

# ROI Analysis

## City of Boulder Flexible Rebate Program

December 2014

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## Executive Summary

The City of Boulder’s Flexible Rebate Program continues to be a useful and cost-effective tool for retaining businesses, based on a return on investment (ROI) analysis conducted by the Boulder Economic Council (BEC).

In 2013, rebates were approved for ten Boulder primary employers that contribute to the economic, environmental, and social sustainability of the community and agreed to stay in Boulder for at least three years. The companies planned to use the funds to help offset costs associated with their growth and expansion and make their operations more sustainable.

The rebates approved by City Manager Jane Brautigam in 2013 ranged from \$10,000 to \$90,000 for a total of \$455,000. Based on an analysis of projected employment and wages provided by rebate recipients for the three year period (2013-2015) covered by the rebate, the city will receive an estimated net return of \$3.37 million or \$7.86 for every \$1 invested, through:

- Sales taxes paid on business sales in Boulder;
- Taxes on business capital expenditures and facility improvements in Boulder;
- Building permit fees paid to the city; and
- Sales taxes paid on purchases by direct and indirect employees and visitors.

In addition, the rebate recipients will create new jobs and are committed to supporting the Boulder community through programs that align with the city’s goals for environmental and social sustainability including paying higher than average wages, supporting local charities and non-profit organizations, and participating in programs to reduce their energy consumption, waste and employee commuter trips.

Program participants included companies in a range of industries including publishing / digital media, beverage manufacturing, organic food production, textiles, advertising / brand marketing and IT. Seven of the companies were considering locations outside the city and the rebates they received influenced their decisions to remain in Boulder. When the companies submitted their applications in 2013, they ranged in size from 9 to 211 employees for a total of 781 employees. By 2015 they expect to employ a total of 1,086 employees for an increase of 39%.

2013 Flexible Rebate Recipient	Industry	2013 Employees	2015 Employees	Rebate Awarded	Net Return on \$1
Active Interest Media	Publishing / Digital Media	124	178	\$25,000	\$10.12
Anthem Branding	Advertising / Brand Marketing	20	43	\$60,000	\$5.67
Avery Brewing Company	Beverage Manufacturing	89	145	\$90,000	\$11.69
Boulder Brands, Inc.	Organic Food Production	60	90	\$60,000	\$8.63
Boulder Homemade, Inc.	Organic Food Production	9	28	\$25,000	\$2.02
Cocona, Inc.	Textiles	24	29	\$10,000	\$3.98
Orbotix, Inc.	IT – Robotics and Software	38	65	\$30,000	\$4.24
Rudi’s Organic Bakery	Organic Food Production	211	218	\$50,000	\$6.49
SolidFire, Inc.	IT – Data Storage	90	165	\$50,000	\$7.73
Sterling-Rice Group	Advertising / Brand Marketing	116	125	\$55,000	\$9.07
<b>Total</b>		<b>781</b>	<b>1,086</b>	<b>\$455,000</b>	<b>\$7.86</b>

# Detailed Summary of Results

## Background

Since 2007, the City of Boulder has offered business incentives through its Flexible Rebate Program to help eligible businesses expand in Boulder. The program is part of the City's ongoing effort to support the economic vitality of the city through outreach, assistance, and recognition of local businesses.

To be eligible for the program, businesses are required to be primary employers, defined as generating more than half of company revenue from sales outside Boulder County. They are also required to reflect the values and goals of Boulder, demonstrated by commitment to environmental and social sustainability of the community, and to agree to remain in Boulder for at least three years. Funds are reimbursed only as companies submit receipts to show that qualifying taxes and fees have been paid to the City of Boulder.

The Boulder Economic Council (BEC) has been commissioned by the City of Boulder to provide an objective evaluation of the effectiveness of the Flexible Rebate Program, including a return on investment (ROI) analysis.

*(See Appendix C for more information including program history.)*

## Methodology

At the time each company applied for a rebate, the City of Boulder Finance Department performed an analysis to ensure that the sales tax on local sales in Boulder, any sales and use taxes paid to the City on capital expenditures and facility improvements in Boulder and building permit fees combined would cover the cost of the incentive. They also considered the sales taxes generated by anticipated spending by local employees and used a flat jobs multiplier of 1.5.

The BEC analysis builds on the city's analysis and includes the broader economic impacts that businesses have on the community. Key refinements to the analysis include consideration of:

- Industry specific 2011 IMPLAN job multipliers for each rebate recipient
- 2012 Bureau of Labor Statistics consumer spending data by employee wage group
- Spending for non-resident employees, conservatively estimated at \$25/week
- Spending for overnight business visitors based on the most recent data available from the Boulder Convention and Visitor's Bureau

*(See Appendix B for more information on data sources, assumptions, and methodology.)*

## 2013 Program Highlights

The City of Boulder approved \$455,000 in tax/fee rebates for ten primary employers in 2013. All of the companies were at transition points in their operations and planned to use funds from the Flexible Rebate Program to help offset costs associated with growth and expansion and make their operations more sustainable. The availability of an incentive through the rebate program was a factor for seven of the companies who considered other locations but decided to remain in Boulder.

The companies that were approved for an incentive through the City of Boulder Flexible Rebate Program in 2013 included different industries and sizes of businesses, reflecting the City's goal of assisting a variety of businesses with the program. Comments made by rebate recipients indicate the program is helping the city build goodwill in the Boulder business community and helping to demonstrate its support of business growth and expansion in Boulder.

The following companies were approved for a Flexible Rebate Program incentive in 2013 (*See Appendix A for a detailed overview of recipients*):



**Active Interest Media, Inc.** is a leading special interest media company with holdings across multiple media platforms, including more than 54 magazines, 54 websites, dozens of digital editions, a film company, and nearly two dozen major consumer conferences and events. The company's five publishing groups reach more than 36 million readers in 85 countries around the world. The company recently acquired Yoga Journal and Clean Eating Magazine, relocating more than 50 employees to Boulder. To accommodate its recent and expected growth, Active Interest Media is renovating and expanding its Flatirons Park office. Active Interest Media received approval for a \$25,000 rebate to help offset the costs of renovation and expansion.



*The City of Boulder has been a phenomenal community and business partner in helping us build a thriving media business. Our location here has enabled us to attract our staff of over 200 passionate media pros.*

### ANTHEM BRANDING

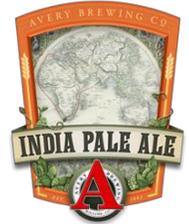
**Anthem Branding** produces fully-realized brand identities, must-have merchandise and innovative promotional products. The primary focus is creating unique, strong brand experiences through solid partnerships with local and national clients across various industries. Anthem was approved for a rebate of \$60,000 to help offset its expansion into a new, contemporary building on Broadway that will allow for growth.



*Our new space will support our continued growth and allow us to offer even more robust solutions for our clients. We're excited to have a lasting and meaningful impact on the local landscape, and reflect Boulder's spirit of creativity and innovation.*



**Avery Brewing Company** is an award-winning craft brewery that was launched in 1993 and today produces more than twenty different beers. After it became clear their current facility was not large enough to support its growth, the company considered a number of locations within and outside the city before purchasing a 5.6 acre parcel at 4910 Nautilus Court in Boulder. The company is building a \$27 million, 96,000 sq. ft. state-of-the-art brewing facility that will feature an expanded tap room, restaurant, outdoor beer garden and gift shop. Avery Brewing Company received approval for a \$90,000 rebate to help offset the costs of this new facility in Gunbarrel.



*We are thrilled to be building a new, world-class brewery in our hometown. The Avery Brewing Company would not exist without Boulder and we can't imagine being anywhere else. This rebate is an incredible bonus. We are so appreciative that the city and the people of Boulder are helping us create what we know will be an amazing attraction and gathering place for our community for years to come.*



**Boulder Brands, Inc.** (formerly Smart Balance, Inc.), one of the largest natural food companies in the United States, is committed to offering food solutions that give consumers opportunities to improve their lives – one product at a time. The company's health and wellness platform consists of brands that target specific health trends: Glutino; Udi's Gluten Free; Earth Balance; LEVEL Life; Smart Balance; and EVOL. Boulder Brands received approval for a \$60,000 rebate to help offset the costs of constructing third-floor office space at 1600 Pearl St. in order to relocate its corporate headquarters from Paramus, New Jersey to Boulder, Colorado.

*Boulder has long been regarded as the epicenter of the natural foods industry, and Boulder Brands is proud to call this wonderful city home.... We are thrilled with our new space, and thank the City of Boulder for their support in making this move possible for our company.*



**Boulder Homemade, Inc.** began as a scoop shop on the Pearl Street Mall in 1992 and currently manufactures and distributes to more than 300 grocery stores and 80 food service establishments. Boulder Homemade, Inc. manufactures Boulder Ice Cream, Yoki Bliss frozen yogurt, and Figo! Organic Gelato, one of the first organic gelatos on the market.



Boulder Ice Cream received approval for a \$25,000 rebate to help offset the costs of moving its headquarters to a new space at 3220 Prairie Ave. and consolidating its manufacturing from two plants in Louisville and Denver into its new organic-certified facility in Boulder.

*We are very happy to be consolidated back in Boulder, where we started. The new plant has the capacity to not only manufacture all our products, but also warehouse our entire inventory, alleviating the need to truck our product to a storage warehouse in Denver.*



**Cocona, Inc.** (now known as 37.5) is a world leader in the development, commercialization and marketing of active particle technologies currently used to enhance the technical performance of clothing, footwear and sleep systems under the product name 37.5™. Founded by Greg Haggquist in 2000, Cocona’s 37.5 technology helps power many of the world’s leading brands of active and outdoor apparel including Adidas, Pearl Izumi, Under Armour, and Carhartt. Cocona received approval for a \$10,000 rebate to help offset the costs moving its office from 2100 Pearl to East Boulder and consolidating its laboratory facility, including the 5 employees who work there, from Longmont to the new Boulder office.



*Boulder is an ideal place to locate a technology company. Besides being an easy place to recruit top talent, the city has supported our growth every step of the way.*



**Orbotix, Inc.**, founded in 2010, creates robots that fuse the hardware and gaming apps into a connected toy for the consumer market. Its first product, Sphero, is a robotic ball that comes with over 30 gaming apps and has sold in more than 70 countries worldwide. Orbotix received approval for a rebate of up to \$30,000 to help offset the costs of its recent expansion due to rapid growth. Orbotix moved its 35 employees from a 6,800 square foot space in downtown Boulder to a new space at 4772 Walnut St., more than doubling the size of its office. A sizable portion of Orbotix’s new space is designated a play area and driving track where the company



*We’re proud to be building the next great connected toy company right here in Boulder, Colorado. We are thrilled to be in our new building and want to thank the City of Boulder for its help.*

can show off Sphero and test new prototypes.



**Rudi’s Organic Bakery** is the leading producer of certified organic bread in the U.S., and specializes in the production and distribution of organic bread and baked goods products, including lines of gluten-free breads and baked goods. Owned by Charter Baking, the company was founded by Sheldon Romer in 1976 as a small local bakery in Boulder. In 2013, Rudi’s added a gluten-free production facility to its space at 3300 Walnut St. and continues to expand in Boulder. The company currently has 230 employees and recently hired more than 30 new employees. Rudi’s was approved for a rebate up to \$50,000 to help offset the costs of its expansion and employee growth.



*Rudi’s is thrilled to receive this rebate from the City of Boulder. The city has been very supportive of our growth initiatives over the years and we plan to add more new jobs as our business continues to expand.*



**SolidFire, Inc.** develops, markets, and sells high-performance and high-efficiency computer storage devices. These devices are built specifically for cloud computing, using an all Solid State Disks (SSD) platform. Founded in 2010 in Atlanta, the company moved to Boulder in May 2011 with five employees. In the third quarter of 2013, SolidFire received \$31 million in venture capital, leading all companies in the state, and received an additional \$82 million in 2014. The company occupied approximately 14,000 square feet in Downtown Boulder and is expanding that space by 10,000 square feet to accommodate expected growth. SolidFire was approved for a rebate up to \$50,000 to assist with the cost of this expansion, which will enable the company to grow from its current 100 employees to up to 170 employees.



