EDC, the Denver Metro Chamber of Commerce, and its members, we are pleased to support House Bill 1298. Thank you for the opportunity to testify. I would be happy to answer any questions from the committee at this time.