*We are proud to be part of the Boulder community and the rich history of storage and data technology talent. As our team continues to grow, there isn't anywhere else we'd rather be.*



**Sterling-Rice Group** is a leading brand, strategy, innovation and communications firm that was founded in Boulder in 1984. Companies, from small entrepreneurial start-ups to some of the biggest brands in the country, come to Boulder to seek out SRG's expertise in consumer insights, new product

innovation, brand positioning, advertising and design. SRG has grown to 116 employees and has been located in downtown Boulder since its founding.

SRG was approved for a rebate up to \$55,000 to assist with the cost of expanding beyond its fourth floor space in the One Boulder Plaza building into a total of 39,500 square feet, including a street-level presence on the first floor of 1801 13th St. The new space will serve as a hub for innovation and creativity complete with a state-of-the-art test kitchen, mobile workspaces, convertible conference rooms, high-tech audio visual room and 3-D printing capabilities.



*Boulder has long been an epicenter for food, innovation and entrepreneurship, and the Sterling-Rice Group has always been proud to be in the heart of it... This new space will enable us to do what we do best in a state-of-the-art flexible space designed to allow for greater collaboration, not only with our clients but with Boulder's entrepreneurial community as well.*

2013 rebate recipients included companies in the beverage manufacturing, IT, publishing, food production, textiles and advertising industries.

2013 Flexible Rebate Recipient	Industry Sector
Active Interest Media	Publishing / Digital Media
Anthem Branding	Advertising / Brand Marketing
Avery Brewing Company	Beverage Manufacturing
Boulder Brands, Inc.	Organic Food Production
Boulder Homemade, Inc.	Organic Food Production
Cocona, Inc.	Textiles
Orbotix, Inc.	IT – Robotics and Software
Rudi's Organic Bakery	Organic Food Production
SolidFire, Inc.	IT – Data Storage
Sterling-Rice Group	Advertising / Brand Marketing

Recipients ranged in size from 9 to 211 employees in 2013 for an overall total of 781 employees. The companies that received a rebate anticipated adding a total of 305 additional employees over the three years covered by the program (2013 to 2015) with projected employment growth ranging from 3% to 211% or overall growth of 39%.

2013 Recipient	Employees 2013	Employees 2014	Employees 2015	Employees added 2013-15	% Growth
Active Interest Media	124	166	178	54	44%
Anthem Branding	20	35	43	23	115%
Avery Brewing Company	89	98	145	56	63%
Boulder Brands, Inc.	60	75	90	30	50%
Boulder Homemade, Inc.	9	22	28	19	211%
Cocona, Inc.	24	24	29	5	21%
Orbotix, Inc.	38	55	65	27	71%
Rudi's Organic Bakery	211	185	218	7	3%
SolidFire, Inc.	90	125	165	75	83%
Sterling-Rice Group	116	11	125	9	8%
<b>Total</b>	<b>781</b>	<b>896</b>	<b>1,086</b>	<b>305</b>	<b>39%</b>

Based on employment multipliers for different industries, rebate recipients will also generate an estimated 1,369 indirect jobs between 2013 and 2015.

2013 Recipient	Indirect Jobs 2013	Indirect Jobs 2014	Indirect Jobs 2015	Total Indirect Jobs Created
Active Interest Media	74	93	101	268
Anthem Branding	13	25	28	66
Avery Brewing Company	45	64	90	199
Boulder Brands, Inc.	22	29	37	88
Boulder Homemade, Inc.	4	12	16	32
Cocona, Inc.	5	5	7	17
Orbotix, Inc.	39	51	64	146
Rudi's Organic Bakery	37	41	48	126
SolidFire, Inc.	82	103	142	327
Sterling-Rice Group	38	28	34	100
<b>Total</b>	<b>351</b>	<b>451</b>	<b>567</b>	<b>1,369</b>

Thirty-four percent of the individuals employed by rebate recipients in 2013 resided in Boulder, which matches the estimated citywide average of 34%.

2013 Recipient	Total Employees 2013	Resident Employees 2013	% of Employees living in Boulder
Active Interest Media	124	48	39%
Anthem Branding	20	15	75%
Avery Brewing Company	89	53	60%
Boulder Brands, Inc.	60	15	25%
Boulder Homemade, Inc.	9	6	67%

Cocona, Inc.	24	11	46%
Orbotix, Inc.	38	12	32%
Rudi's Organic Bakery	211	25	12%
SolidFire, Inc.	90	32	36%
Sterling-Rice Group	116	45	39%
<b>Total</b>	<b>781</b>	<b>262</b>	<b>34%</b>

## Financial Return on Investment – All 2013 Rebate Recipients

An analysis by the Boulder Economic Council indicates that for every dollar invested in rebate incentives for 2013 Flexible Rebate Program recipients, the city is expected to gain \$7.86 in revenue. Based on the information provided by the companies that received rebates and assumptions made in the financial analysis, it is estimated that the City of Boulder will recoup an estimated net return of \$3,370,271 (net present value) over the three-year period the companies agreed to remain in Boulder.

The following table summarizes the rebates approved and financial return on investment for 2013 Flexible Rebate Program participants. The net return on each \$1 authorized for rebates is estimated to range from - \$2.02 to \$11.69 for an overall net return of \$7.86.

Return on Investment – 2012 Flexible Rebate Recipients (2012 – 2014)					
	Rebate Approved	Rebate PV	Tax Revenue PV	Net Return PV	Net Return on \$1 invested
Active Interest Media	\$25,000	\$23,810	\$264,665	\$240,855	<b>\$10.12</b>
Anthem Branding	\$60,000	\$57,143	\$381,400	\$324,258	<b>\$5.67</b>
Avery Brewing Company	\$90,000	\$82,540	\$1,047,499	\$964,959	<b>\$11.69</b>
Boulder Brands, Inc.	\$60,000	\$57,143	\$539,347	\$482,204	<b>\$8.44</b>
Boulder Homemade, Inc.	\$25,000	\$23,810	\$71,967	\$48,153	<b>\$2.02</b>
Cocona, Inc.	\$10,000	\$9,524	\$47,455	\$37,931	<b>\$3.98</b>
Orbotix, Inc.	\$30,000	\$28,571	\$149,714	\$121,142	<b>\$4.24</b>
Rudi's Organic Bakery	\$50,000	\$47,619	\$356,688	\$309,069	<b>\$6.49</b>
SolidFire, Inc.	\$50,000	\$47,619	\$415,839	\$368,220	<b>\$7.73</b>
Sterling-Rice Group	\$55,000	\$51,042	\$513,791	\$462,749	<b>\$9.07</b>
<b>Total</b>	<b>\$455,000</b>	<b>\$428,821</b>	<b>\$3,799,096</b>	<b>\$3,370,271</b>	<b>\$7.86</b>

*PV = Present Value; Net return represents the current value of income to the City of Boulder (estimated tax revenue) over the three years of the program less the current value of the expenditures (approved rebate).*

## Financial Return on Investment – 2013 Retained Businesses

Of the ten companies that were approved in 2013 to receive incentives through the Flexible Rebate Program, seven were considering moving their business to a location outside the city. These companies indicated the rebate played a role in their decisions to remain in Boulder. A return on investment analysis of businesses attracted or retained through the program indicates the City will recoup an estimated net return of \$2,431,936 (net present value) over the three-year period the companies agreed to remain in Boulder or \$8.50 on each \$1 authorized for rebates.

Return on Investment – 2013 Flexible Rebate Recipients (2013 – 2015): New and Retained Businesses					
	Rebate Approved	Rebate PV	Tax Revenue PV	Net Return PV	Net Return on \$1 invested
Active Interest Media	\$25,000	\$23,810	\$264,665	\$240,855	<b>\$10.12</b>
Avery Brewing Company	\$90,000	\$82,540	\$1,047,499	\$964,959	<b>\$11.69</b>
Boulder Homemade, Inc.	\$25,000	\$23,810	\$71,967	\$48,153	<b>\$2.02</b>
Cocona, Inc.	\$10,000	\$9,524	\$47,455	\$37,931	<b>\$3.98</b>
Rudi's Organic Bakery	\$50,000	\$47,619	\$356,688	\$309,069	<b>\$6.49</b>
SolidFire, Inc.	\$50,000	\$47,619	\$415,839	\$368,220	<b>\$7.73</b>
Sterling-Rice Group	\$55,000	\$51,042	\$513,791	\$462,749	<b>\$9.07</b>
<b>Total</b>	<b>\$305,000</b>	<b>\$285,964</b>	<b>\$2,717,904</b>	<b>\$2,431,936</b>	<b>\$8.50</b>

PV = Present Value; Net return represents the current value of income to the City of Boulder (estimated tax revenue) over the three years of the program less the current value of the expenditures (approved rebate).

### Financial Return on Investment – All Rebate Recipients: 2007 – 2013

Since the program was introduced in 2007, a total of 54 companies have been approved for rebates totaling \$2,483,480. The total net return to the city is projected to be \$23,026,212 or \$10.18 for every \$1 invested. The ROI has varied from year to year depending on the mix of companies participating in the program and economic conditions.

Flexible Rebate Funding and Returns: All Rebate Recipients 2007 - 2013						
Program Year	Program Funding	Total Approved Rebates	Total Recipients	Approve Rebate PV	Net Return PV	Net Return on \$1
2007	\$500,000	\$500,000	7	\$454,661	\$6,096,276	\$14.41
2008	\$350,000	\$322,135	8	\$284,752	\$2,498,800	\$8.78
2009	\$350,000	\$209,979	7	\$193,216	\$5,582,354	\$28.89
2010	\$350,000	\$320,366	7	\$291,147	\$3,437,388	\$11.81
2011	\$350,000	\$281,000	6	\$246,410	\$728,746	\$2.96
2012	\$395,000*	\$395,000	9	\$363,782	\$1,312,377	\$3.61
2013	\$350,000	\$455,000**	10	\$428,821	\$3,370,271	\$7.86
<b>Total</b>	<b>\$2,645,000</b>	<b>\$2,483,480</b>	<b>54</b>	<b>\$2,262,789</b>	<b>\$23,026,212</b>	<b>\$10.18</b>

\*includes \$350,000 budgeted amount and \$45,000 in carryover funds from previous unused funds

\*\*includes \$350,000 program funding for 2013 and an additional \$105,000 awarded in carryover funds from previous unused funds

During that same time, a total of 32 companies were retained in or attracted to Boulder as a result of the program. Those companies were approved for rebates totaling \$1,556,385. The net return to the city is estimated to be \$7,738,715 or \$5.51 for every \$1 invested.

Flexible Rebate Funding and Returns: New and Retained Businesses 2007 - 2013					
Program Year	Total Approved Rebates	Total Recipients	Approve Rebate PV	Net Return PV	Net Return on \$1
2007	\$250,422	4	\$228,018	\$2,119,331	\$18.11
2008	\$150,000	3	\$130,040	\$418,709	\$2.22
2009	\$119,963	3	\$111,077	\$488,819	\$4.40
2010	\$150,000	3	\$136,053	\$613,162	\$4.51
2011	\$281,000	6	\$246,410	\$728,746	\$2.96
2012	\$290,000	6	\$267,488	\$938,012	\$3.51

2013	\$305,000	7	\$285,964	\$2,431,936	\$8.50
<b>Total</b>	<b>\$1,556,385</b>	<b>32</b>	<b>\$1,405,050</b>	<b>\$7,738,715</b>	<b>\$5.51</b>

ROI figures were calculated based on the amount of approved rebates rather than the rebates that had been issued to companies. Not all companies have submitted receipts to collect the full amount of their approved rebate, as shown in the table below. As a result, net returns may actually be higher than the analysis shows.

Flexible Rebate Funding and Actual Rebates Paid: Rebate Recipients 2007 - 2013					
Program Year	Program Funding	Rebates Approved	Total Recipients	Rebates issued as of November 2014	Unclaimed rebates
2007	\$500,000	\$500,000	7	\$458,998	\$41,002
2008	\$350,000	\$322,135	8	\$245,017	\$77,118
2009	\$350,000	\$209,979	7	\$195,588	\$14,391
2010	\$350,000	\$320,366	7	\$277,108	\$68,258
2011	\$350,000	\$281,000	6	\$219,518	\$61,482
2012	\$395,000	\$395,000	9	\$238,163	\$156,837
2013	\$350,000	\$455,000	10	\$385,292	\$69,708
<b>Total</b>	<b>\$2,645,000</b>	<b>\$2,483,480</b>	<b>54</b>	<b>\$1,994,684</b>	<b>\$488,796</b>

*Note: 2012 and 2013 rebate recipients are still submitting receipts*

## Social, Environmental and Community Sustainability

While the City of Boulder's Flexible Rebate Program is based on the belief that growing, retaining, and attracting businesses to Boulder is vital to the city's economic sustainability, the program also reflects the City's commitment to environmental and social sustainability. The companies that were awarded incentives in 2013 are actively participating in programs that help meet City of Boulder goals of reducing waste and energy consumption, increasing the use of alternative transportation by workers and supporting the social well-being of the community.



**Active Interest Media, Inc.** supports community volunteer efforts, provides paid time off for employees who volunteer and donates to local non-profits. It purchases a minimum of 25% of its total goods and services from Boulder companies. Active Interest Media has exceeded the requirements and is pursuing a Partners for a Clean Environment (PACE) certification in zero waste, including implementing an environmental purchasing policy and building on the zero waste program that has operated in its offices for the last six years. In addition, the company has developed a commute trip reduction program, offering flexible work schedules, secure and covered bicycle parking inside the office, and bicycle commuting challenges with prizes.



**Anthem Branding** boasts a higher than average wage than the Boulder County average, provides pro-bono and cash contributions to several non-profit organizations in Boulder including Emergency Family Assistance Association, Boulder Valley School District and B-Cycle, among many others, and their new facility features a walk score of 95 and will achieve a PACE Area of Excellence certification.



**Avery Brewing Company** supports the local community and non-profit organizations by providing beer and space for fund-raising events, donating the net proceeds of company-sponsored beer festivals to local causes, and sponsoring local running and bike races. The company encourages employees to use alternative transportation and diverts most of its brewery waste products from the landfill by making it available as animal feed. Avery also plans to install solar panels and introduce an enhanced zero waste program at the new brewery.



**Boulder Brands, Inc.** supports a number of community organizations financially and with in-kind donations exceeding \$150,000 annually. The company supports commute trip reduction by allowing employees who live further from the office to work from home a pre-determined amount of hours/days per week. Boulder Brands has 4 showers in the new office space, to encourage employees to bike to work and to make it more efficient for employees to exercise in the morning or during the work day. Boulder Brands is also committed to improving packaging and day-to-day operations to be more environmentally friendly, including paperless operations when possible. They have sourced as many local supplies for the new office space as possible, including using Colorado beetle kill pine for all employee desks and walls, as well as recycled materials for some of the stools and chairs.



**Boulder Homemade, Inc.** donates several hundred dollars per employee to community charitable groups and pays for ESL classes for employees up to \$250 per employee per year. The company also actively promotes sustainability and organic practices on packaging, literature and on social media. Boulder Ice Cream's environmental goals focus on creating as little environmental impact as possible. They consistently look for real ways to lessen their footprint on the planet and have been a zero waste company for the past ten years. They use compostable

bowls, spoons and napkins for events and sampling and a batch process in manufacturing that reduces product waste to nearly zero. They also purchase wind energy credits for 100% of their electrical usage and their new plant was built with state-of-the-art heat capture equipment, reducing the company's demand for both electricity and natural gas. Approximately 80% of the hot water and 70% of the warehouse heating is supplied by the heat waste stream of other equipment.



**Cocona, Inc.** (now known as 37.5) has a highly skilled workforce with an average wage that is significantly higher than the Boulder County average and covers over 75% of employee health insurance premiums. The company supports environmental sustainability by implementing a single stream recycling program office wide, joining and participating in the 10 for Change Challenge, and is transitioning to a policy of 100% Energy Star products, as available. The company's technology is based on using a waste product - small particles of carbon. They utilize usable activated carbon particles from the water filtration industry and extrude these particles into yarn. They then have fabrics made out of this yarn - that offer superior drying performance. Studies show Cocona's products use less energy during the laundering process.



**Orbotix, Inc.** takes care of its highly skilled workforce with an average salary that is well above the Colorado average. The company pays 100% of employee health insurance and supports non-profits by contributing cash or allowing employees at least one day off to provide volunteer services at a Boulder-based non-profit. They are committed to being an environmentally conscious company as demonstrated by participating in an assessment conducted by the EnergySmart team, implementing a single-stream recycling program in their office, and participating in RTD's Corporate Eco Pass program.



**Rudi's Organic Bakery** donates several thousand loaves of bread per month to local food banks. In 2012, Rudi's donated over 425,000 loaves of bread, which is equated to nearly \$1.5 million in product through the year, or over \$9,500 per Rudi's employee. Rudi's started a sustainability initiative to help improve their environmental footprint as well as the quality of life of their employees. As part of the sustainability initiative, they have benchmarked their carbon footprint to identify opportunities to improve the efficiency of their operations.



**SolidFire, Inc.** pays an average annual wage that is more than double the Boulder County average and they pay 100% of employee benefits. They encourage volunteerism by organizing a minimum of one community service event per quarter, offering employees an unlimited paid time off policy to participate in their SolidFire organized community events or other community events of their choice. The company practices environmental sustainability by purchasing recyclable and compostable products for company events and everyday use. They also offer employees a \$75 monthly cash allowance if they waive their downtown parking pass and choose to commute using alternative transportation and SolidFire is enrolled in RTD's Eco Pass Program.



**Sterling-Rice Group** pays its employees above-average salaries, pays nearly 100% of employee health and dental insurance and 50% of any covered dependents, and supports non-profits both through cash donations and pro bono services. In 2012, they paid \$96,734 in cash and provided services valued at \$116,250. Sterling-Rice Group works with Renewable Choice Energy. They

purchase Green-e Certified Wind for 100% electrical usage and Choice Carbon for 100% offset for emissions. They participate in recycling and composting programs and have a zero waste policy for company events and use compostable plates, cups, and eating utensils. The company also participates in the Eco Pass program.

The following table provides an overview of 2013 recipients' current or planned participation in programs that support social, energy and community sustainability. It is important to note the following:

- The table below is based on information provided on Flexible Rebate applications and may not reflect the full range of companies' participation in activities or programs that support sustainability
- Some companies provided only the information related to "points" earned toward demonstrating compliance with sustainability guidelines
- Only those programs or activities that earned "points" are listed in the table, and companies may have included other programs and activities on their Flexible Rebate applications

2013 Flexible Rebate Recipients: Social, Energy and Community Sustainability	Active Interest Media	Anthem Branding	Avery Brewing Company	Boulder Brands	Boulder Homemade, Inc.	Cocona	Orbotix	Rudi's Organic Bakery	SolidFire	Sterling-Rice Group
Above average wages	Green	Blue		Red		Grey	Dark Blue		Teal	Olive
Provides health insurance benefits	Green	Blue	Black	Red	Blue	Grey	Dark Blue	Orange	Teal	Olive
Workplace diversity program	Green	Blue	Black		Blue			Orange		Olive
Supports non-profits	Green	Blue	Black	Red	Blue	Grey	Dark Blue	Orange	Teal	Olive
Dependent care										
Housing assistance				Red						
Wellness and health										
Requested energy assessment	Green	Blue	Black	Red		Grey	Dark Blue			Olive
10 for Change Challenge participant	Green	Blue	Black	Red		Grey		Orange		Olive
EnergySmart Participation	Green	Blue	Black	Red	Blue	Grey	Dark Blue	Orange		
Purchased renewable energy credits				Red	Blue					Olive
On-site renewable energy	Green		Black							
Single stream recycling program		Blue				Grey	Dark Blue			
Environmental Purchasing Policy	Green				Blue	Grey		Orange		
Zero Waste program	Green		Black	Red	Blue			Orange	Teal	Olive
PACE certified facility	Green	Blue								
LEED certified facility				Red						
Commute Trip Reduction program	Green	Blue	Black	Red						
Alternative work schedules; telecommuting	Green			Red						
Showers and changing facilities	Green			Red						
Secure and covered bicycle parking	Green		Black	Red						
Preferential parking for carpools/vanpools										
Increased costs for drive alone commuters										
CTR Financial Incentives									Teal	
Eco-Pass Program participant		Blue	Black	Red	Blue	Grey	Dark Blue	Orange	Teal	Olive
Business practices support sustainability		Blue	Black	Red	Blue	Grey		Orange		

Buys from Boulder businesses*	█								█	
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**Conclusion**

The City of Boulder’s Flexible Rebate Program has continued to provide the Boulder City Manager with an important and effective tool to help retain, grow, and attract businesses that align with Boulder’s values and goals and generate a positive return on investment.

In addition to providing a positive return on the dollars invested in incentives, the program provides:

- Strong demonstration of the City’s interest in and support of the local business community and an opportunity to make companies feel appreciated.
- Opportunity for City staff members to strengthen relationships with individual businesses.
- Ability to help mitigate some of the extra costs associated with remaining or expanding in Boulder that were incurred by program participants.
- Careful selection process, including a preliminary ROI calculation, wage and employment projections, and projected expenditures in the community.
- Publicity for growing companies through press releases announcing program awards.

## Appendix A

### Overview of 2013 Flexible Rebate Recipients

The following summaries highlight information provided by each of the companies that were awarded business incentives through the City of Boulder's Flexible Rebate program in 2013.

- Active Interest Media, Inc.
- Anthem Branding
- Avery Brewing Company
- Boulder Brands, Inc.
- Boulder Homemade, Inc.
- Cocona, Inc.
- Orbotix, Inc.
- Rudi's Organic Bakery
- SolidFire, Inc.
- Sterling-Rice Group

## Active Interest Media

Active Interest Media is a leading special interest media company with holdings across multiple media platforms, including more than 54 magazines, 54 websites, dozens of digital editions, a film company, and nearly two dozen major consumer conferences and events. The company's five publishing groups reach more than 36 million readers in 85 countries around the world. Founded in 2003, Active Interest Media is headquartered in El Segundo, Calif., with offices in Boulder located at 2520 55th St. and 5720 Flatirons Parkway. The company recently relocated Yoga Journal and acquired Clean Eating Magazine, relocating more than 50 employees to Boulder. To accommodate its recent and expected growth, Active Interest Media is renovating and expanding its Flatirons Parkway office.



Bringing more than forty new jobs will benefit the Boulder economy. Yoga Journal and Clean Eating magazines are relocating to Boulder and Backpacker, National Parks, Ski, Skiing, Warren Miller Entertainment, Equine, and Home Buyer local businesses are ideal cultural fits for the community.

Active Interest Media's business practices support the livability, health and vitality of Boulder. The company pays above-average wages and offers health insurance benefits to all full-time employees and their dependents. It supports community volunteer efforts, provides paid time off for employees who volunteer and

donates to local non-profits. It purchases a minimum of 25% of its total goods and services from Boulder companies. Active Interest Media has exceeded the requirements and is pursuing a Partners for a Clean Environment (PACE) certification in zero waste, including implementing an environmental purchasing policy and building on the zero waste program that has operated in its offices for the last six years. In addition, the company has developed a



*The City of Boulder has been a phenomenal community and business partner in helping us build a thriving media business. Our location here has enabled us to attract our staff of over 200 passionate media pros.*

commute trip reduction program, offering flexible work schedules, secure and covered bicycle parking inside the office, and bicycle commuting challenges with prizes.

Active Interest Media applied for a Flexible Rebate incentive in 2013 in the midst of expanding its brands, workforce, and work space. To accommodate its recent and expected growth, Active Interest Media is renovating and expanding its Flatirons Parkway office. The additional financial support received from the City of Boulder's Flexible Rebate Program helped make it possible for Active Interest Media to secure the funding it needed for expanding and keep the company's headquarters in Boulder.

Active Interest Media, Inc.	
Industry Sector	Publishing
Rebate approved	\$25,000

Employment	2013	2014	2015
Total Employees: Full/Part Time	124	166	178
Resident Employees – Full & Part Time	48	61	68
Multiplier Effect - Jobs Created	74	93	101

Return on Investment					
Rebate Approved	Rebate Present Value (outflow)	Taxes Present Value (inflow)	Net Present Value	Gross Return on \$1 invested	Net Return on \$1 invested
\$25,000	\$23,810	\$264,665	\$240,855	\$11.12	<b>\$10.12</b>

Social, Community and Environmental Sustainability Support	
Social Sustainability	<ul style="list-style-type: none"> <li>• Pays above average wages*</li> <li>• Health insurance benefits to all full-time employees and dependents*</li> <li>• Supports non-profits* <ul style="list-style-type: none"> <li>○ A commitment to donating \$25 or more per year on average for each full-time employee to Boulder County based arts, cultural, or service non-profit entities over a 12-month period; <b>and/or</b></li> <li>○ Encourages volunteerism by granting the equivalent of at least one paid day off per year to each employee who utilizes the time to provide support to a Boulder County based non-profit entity.</li> </ul> </li> </ul>
Community Sustainability	<ul style="list-style-type: none"> <li>• Purchases a minimum of 25% of total goods and services (catering, hotels for visitors, conference space for meetings, furniture and equipment, office supplies, etc.) from Boulder companies*</li> </ul>
Environmental Sustainability	<ul style="list-style-type: none"> <li>• Requested energy assessment*</li> <li>• EnergySmart participation*</li> <li>• Will become a member and participate in the 10 for Change Challenge*</li> <li>• Plan to implement an environmental purchasing policy*</li> <li>• Will achieve a PACE Area of Excellence certification for its facility*</li> <li>• Has had and will continue a zero waste program. Single stream, composting and all electronics, appliances are appropriately collected and disposed*</li> <li>• Commute trip reduction programs for employees including alternative work schedules, showers and changing rooms and areas for securing bicycles*</li> </ul>

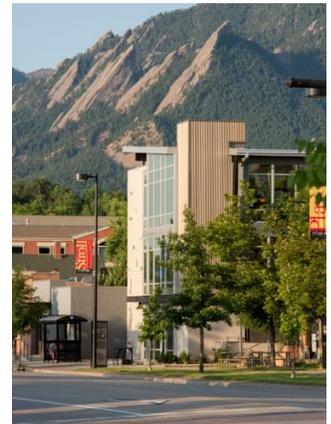
*\*Earned points on application*

# Anthem Branding



Anthem Branding, founded in 2006 by Ted Church and Pete Burhop, is a full-service advertising, design and merchandising agency. The office includes lifestyle and branding experts and a robust design studio and has expanded rapidly to include more than 20 team members. The company has hundreds of clients across various industries, including the Foundry Group, Rudi's Organic Bakery, MTV and Whole Foods Market. Anthem Branding constructed a new building at 2617 Broadway and moved to its newly built office in the spring of 2014. The building features two floors and space to expand to up to 50 staff.

Anthem Branding is committed to environmental, community and social sustainability. They boast a higher than average wage than the Boulder County average, provide pro-bono and cash contributions to several non-profit organizations in Boulder including Emergency Family Assistance Association, Boulder Valley Schools and B-Cycle, among many others, and their new facility features a walk score of 95 and will achieve a PACE Area of Excellence certification.



*The City of Boulder Flexible Rebate Program is an incredible asset to local business owners. Our liaison's at the city were very helpful and responsive throughout the entire application and implementation process. We were able to secure a significant award, which helped us make the decision to keep our business in Boulder.*

The company will continue to have a significant impact on the local economy as it is estimated the business spends an average of \$75,000 per year on local food and beverage and hotel accommodations. Employees will spend an estimated combined average of at least \$750,000 per year on housing, entertainment, food and services in Boulder.

Anthem Branding applied for a Flexible Rebate incentive in 2013 to allow them to reinvest funds into both human resources and the physical structure created. 80% of Anthem Branding's current employees live in Boulder. Located on Broadway, employees will continue to be able to impact local businesses through patronage and purchases in the Community Plaza shopping center and Pearl Street.



Anthem Branding	
Industry Sector	Advertising / Branding
Rebate approved	\$60,000

Employment	2013	2014	2015
Total Employees: Full/Part Time	20	35	43
Resident Employees – Full & Part Time	15	29	33
Multiplier Effect - Jobs Created	13	25	28

Return on Investment					
Rebate Approved	Rebate Present Value (outflow)	Taxes Present Value (inflow)	Net Present Value	Gross Return on \$1 invested	Net Return on \$1 invested
\$60,000	\$57,143	\$381,400	\$324,258	\$6.67	<b>\$5.67</b>

Social, Community and Environmental Sustainability Support	
Social Sustainability	<ul style="list-style-type: none"> <li>• Pays above average wages*</li> <li>• Fixed contribution to help cover cost of health insurance premiums*</li> <li>• Equal Opportunity Employer*</li> <li>• Provides pro-bono and cash contributions to several non-profit organizations in Boulder. Total cash and in-kind contribution value exceeds \$30,000 a year*</li> </ul>
Community Sustainability	<ul style="list-style-type: none"> <li>• General business practices: A portion of Anthem Branding's products and services are directly related to sustainability. Anthem Branding wholeheartedly supports the city's efforts to maintain and enhance the livability, health and vitality of Boulder and its current and future natural systems*</li> </ul>
Environmental Sustainability	<ul style="list-style-type: none"> <li>• Single stream recycling of office waste including cardboard*</li> <li>• Will become a member and participate in the 10 for Change Challenge*</li> <li>• Will achieve a PACE Area of Excellence certification for their facility</li> <li>• Will enroll in RTD's Corporate Eco Pass program*</li> <li>• Will develop, implement and monitor an employee commute trip reduction (CTR) program with the assistance of the GO Boulder staff*</li> </ul>

*\*Earned points on application*

# Avery Brewing Company



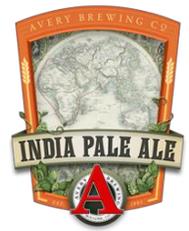
Avery Brewing Company is an award-winning craft brewery that was launched in 1993 and today produces more than twenty different beers. After it became clear their current facility was not large enough to support its growth, the company considered a number of locations within and outside the city before purchasing a 5.6 acre parcel at 4910 Nautilus Court in Boulder. The company is building a \$30 million, 96,000 sq. ft. state-of-the-art brewing facility that will feature an expanded tap room, restaurant, outdoor beer garden and gift shop. Avery Brewing Company received approval for a \$90,000 rebate to help offset the costs of this new facility in Gunbarrel.

*We are thrilled to be building a new, world-class brewery in our hometown. The Avery Brewing Company would not exist without Boulder and we can't imagine being anywhere else. This rebate is an incredible bonus. We are so appreciative that the city and the people of Boulder are helping us create what we know will be an amazing attraction and gathering place for our community for years to come.*

The new facility will feature an expanded tap room, restaurant, outdoor beer garden and gift shop. In addition to generating sales tax revenue for the city, the facility will provide an additional amenity for visitors and workers in the area. When completed, Avery Brewing Company will have the largest brewery in Boulder and is expected to employ at least 150 people. Initial production is expected to double the company's capacity to 100,000 barrels a year.

Avery Brewing exceeded the requirements in both social sustainability and community and environmental sustainability areas. In particular, Avery Brewing pays 50% of employee health and dental insurance for the first 12-months employees are eligible for health insurance coverage. Following 12 months of eligibility, Avery Brewing pays 100% of health and dental premiums for the selected base plan.

Avery Brewing supports the local community and non-profit organizations by providing beer and space for fund-raising events, donating the net proceeds of company-sponsored beer festivals to local causes, and sponsoring local running and bike races. Avery Brewing was the primary beer sponsor to the Boulder Creek Festival, donating 100 ½ bbl kegs of Avery beer to the event and subsidizing additional kegs. Value of donated beer, eco-friendly cups, labor and subsidy for 2013 events was \$15,121, which generated over \$150,000 of net beer sales for proceeds for this event. Avery Brewing has donated over \$5,000 to Flood Relief through the Foothills United Way Flood Relief program, and it is donating approximately \$10,000 in net proceeds from its IPA Festival in November 2014.



In support of the environment, the company encourages employees to use alternative transportation, participates in the Eco Pass program and plans to install solar panels. Currently, Avery also diverts most of its brewery waste products from the landfill by making it available as animal feed. Avery also composts food waste from the tap room through Eco Cycle, recycle aluminum cans, glass bottles and office paper through Recycling Services. The company plans to introduce an enhanced zero waste program at the new brewery, including a more robust composting program.

Avery Brewing Company	
Industry Sector	Beverage Manufacturing
Rebate approved	\$90,000

Employment	2013	2014	2015
Total Employees: Full/Part Time	89	98	145
Resident Employees – Full & Part Time	53	75	105
Multiplier Effect - Jobs Created	45	64	90

Return on Investment					
Rebate Approved	Rebate Present Value (outflow)	Taxes Present Value (inflow)	Net Present Value	Gross Return on \$1 invested	Net Return on \$1 invested
\$90,000	\$82,540	\$1,047,499	\$964,959	\$12.69	<b>\$11.69</b>

Social, Community and Environmental Sustainability Support	
Social Sustainability	<ul style="list-style-type: none"> <li>• Comprehensive medical, dental and vision coverage for employees; company pays 50% - 100% of premiums for full-time employees*</li> <li>• Health and wellness program for employees*</li> <li>• Encourage diversity in the workforce*</li> <li>• Supports local non-profits including festivals and fundraising events</li> </ul>
Community Sustainability	<ul style="list-style-type: none"> <li>• Committed to furthering city policies and initiatives related to economic vitality, environmental sustainability and health and wellness*</li> <li>• Provides a healthy, employee-friendly workplace</li> </ul>
Environmental Sustainability	<ul style="list-style-type: none"> <li>• Requested energy assessment*</li> <li>• 10 for Change Challenge*</li> <li>• EnergySmart participation*</li> <li>• Requesting a free energy efficiency opportunity assessment in connection with the construction of the new brewery</li> <li>• Will use ENERGYSTAR online reporting tool at new brewery*</li> <li>• Purchase products that are environmentally friendly*</li> <li>• Waste composting and other programs to reduce waste*</li> <li>• Encourages employees to ride bikes to work by helping with bikeracks and Eco Pass*</li> <li>• Divert brewery waste products to local cattle or hog farms for feed</li> <li>• Committed to zero waste, including composting, Eco Cycle and recycling</li> </ul>

\*Earned points on application

## Boulder Brands, Inc.



Smart Balance, Inc (including the Earth Balance brand) was acquired in 2007 by Boulder Specialty Brands, via a Special Purpose Acquisition Corporation (SPAC), a publicly-traded financial vehicle that raises money in order to pursue an acquisition. The motivation for this acquisition was Co-Founder and CEO Steve Hughes' vision to acquire and grow brands in the healthy food segment that can help to change the way people eat. Although Smart Balance, Inc was located in Paramus, New Jersey, Steve continued to live and work based out of Boulder while gradually growing his team in the Boulder area. The company occupied office space in Niwot, CO from 2007 to 2013. In 2011, as gluten free was identified as a growing food and health issue, Glutino was acquired, followed by Udi's Gluten Free in 2012. As the company grew from two brands to four brands, the decision was made to change the corporate name to Boulder Brands, Inc. This change was made in order to complete the company's evolution, from when the company was founded as Boulder Specialty Brands in 2005 to a company located in Boulder, Colorado - the epicenter of the natural foods industry. As growth continued, the company determined that in addition to needing to expand to add more office space for new employees, the company also felt that it was important to be based in Boulder to align with the company's values and identity. In October 2013, Boulder Brands relocated its corporate headquarters to the recently constructed third floor of 1600 Pearl Street in downtown Boulder. Boulder Brands leased 18,309 square feet of primary employee office space, consisting of the entire third floor of the building.

Boulder Brands, Inc. (NasdaqGM: BDBD) is committed to offering food solutions giving consumers opportunities to improve their lives – one product at a time. The company's health and wellness platform consists of brands that target specific consumer needs: the Glutino® and Udi's Gluten Free® brands for gluten-free diets; the Earth Balance® brand for plant-based diets; the Level Life™ brand for diabetic diets and the Smart Balance® brand for heart healthier diets. Boulder Brands looks forward to supporting the continued growth of the natural foods industry in Boulder and furthering the company's community engagement with the office move.



Boulder Brands has a highly talented workforce and they are rewarded with an average wage nearly double the Boulder County average. The company pays 67% of the cost of health insurance premiums for full-time employees and offers up to \$100,000 in relocation assistance for employees moving to the Boulder area. They also support a number of community organizations financially and with in-kind donations exceeding \$150,000 annually, including Growing Gardens, the Growe Foundation, EFAA, Thorne Nature Experience, Naturally Boulder, the Epicenter Speaker series, and Via, among others.

*When it came time to expand our office, we decided to create a unique space to support our core values of hard work, collaboration, and fun, with a strong focus on sustainability throughout the process. We are thrilled with our new space, and thank the City of Boulder for their support in making this move possible for our company.*

The company supports commute trip reduction by allowing employees who live further from the office to work from home a pre-determined amount of hours/days per week, with appropriate approval. Boulder Brands has 4 showers in the new office space, to encourage employees to bike to work and to make it more convenient for employees to exercise in the morning or during the work day. Boulder Brands also supplies secure bike parking.

Boulder Brands is committed to improving packaging and day-to-day operations in order to be more environmentally friendly. As an example, Smart Balance and Earth Balance buttery spreads introduced square, space-saver packaging. The conversion from round to square space-saving tubs – a first in the industry – solves one of the biggest issues grocers face with dairy products today: freeing up refrigerated shelf and warehouse space. Additionally, a study conducted for Boulder Brands by Renewable Choice Energy, a Boulder-based sustainability consulting firm, finds that the new design will reduce greenhouse gas emissions associated with the products' packaging, distribution, and retail energy-use by 18 percent over the course of the product's life cycle. Boulder Brands also encourages a paperless environment whenever possible. They have sourced

many local supplies for the new office space, including using Colorado beetle kill pine for all employee desks and walls, as well as recycled materials for some of the stools and chairs.

Boulder Brands, Inc.	
Industry Sector	Organic Food Manufacturing
Rebate approved	\$60,000

Employment	2013	2014	2015
Total Employees: Full/Part Time	60	75	90
Resident Employees – Full & Part Time	15	20	25
Multiplier Effect - Jobs Created	22	29	37

Return on Investment					
Rebate Approved	Rebate Present Value (outflow)	Taxes Present Value (inflow)	Net Present Value	Gross Return on \$1 invested	Net Return on \$1 invested
\$60,000	\$57,143	\$550,078	\$492,935	\$9.63	<b>\$8.63</b>

Social, Community and Environmental Sustainability Support	
Social Sustainability	<ul style="list-style-type: none"> <li>• Pays above average salary*</li> <li>• Pays 67% of the cost of health insurance premiums for full-time employees*</li> <li>• Non-profit support exceeds \$150,000 annually from financial and in-kind donations*</li> <li>• Offers up to \$100,000 in relocation assistance for employees moving to the Boulder area*</li> <li>• Offers employees 4 days of paid time off each year to volunteer at the organizations of their choosing.</li> </ul>
Community Sustainability	<ul style="list-style-type: none"> <li>• Business practices demonstrate company and employee concern with social and environmental impact on community*</li> </ul>
Environmental Sustainability	<ul style="list-style-type: none"> <li>• Encourages employee use of alternative transportation, is enrolled in Eco Pass program; provides showers and indoor bicycle parking*</li> <li>• Participates in a zero waste program through Eco-Cycle's Zero Waste Services program*</li> <li>• Gold LEED certification*</li> <li>• Supports Commute Trip Reduction*</li> <li>• Plans to participate in 10 for Change Challenge and request an energy efficiency assessment by the Energy Smart team*</li> <li>• Participating in EcoCycle Green Star Business Program</li> </ul>

\*Earned points on application

## Boulder Homemade, Inc.

Boulder Homemade manufactures Boulder Ice Cream, Figo! Organic Gelato and Yoki Bliss frozen yogurt. The company started on the Pearl Street Mall as a scoop shop and now manufactures and distributes to over 400 grocery stores and 80 food service establishments. The company is growing and has been adding equipment and employee consistently over the past 10 years, despite the weak economy. In March 2013, the company release Figo! Organic Gelato and the product line has been nominated Best New Dairy Product for 2013. The brand has taken off and will be distributed in 20 states by Spring 2014. Also, in 2014, the Boulder Ice Cream brand will convert to 100% organic with a new updated look. Company sales in 2013 will be near \$2.7M and estimated sales for 2014 are \$3million - \$3.5million. The company expects to reach \$8M in sales by 2017.



Crafted in the Rockies



In early 2014, Boulder Ice Cream moved its headquarters from 2935 Baseline Road in Boulder to 3220 Prairie Avenue. Although the company will still manufacture its fluid products in Denver, Boulder Ice Cream will consolidate its manufacturing from two plants located in Louisville and Denver into its new facility in Boulder.

The company contributes to social and community sustainability in several ways including donating several hundred dollars per employee to community charitable groups such as the Community Food Share, Children's Hospital, and ALS Foundation, among others, and pays for ESL classes for employees up to \$250 per employee per year. The company also actively promotes sustainability and organic practices on packaging, literature and on social media.

*We are happy to be consolidated back in Boulder, where we started. The new plant has the capacity to not only manufacture all our [frozen dessert] products, but also warehouse our entire inventory, alleviating the need to truck out product to a storage warehouse in Denver.*

Boulder Ice Cream's environmental goals focus on creating as little environmental impact as possible. They consistently look for real ways to lessen their footprint on the planet and have been a zero waste company for the past ten years. They use compostable bowls, spoons and napkins for events and sampling and a batch process in manufacturing that reduces product waste to nearly zero. They also purchase wind energy credits for 100% of their electrical usage and their new plant was built with state of the art heat capture equipment, reducing the company's demand for both electricity and natural gas. Approximately 80% of the hot water and 70% of the warehouse heating is supplied by the heat waste stream of other equipment.



Boulder Homemade, Inc.	
Industry Sector	Organic Food Manufacturing
Rebate approved	\$25,000

Employment	2013	2014	2015
Total Employees: Full/Part Time	9	22	28
Resident Employees – Full & Part Time	6	16	21
Multiplier Effect - Jobs Created	4	12	16

Return on Investment					
Rebate Approved	Rebate Present Value (outflow)	Taxes Present Value (inflow)	Net Present Value	Gross Return on \$1 invested	Net Return on \$1 invested
\$25,000	\$23,810	\$71,967	\$48,153	\$3.02	<b>\$2.02</b>

Social, Community and Environmental Sustainability Support	
Social Sustainability	<ul style="list-style-type: none"> <li>• Offers major medical plans to full-time employees and pays 50% of the premium plus reimburses employees up to \$1000 per year for health care*</li> <li>• An equal opportunity employer. Pays for ESL classes for employees up to \$250 per employee per year*</li> <li>• Supports non-profits* <ul style="list-style-type: none"> <li>○ Donates several hundred dollars per employee per year to community non-profits</li> </ul> </li> </ul>
Community Sustainability	<ul style="list-style-type: none"> <li>• General business practices* <ul style="list-style-type: none"> <li>○ New plant constructed with state of the art heat capture equipment, reducing the company's demand for both electricity and natural gas</li> <li>○ Promotes sustainability and organic practices on packaging, literature and social media</li> </ul> </li> </ul>
Environmental Sustainability	<ul style="list-style-type: none"> <li>• Purchases wind credits for 100% of their electrical usage*</li> <li>• Has been a zero waste company for the past 10 years*</li> <li>• Uses a batch process in manufacturing that reduces product waste to nearly zero, which also reduces water usage during cleanup and wash down</li> </ul>

*\*Earned points on application*

## Cocona, Inc.

Cocona, Inc. (now known as 37.5) is a world leader in the development, commercialization and marketing of active particle technologies currently used to enhance the technical performance of clothing, footwear and sleep systems under the product name 37.5™. The most demanding outdoor apparel and footwear brands in the world rely on 37.5 technology to make their products perform better. 37.5 active particle technology captures and releases moisture vapor to maintain the optimum relative humidity in your microclimate, which helps your body more efficiently maintain an ideal core temperature. The result? Increased comfort and enhanced performance. Founded by Greg Haggquist in 2000, Cocona's 37.5 technology helps power many of the world's leading brands of active and outdoor apparel including Adidas, Pearl Izumi, Under Armour, and Carhartt among others.



The company started with 2 employees in a Longmont, Colorado garage in 2001. By 2007, Cocona moved into 2100 Pearl Street in Boulder, CO with 10 employees. Over the years, the company received local business awards, including being named one of 50 Colorado Companies to Watch in 2009. They have since moved into new and expanded office space at 5480 Valmont Road in Boulder. The company has also recently moved its laboratory facility from Longmont, together with the 5 employees who work there, to Boulder.

Cocona, Inc. boasts a highly skilled workforce with an average wage that is significantly higher than the Boulder County average. The company supports the health and wellness of employees and covers over 75% of employee health insurance premiums. The company supports environmental sustainability by implementing a single stream recycling program office wide, joining and participating in the 10 for Change Challenge, and is transitioning to a policy of 100% Energy Smart products, as available. The company's technology is based on using a waste product - small particles of carbon. They utilize usable activated carbon particles from the water filtration industry and extrude these particles into yarn. They then have fabrics made out of this yarn - that offer superior drying performance. Studies show Cocona's products use less energy during the laundering process.



*Boulder is an ideal place to start a technology company. Besides being an easy place to recruit top talent, the city has supported out growth every step of the way.*

*We had a good experience with the program. It is great that Boulder supports keeping businesses in the city, as we had been looking to relocate to Longmont, Louisville, etc.*

Cocona, Inc. employees are recruited and hired in the Boulder community, 10 of their 14 Colorado based employees are Boulder residents. They annually recruit and hire two CU Boulder students to serve as paid interns in their offices. The company plans to continue to expand their business and personnel from Boulder sources. Customers from all over the world come to Boulder to visit to meet with the Cocona staff and tour their facilities. These visits, along with frequent visits from non-Colorado based staff members, account for food and beverage spending of \$12,000 per month and 20 room nights in Boulder hotels. Direct employee spending in Boulder from Boulder resident employees is estimated to be \$ \$35,000 per employee for housing/mortgage/rent, entertainment, household spending and food and services.

Cocona, Inc.	
Industry Sector	Textiles
Rebate approved	\$10,000

Employment	2013	2014	2015
Total Employees: Full/Part Time	24	24	29
Resident Employees – Full & Part Time	11	11	14
Multiplier Effect - Jobs Created	5	5	7

Return on Investment					
Rebate Approved	Rebate Present Value (outflow)	Taxes Present Value (inflow)	Net Present Value	Gross Return on \$1 invested	Net Return on \$1 invested
\$10,000	\$9,524	\$47,455	\$37,931	\$4.98	<b>\$3.98</b>

Social, Community and Environmental Sustainability Support	
Social Sustainability	<ul style="list-style-type: none"> <li>• Pays above average wages*</li> <li>• Health insurance for employees; company pays over 75% of employee health insurance premiums*</li> <li>• Supports non-profits*               <ul style="list-style-type: none"> <li>○ Donated \$50 per employee to The Access fund in 2013</li> </ul> </li> </ul>
Community Sustainability	<ul style="list-style-type: none"> <li>• General business practices*:               <ul style="list-style-type: none"> <li>○ Company's technology is based on using a waste product. Studies show their products use less energy during the laundering process</li> </ul> </li> </ul>
Environmental Sustainability	<ul style="list-style-type: none"> <li>• Participates in 10 for Change*</li> <li>• Plans to request energy assessment and participate in Energy Smart*</li> <li>• Single-stream recycling program*</li> <li>• Environmental purchasing program that encourages employees, suppliers and customers to be environmentally conscious*</li> </ul>

\*Earned points on application

## Orbotix, Inc.

Orbotix, Inc. is opening the world of play by creating a family of robots that fuse the hardware and gaming apps into a connected toy for the consumer market. Its first product, Sphero, is a robotic ball that comes with over 30 gaming apps and has sold in over 70 countries worldwide. Its most recent product, Ollie, was released in September 2014 and features a cylindrical shape and a max speed of 14 miles per hour. The company was founded in 2010 by Ian Bernstein and Adam Wilson, who combined their passions for robotics and software to create Sphero in the TechStars program.



To accommodate the company's rapid growth, Orbotix moved its employees from a 6,800 square foot space in downtown Boulder to a new space at 4772 Walnut Street in December 2013, more than doubling the size of its office. A sizable portion of the Company's new space is a designated play area and driving track where the company can show off Sphero and Ollie and test new prototypes.



Since the Company's inception, the Company has moved its headquarters three times. With each move, the Company eagerly sought out locations within the Boulder city limits. The Company recognizes that Boulder is an ideal place to headquarter an early stage tech company as the city has a rich pool of talented individuals excited to make contributions in the field of technology. The Company is committed to growing while residing within the city and providing an excellent work environment for its employees. To ensure this happened with the Company's most recent move, the Company spent nearly half a million dollars to renovate its newest headquarters location (via TI allowance and direct payments).

Orbotix takes care of its highly skilled workforce with an average salary that is well above the Colorado average. The company pays 100% of employee health insurance and supports non-profits by contributing cash or allowing employees at least one day off to provide volunteer services at a Boulder-based non-profit. They are committed to being an environmentally conscious company as demonstrated by participating in an assessment conducted by the EnergySmart team, implementing a single-stream recycling program in their office, and participating in RTD's Corporate Eco Pass program

The company has a keen interest in increasing its workforce as sales continue to grow at a significant rate year-over-year. As the company adds more employees, there are more employment opportunities available to those individuals residing in Boulder. With each employee the company brings on board, there are more dollars spent in the city on a daily basis on everyday items like food, gas, etc.

Furthermore, as the company grows sales and continues to develop more products, it contributes to Boulder's stellar reputation as a start-up hot spot where early stage companies grow and thrive. The impact of this is of course difficult to quantify, but Orbotix believes it is the City's reputation that allows them, and every other Boulder company, to attract a high caliber of employee.

*We're proud to be building the next great connected toy company right here in Boulder, CO. We are thrilled to be in our new building and want to thank the City of Boulder for all their help.*

Orbotix, Inc.	
Industry Sector	IT – Robotics and Software
Rebate approved	\$30,000

Employment	2013	2014	2015
Total Employees: Full/Part Time	38	55	65
Resident Employees – Full & Part Time	12	20	25
Multiplier Effect - Jobs Created	31	51	64

Return on Investment					
Rebate Approved	Rebate Present Value (outflow)	Taxes Present Value (inflow)	Net Present Value	Gross Return on \$1 invested	Net Return on \$1 invested
\$30,000	\$28,571	\$149,714	\$121,142	\$5.24	<b>\$4.24</b>

Social, Community and Environmental Sustainability Support	
Social Sustainability	<ul style="list-style-type: none"> <li>• Provides health insurance benefits for employees* <ul style="list-style-type: none"> <li>○ Pays 100% of the premiums for medical, dental and vision up to \$1,150, \$170 and \$30 per month respectively for an employee + family</li> </ul> </li> <li>• Supports non-profits by either making donations of at least \$25 per employee or granting at least one day off to employees who wish to provide volunteer services at a Boulder-based non-profit*</li> <li>• Pays above average wages*</li> </ul>
Environmental Sustainability	<ul style="list-style-type: none"> <li>• Single-stream recycling program*</li> <li>• Requested energy assessment*</li> <li>• Energy audit to identify opportunities to improve energy efficiency</li> <li>• Enrolled in RTD's Corporate Eco Pass program*</li> </ul>
Community Sustainability	<ul style="list-style-type: none"> <li>• Provide employment opportunities for residents of Boulder</li> </ul>

*\*Earned points on application*

## Rudi's Organic Bakery

Rudi's Organic Bakery is the leading producer of certified organic bread in the U.S., and specializes in the production and distribution of organic bread and baked goods products, including lines of gluten-free breads and baked goods. The company was founded by Sheldon Romer in 1976 as a small local bakery in Boulder and was acquired by The Hain Celestial Group in a \$61 million deal in April 2014. In 2013, Rudi's added a gluten-free production facility to their space at 3300 Walnut Street and continues to expand in Boulder. The company currently has 230 employees and recently hired over 30 new employees.



One of Rudi's core values is to encourage healthy and happy lifestyles through their products and actions. To help them stay true to this value, Rudi's currently covers roughly 70% of medical insurance premiums for all fulltime employees and their dependents. Another core value of Rudi's is to care for each other, our families, our community, and our world. To help stay true to this value, Rudi's currently donates several thousand loaves of bread per month to local food banks such as the Emergency Family Assistance Association and the COMPA Food Bank Ministry. In 2012, Rudi's donated over 425,000 loaves of bread. This equated to nearly \$1.5 million in product through the year, or over \$9,500 per Rudi's employee.

As a provider of organic and natural food, there are certain facets of Rudi's operations that are inherently sustainability focused. However, they don't want to only focus on what goes into their bread. In order to be truly sustainable, they feel they must also continuously improve their impact on their community and environment. To do this, Rudi's started a sustainability initiative to help improve their environmental footprint as well as the quality of life of their employees. As part of the sustainability initiative, they have benchmarked their carbon footprint to identify opportunities to improve the efficiency of their operations. As certain projects are implemented, like upgrading light fixtures, replacing outdated equipment, etc., they will use the benchmark they've established to measure their improvements over time.



Rudi's plans to continue their social sustainability efforts. For example, strides will be made to help reduce employee turnover in their bakeries. By implementing new retention programs, they will keep employees happy and keep them in Boulder. These programs among others will help support

the local economy and serve as an example of how Boulder is a place for companies that care about the environment and their community.

*The rebate created a competitive bid for staying in Boulder. It has allowed us to expand in Boulder and hire more employees.*

Rudi's Organic Bakery	
Industry Sector	Organic Food Manufacturing
Rebate approved	\$50,000

Employment	2013	2014	2015
Total Employees: Full/Part Time	211	185	218
Resident Employees – Full & Part Time	25	28	33
Multiplier Effect - Jobs Created	37	41	48

Return on Investment					
Rebate Approved	Rebate Present Value (outflow)	Taxes Present Value (inflow)	Net Present Value	Gross Return on \$1 invested	Net Return on \$1 invested
\$50,000	\$47,619	\$356,688	\$309,069	\$7.49	<b>\$6.49</b>

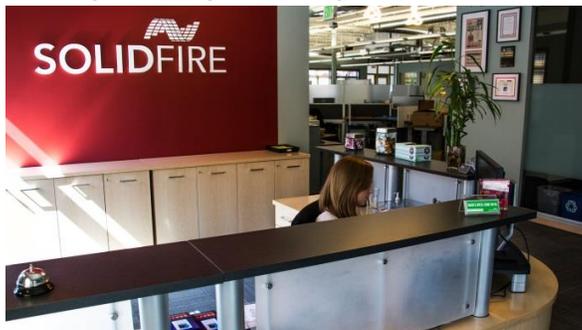
Social, Community and Environmental Sustainability Support	
Social Sustainability	<ul style="list-style-type: none"> <li>• Health insurance benefits for employees*</li> <li>• Supports local non-profits *               <ul style="list-style-type: none"> <li>○ Donates several thousand loaves of bread per month to local food banks such as EFAA and the COMPA Food Bank Ministry</li> </ul> </li> <li>• Diversity Support*               <ul style="list-style-type: none"> <li>○ Is currently working in partnership with the SPAN's Training/Community Education team</li> </ul> </li> </ul>
Community Sustainability	<ul style="list-style-type: none"> <li>• General business practices*               <ul style="list-style-type: none"> <li>○ Started a sustainability initiative and have benchmarked their carbon footprint to identify opportunities to improve the efficiency of their operations</li> </ul> </li> </ul>
Environmental Sustainability	<ul style="list-style-type: none"> <li>• Has implemented a zero waste program*</li> <li>• Worked with EnergySmart program to identify opportunities for improvement</li> <li>• Participates in 10 for Change*</li> <li>• Recycles all recyclable products generated through their bakeries</li> <li>• Will implement a formal environmental purchasing policy*</li> </ul>

*\*Earned points on application*

## SolidFire, Inc.



SolidFire is advancing the way the world uses the cloud by transforming global service provider and enterprise data centers from siloed to shared, scale-out all-flash storage infrastructures that guarantee performance and are completely automated. It provides software and hardware for high-performance all-solid state drive (SSD) storage platforms designed for public and private cloud computing. Founded in January 2010 in Atlanta, the company moved to Boulder in January 2011 with five employees. In July 2013, SolidFire closed a \$31 million Series C funding round led by Samsung through its Samsung Ventures investment arm. In October 2014, it announced the expansion of its flagship SF Series product line, dramatically decreasing the cost of entry for the industry’s only cloud-scale all-flash array and broadening the company’s market reach. Also in October 2014, the company announced it raised \$82 million in Series D funding – the largest funding round in Colorado since 2005, bringing its total funding to \$150 million. The company



occupied approximately 14,000 square feet at 1620 Pearl Street and expanded its space by 10,000 square feet to accommodate its expected growth. The flexible rebate will assist with the cost of this expansion, which will enable the company to expand its employee base and further advance its leading all-flash storage architecture.

SolidFire employs the best and the brightest. Its employees are a diverse group of over 250 individuals bound together by the notion of changing the way the world uses the cloud. The average annual wage at SolidFire is more than double the Boulder County average, and it pays 100% of employee benefits. Additionally, they encourage volunteerism by organizing a minimum of one community service event per quarter (often times two or more events per quarter). Examples of events they have hosted in the past include a community cleanup volunteer day, canned food drive, toy drive, and a fundraising walk to support cancer research. SolidFire offers employees an unlimited paid time off policy, allowing employees to easily take one or more paid days off a year just to participate in SolidFire’s organized community events or other community events of their choice.

The company practices environmental sustainability by purchasing recyclable and compostable products for company events and everyday use. They also offer employees a \$75 monthly cash allowance if they waive their downtown parking pass (i.e. ditch their cars) and choose to commute using alternative transportation, and SolidFire is actively enrolled in RTD’s Eco Pass Program.

*We are proud to be a part of the Boulder community and the rich history of storage and data technology talent. As our team continues to grow, there isn't anywhere else we'd rather be.*

Local businesses benefit from SolidFire’s presence because the company purchases over 25% of its total goods and services from businesses within the city of Boulder. The company hosts out of town guests at local hotels like the Hotel Boulderado, have lunches and team breakfasts catered



by local restaurants like Dish and Snooze and host company-sponsored staff happy hours at local bars. It also uses local consulting companies for employee recruiting and engineering services, and works with several local marketing agencies for event collateral, staff t-shirts, website design, content and other design projects.

SolidFire, Inc.	
Industry Sector	IT – Data Storage
Rebate approved	\$50,000

Employment	2013	2014	2015
Total Employees: Full/Part Time	90	125	165
Resident Employees – Full & Part Time	32	40	55
Multiplier Effect - Jobs Created	82	103	142

Return on Investment					
Rebate Approved	Rebate Present Value (outflow)	Taxes Present Value (inflow)	Net Present Value	Gross Return on \$1 invested	Net Return on \$1 invested
\$50,000	\$47,619	\$415,839	\$368,220	\$8.73	<b>\$7.73</b>

Social, Community and Environmental Sustainability Support	
Social Sustainability	<ul style="list-style-type: none"> <li>• Pays above average wages*</li> <li>• Pays 100% of employee benefits*</li> <li>• Encourages volunteerism by organizing several community service events per year and by allowing employees paid time off to volunteer at local non-profits*</li> </ul>
Environmental Sustainability	<ul style="list-style-type: none"> <li>• Has an Alternative Transportation Incentive Program (ATIP)*</li> <li>• Participates in recycling and composting programs and has a zero waste policy*</li> <li>• Actively participates in the Eco Pass program*</li> </ul>
Community Sustainability	<ul style="list-style-type: none"> <li>• Purchases over 25% of their goods and serviced from business located in Boulder*</li> </ul>

\*Earned points on application

## Sterling-Rice Group

Sterling-Rice Group is a leading brand, strategy, innovation, and communications firm that was founded in Boulder in 1984. Companies, from small entrepreneurial start-ups to some of the biggest brands in the country, come to Boulder to seek out SRG's expertise in consumer insights, new product innovation, brand positioning, advertising, and design. With deep experience in all things consumer and culinary, they work with a variety of food and beverage, foodservice, healthcare, and outdoor/active lifestyle brands, including PepsiCo, Schwan's, Wendy's, Select Comfort, So Delicious, Intrawest's Snowshoe Mountain, DU Daniels, Children's Hospital Colorado, Almond Board of California, Annie's, Johns Manville, and many others. In tribute to their work and the internal culture of the company, SRG has been recognized by *Advertising Age* as a "Best Small Agency" and named one of the "Best Places to Work" by *Outside Magazine* for three years running. SRG has grown to 116 employees and has been located in downtown Boulder since its founding.

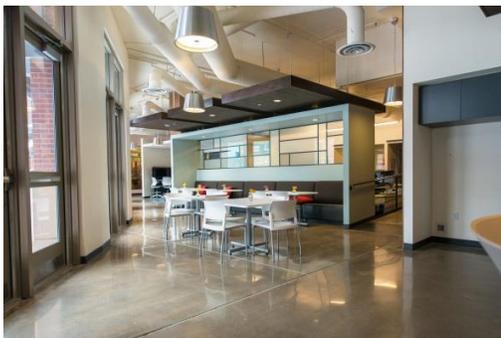


The company pays its employees above-average salaries, pays nearly 100% of employee health and dental insurance and 50% of any covered dependents, and supports non-profits both through cash donations and pro bono services. In 2013, they paid \$105,420 in cash and provided services valued at \$111,000.

Sterling-Rice Group works with Renewable Choice Energy. They purchase Green-e Certified

Wind for 100% electrical usage and Choice Carbon for 100% offset for emissions. They participate in recycling and composting programs and have a zero waste policy for company events and use compostable plates, cups, and eating utensils. The company also actively supports the Eco Pass program. They currently have 40 employees with Eco Passes and two company bikes used for local errands.

The company is expanding beyond their fourth floor space in the One Boulder Plaza building into a total of 39,500 square feet, including a street-level presence on the first floor. The first floor is devoted to the art of innovation and includes a commercial test kitchen, a demonstration kitchen, a large group meeting area, private offices, and work station areas. They will use it for their client on-site brainstorming sessions, new product development for their clients, and all company meetings. It is important to SRG that they are a "convener of ideas". To that point, they will be opening up their space to non-profits for fundraisers and to the larger community for speakers and workshops.



With the project, Sterling-Rice Group is re-purposing first floor retail/restaurant space in their building. They will re-energize the corner of Walnut and 13<sup>th</sup> Street with their employees, clients, and vendors. The company positively impacts this corridor and enhances the connection between Pearl Street Mall and south to the Farmers' Market and Boulder Creek Path.

*Boulder has long been an epicenter for food, innovation, and entrepreneurship, and the Sterling-Rice Group has always been proud to be in the heart of it. There is a special energy that draws the best and the brightest to Boulder and we see it time and time again with our clients who choose to come to here and partner with us to solve some of their greatest brand challenges. This new space will enable us to do what we do best in a state-of-the-art flexible space designed to allow for greater collaboration, not only with our clients but with Boulder's entrepreneurial community as well.*

Sterling-Rice Group	
Industry Sector	Advertising / Brand Marketing
Rebate approved	\$55,000

Employment	2013	2014	2015
Total Employees: Full/Part Time	116	111	125
Resident Employees – Full & Part Time	45	34	42
Multiplier Effect - Jobs Created	38	28	34

Return on Investment					
Rebate Approved	Rebate Present Value (outflow)	Taxes Present Value (inflow)	Net Present Value	Gross Return on \$1 invested	Net Return on \$1 invested
\$55,000	\$51,042	\$513,791	\$462,749	\$10.07	<b>\$9.07</b>

Social, Community and Environmental Sustainability Support	
Social Sustainability	<ul style="list-style-type: none"> <li>• Pays above average wages*</li> <li>• Pays nearly 100% of employee health and dental insurance premiums and 50% of any covered dependents*</li> <li>• Is an equal opportunity employer and is part of the Multicultural Business Student Association (MBSA) at the CU Leeds School of Business*</li> <li>• Supports non-profits both through cash donations and pro bono services. In 2012, they paid \$96,734 in cash and provided services valued at \$116,250*</li> </ul>
Environmental Sustainability	<ul style="list-style-type: none"> <li>• Will request an energy assessment from Xcel Energy*</li> <li>• Will participate in the 10 for Change Challenge*</li> <li>• Purchases Green-e Certified American Wind for 100% electric usage and Choice Carbon for 100% offset for emissions*</li> <li>• Participates in recycling and composting programs and has a zero waste policy for company events*</li> <li>• Actively supports the Eco Pass program and currently has 40 employees with Eco Passes*</li> </ul>
Community Sustainability	<ul style="list-style-type: none"> <li>• Open up their space to non-profits for fundraisers and to the larger community for speakers and workshops</li> </ul>

\*Earned points on application

## Appendix B

### Financial Analysis Assumptions and Data Sources; Objective and Methodology

The following summary outlines the format, assumptions and data sources used to analyze each company which received a rebate incentive from the City of Boulder in 2013.

The ROI Analysis of the 2013 City of Boulder Flexible Rebate Program uses a model specifically developed to provide a reasonable and conservative estimate of the value of the investment to the local economy. Inputs include total employment, number of workers who reside in Boulder, wages, and local expenditures. The model utilizes 2011 job multipliers created by Minnesota IMPLAN Group for the city of Boulder. Utilizing the job multiplier specific to the industry of each recipient, we can more reliably demonstrate the impact each company has on inducing additional job creation in the local area.

Multiplier factors are developed by economists by industry. For instance, the multiplier factor for aerospace is higher than one for professional services. This is based upon data which shows differences in supplier/services utilization and other factors by industry. For example, if a company is in Food Product (NAICS 311), the job multiplier is 2.464 (1.00 direct job and 1.464 indirect induced jobs). If a company in this category has 20 direct employees, research shows that those jobs will induce 29.28 (1.464 \* 20) indirect jobs (consultants, suppliers, retail, etc.) in the community. This analysis applied the IMPLAN job multiplier only to the number of employees who are also Boulder residents.

The analysis also estimates the benefit (sales tax) generated by expenditures of employees who live in Boulder. Those consumer expenditures were derived from the Bureau of Labor Statistics, 2012 Consumer Expenditures Survey for the U.S. population. Only those expenditures that would be subject to city sales tax and most likely to occur locally are included. The data is based upon income levels before tax, so a person earning over \$70,000 a year is shown to spend more than someone earning between \$20,000 and \$29,900 per year. Non-resident employees were assumed to spend an average of \$25/week for 50 weeks per year.

The analysis covers 2013-2015, the three-year period of the agreement each recipient has with the city. The discounted cash flows provide the current value of future income and expenses. The benefits shown by the analysis are derived *solely from city taxes and fees* paid directly by:

- The companies when spending on construction projects and capital goods (furniture and equipment),
- The companies on any local sales of products and services subject to local tax,
- Visitors to the company spending in Boulder,
- Their direct employees when purchasing in Boulder, and,
- The indirect employees, those jobs induced at other companies by the company being here, when purchasing in Boulder

The costs reflect the payout of the rebate incentive to the company at the time it is anticipated the company will provide proof of taxes/fees paid and will actually receive the reimbursement.

To provide as accurate an analysis as possible, the BEC provided each Flexible Rebate recipient with a draft of the analysis for their company and a summary of the information used in the analysis from the company's application including number of employees, number of resident employees, average salaries, and expenditures in the city. The companies were asked to provide updates and additional information. Those changes were reflected in the final analysis and report.

Other notes about the 2013 analysis:

- The model discounts the future cash flow into current dollars using a rate of 5%, the historical cost of capital identified by the City of Boulder’s Finance Department.
- 2013-2015 data was used in the analysis to remain consistent with the city’s original timing and the requirement that the companies agree to remain in Boulder for three years.
- Data provided by the companies in their original applications was updated based on subsequent information provided by companies on actual or updated projections of employee and salary figures, final construction costs, etc.
- The 2013 ROI analysis used the same model as previous years and included the impact of company expenditures and estimated spending by direct and indirect employees for a more comprehensive look at the impact on the community.
- Part time employees were included if applicable.
  - Employee spending estimates were based on Bureau of Labor Statistics Consumer Expenditures Survey from 2012, the most recent data available. To estimate employee spending, average US consumer expenditure data was used. Data for wage levels that matched each company’s average salary was used to estimate spending for direct employees and the average wage for City of Boulder residents was used to estimate indirect employee spending. Based on the demographic characteristics and spending habits of Boulder residents, the use of spending data based on national averages is likely to provide a conservative estimate. Spending categories (Table 1202 National figures by income) included:
    - Food, Apparel and services, Vehicle maintenance and repairs
    - Housing – maintenance, repairs, insurance, other (50%), Housekeeping supplies, Household furnishings and equipment
    - Entertainment
- To estimate the multiplier effect of jobs supporting additional jobs, Minnesota IMPLAN Group, Inc. 2011 employment multiplier data by NAICS (North American Industry Classification System) code for Boulder was used. Multipliers are generally available at the two-digit or three-digit NAICS code level which is at a broad-grouping level of industry segments. Type SAM multipliers for the following NAICS codes were used in the analysis:
  - 311 Food Product Manufacturing: Boulder Brands, Inc., Boulder Ice Cream and Rudi’s Organic Bakery (2.463845)
  - 312 Beverage Manufacturing: Avery Brewing Company (3.186843)
  - 313 Textile Mills: Cocona (1.519548)
  - 334 Computers and Other Electronic Product Manufacturing: SolidFire, Inc. and Orbotix, Inc. (3.574056)
  - 511 Publishing: Active Interest Media (2.682596)
  - 541 Professional, Scientific, and Technical Services: Anthem Branding and Sterling-Rice Group (1.853741)
- The average compensation used for indirect or induced jobs is \$60,043, the average wages for the City of Boulder (*Bureau of Labor Statistics, 2013*). Induced jobs include software programmers, engineers, construction, retail, personal service and many others.
- For non-residential employees, spending was estimated at an average of \$25.00 per week for 50 weeks. This is well below the average spending for daytime visitors to Boulder of \$85 per day based on 2013 data from the Boulder Convention and Visitors Bureau.

## Appendix C

### Return on Investment– All Rebate Recipients: 2007 – 2013

Since the Flexible Rebate Program was introduced in 2007, a total of 54 companies have been approved for rebates through the program totaling \$2,483,480. The total net return to the City of Boulder is projected to be \$23.03 million in taxes and fees associated with capital expenditures and facility improvements, local sales, overnight visitors and direct and indirect employee spending or \$10.18 for every \$1 invested. The ROI has varied from year to year depending on the mix of companies participating in the program and economic conditions.

Flexible Rebate Funding and Returns: All Rebate Recipients 2007 - 2013						
Program Year	Program Funding	Total Approved Rebates	Total Recipients	Approve Rebate PV	Net Return PV	Net Return on \$1
2007	\$500,000	\$500,000	7	\$454,661	\$6,096,276	\$14.41
2008	\$350,000	\$322,135	8	\$284,752	\$2,498,800	\$8.78
2009	\$350,000	\$209,979	7	\$193,216	\$5,582,354	\$28.89
2010	\$350,000	\$320,366	7	\$291,147	\$3,437,388	\$11.81
2011	\$350,000	\$281,000	6	\$246,410	\$728,746	\$2.96
2012	\$395,000*	\$395,000	9	\$363,782	\$1,312,377	\$3.61
2013	\$350,000	\$455,000**	10	\$428,821	\$3,370,271	\$7.86
<b>Total</b>	<b>\$2,645,000</b>	<b>\$2,483,480</b>	<b>54</b>	<b>\$2,262,789</b>	<b>\$23,026,212</b>	<b>\$10.18</b>

\*includes \$350,000 budgeted amount and \$45,000 in carryover funds from previous unused funds.

\*\*includes \$350,000 program funding for 2013 and an additional \$105,000 awarded in carryover funds from previous unused funds

### 2007 Return on Investment – All Recipients

*Conclusion from 2007 analysis report:* The companies all provide broad benefits to the community, not only economically, but socially and environmentally as well. The full benefits analysis provides a conservative assessment of their economic impact at a \$6.1 million return over three years on the investment made by the city in the form of incentives. However, even when taking a very limited incremental view of the benefits derived from the rebates by only including projects we might not have won and businesses that might otherwise have moved out of Boulder, the city management can feel confident that a strong, net return of \$1.9 million is still being earned on this investment.

Return on Investment – 2007 Flexible Rebate Recipients (2007 – 2009)					
	Rebate Approved	Rebate PV	Tax Revenue PV	Net Return PV	Net Return on \$1 invested
Ball Aerospace	\$100,000	\$90,703	\$2,219,704	\$2,219,001	\$24.47
Crispin Porter + Bogusky	\$100,000	\$90,971	\$1,109,089	\$1,018,117	\$12.19
IBM*	\$100,000	\$90,703	\$2,511,545	\$2,420,842	\$27.69
LeftHand Networks	\$80,698	\$74,073	\$144,840	\$70,769	\$1.96
Mountain Sports Media	\$44,917	\$40,741	\$224,678	\$183,937	\$5.51
OZ Architecture	\$49,578	\$44,969	\$234,202	\$189,234	\$5.21
Solekai Systems	\$24,807	\$22,501	\$106,876	\$84,376	\$4.75
<b>2007 Total</b>	<b>\$500,000</b>	<b>\$454,661</b>	<b>\$6,550,935</b>	<b>\$6,096,276</b>	<b>\$14.41</b>

PV = Present Value; Net return represents the current value of income to the City of Boulder (estimated tax revenue) over the three years of the program less the current value of the expenditures (approved rebate).

\*Only includes taxes and fees generated by the new data center that the incentive helped win for Boulder

## 2008 Return on Investment – All Recipients

*Conclusion from 2008 analysis report:* The companies all provide broad benefits to the community, not only economically, but socially and environmentally as well. The full benefits analysis provides a conservative assessment of their economic impact at a \$4.5 Million return over three years on the investment made by the city in the form of incentives. However, even when taking a very limited incremental view of the benefits derived from the rebates by only including projects we might not have won and businesses that might otherwise have moved out of Boulder, the city management can feel confident that positive net return of \$288,699 is still being earned on this investment.

Return on Investment – 2008 Flexible Rebate Recipients (2008 – 2010)					
	Rebate Approved	Rebate PV	Tax Revenue PV	Net Return PV	Net Return on \$1 invested
Advanced Thin Films	\$50,000	\$47,619	\$152,748	\$105,129	\$2.21
Chocolove	\$24,535	\$21,849	\$53,089	\$31,240	\$1.43
Eco-Products	\$29,000	\$26,304	\$389,311	\$363,007	\$13.80
Namaste Solar	\$29,086	\$26,382	\$697,129	\$670,747	\$25.42
Rally Software	\$50,000	\$44,833	\$232,406	\$187,573	\$4.18
Seth Ellis Chocolatier	\$39,514	\$34,826	\$61,893	\$27,067	\$0.78
Siemens Wind Power	\$50,000	\$37,588	\$33,555	(\$4,033)	(\$0.11)
Wall Street on Demand	\$50,000	\$45,351	\$1,163,070	\$1,118,070	\$24.65
<b>2008 Total</b>	<b>\$322,135</b>	<b>\$284,752</b>	<b>\$2,783,552</b>	<b>\$2,498,800</b>	<b>\$8.78</b>

*PV = Present Value; Net return represents the current value of income to the City of Boulder (estimated tax revenue) over the three years of the program less the current value of the expenditures (approved rebate).*

## 2009 Return on Investment – All Recipients

*Conclusion from 2009 analysis report:* The companies greatly benefit the community, both economically and socially, and are important to Boulder's image. The conservative estimate of a \$5.6 million net return on investment suggests the program is still a very strong investment for the city. Even when looking at only the incremental returns, the \$488,819 net return on investment (which does not include Celestial Seasonings, another incremental gain) represents positive economic gains that are clearly advantageous.

Return on Investment – 2009 Flexible Rebate Recipients (2009 – 2011)					
	Rebate Approved	Rebate PV	Tax Revenue PV	Net Return PV	Net Return on \$1 invested
Celestial Seasonings	\$56,441	\$51,194	\$973,871	\$922,677	\$18.02
eTown	\$50,000	\$47,619	\$205,253	\$157,634	\$3.31
IBM	\$35,000	\$31,746	\$4,293,702	\$4,261,956	\$134.25
Sea to Summit	\$10,820	\$10,305	\$67,164	\$56,859	\$5.52
Stratom, Inc.	\$12,525	\$11,361	\$22,361	\$11,000	\$0.97
Tundra Specialties	\$34,963	\$31,712	\$181,789	\$150,077	\$4.73
Visionlink	\$10,230	\$9,279	\$31,430	\$22,151	\$2.39
<b>2009 Total</b>	<b>\$209,979</b>	<b>\$193,216</b>	<b>\$5,775,570</b>	<b>\$5,582,354</b>	<b>\$28.89</b>

*PV = Present Value; Net return represents the current value of income to the City of Boulder (estimated tax revenue) over the three years of the program less the current value of the expenditures (approved rebate).*

## 2010 Return on Investment – All Recipients

*Conclusion from 2010 analysis report:* The companies benefit the community, both economically and socially, and are important to Boulder’s image. The estimate of a \$11.81 net return on each \$1 invested indicates the program is still a solid investment for the city, particularly since it assists different sizes and types of companies.

Return on Investment – 2010 Flexible Rebate Recipients (2010 – 2012)					
	Rebate Approved	Rebate PV	Tax Revenue PV	Net Return PV	Net Return on \$1 invested
Rally Software	\$50,000	\$45,351	\$385,152	\$339,801	\$7.49
Microsoft	\$50,000	\$45,351	\$151,209	\$105,858	\$2.33
Mountainside Medical	\$50,000	\$45,351	\$462,656	\$417,305	\$9.20
Covidien	\$75,000	\$68,027	\$1,018,741	\$950,714	\$13.98
Precision Wind	\$25,000	\$23,243	\$138,015	\$114,773	\$4.94
Spectra Logic	\$65,000	\$58,957	\$1,447,940	\$1,388,983	\$23.56
Trada	\$5,366	\$4,867	\$124,821	\$119,954	\$24.65
<b>2010 Total</b>	<b>\$320,366</b>	<b>\$312,536</b>	<b>\$3,728,534</b>	<b>\$3,437,388</b>	<b>\$11.81</b>

*PV = Present Value; Net return represents the current value of income to the City of Boulder (estimated tax revenue) over the three years of the program less the current value of the expenditures (approved rebate).*

## 2011 Return on Investment – All Recipients

*Conclusion from 2011 analysis report:* The City of Boulder’s Flexible Rebate Incentive Program continues to generate a positive return on investment, while providing the City Manager with an important and effective tool to help retain, grow, and attract businesses that align with the city’s values and goals.

Return on Investment – 2011 Flexible Rebate Recipients (2011 – 2013)					
	Rebate Approved	Rebate PV	Tax Revenue PV	Net Return PV	Net Return on \$1 invested
Tendril Networks	\$85,000	\$77,098	\$315,320	\$238,223	\$3.09
LogRhythm	\$85,000	\$73,426	\$471,564	\$398,138	\$5.42
Biodesix	\$60,000	\$51,830	\$61,652	\$9,822	\$.19
juwi Wind	\$15,000	\$12,958	\$44,644	\$31,687	\$2.45
Eetrex	\$26,000	\$22,460	\$49,790	\$27,330	\$1.22
Salewa	\$10,000	\$8,638	\$32,185	\$23,546	\$2.73
<b>2011 Total</b>	<b>\$281,000</b>	<b>\$246,410</b>	<b>\$975,155</b>	<b>\$728,746</b>	<b>\$2.96</b>

*PV = Present Value; Net return represents the current value of income to the City of Boulder (estimated tax revenue) over the three years of the program less the current value of the expenditures (approved rebate).*

## 2012 Return on Investment – All Recipients

*Conclusion from 2012 analysis report:* The City of Boulder’s Flexible Rebate Program has continued to provide the Boulder City Manager with an important and effective tool to help retain, grow, and attract businesses that align with Boulder’s values and goals and generate a positive return on investment.

Return on Investment – 2012 Flexible Rebate Recipients (2012 – 2014)					
	Rebate Approved	Rebate PV	Tax Revenue PV	Net Return PV	Net Return on \$1 invested
American Rec Products	\$25,000	\$23,140	\$152,929	\$129,789	<b>\$5.61</b>
Gnip	\$45,000	\$41,518	\$216,290	\$174,771	<b>\$4.21</b>
HEAD USA	\$50,000	\$46,280	\$39,976	(\$6,304)	<b>(\$.14)</b>
MBio Diagnostics	\$30,000	\$27,902	\$183,254	\$155,352	<b>\$5.57</b>
RealD	\$80,000	\$73,513	\$219,362	\$145,849	<b>\$1.98</b>
Tensentric	\$40,000	\$36,757	\$140,355	\$103,598	<b>\$2.82</b>
Twisted Pine	\$45,000	\$40,758	\$155,784	\$115,026	<b>\$2.82</b>
Upslope	\$50,000	\$46,280	\$436,589	\$390,309	<b>\$8.43</b>
Zia Consulting	\$30,000	\$27,634	\$131,621	\$103,987	<b>\$3.76</b>
<b>Total</b>	<b>\$395,000</b>	<b>\$363,782</b>	<b>\$1,676,160</b>	<b>\$1,312,377</b>	<b>\$3.61</b>

*PV = Present Value; Net return represents the current value of income to the City of Boulder (estimated tax revenue) over the three years of the program less the current value of the expenditures (approved rebate).*

## 2013 Return on Investment – All Recipients

*Conclusion from 2013 analysis report:* The City of Boulder’s Flexible Rebate Program has continued to provide the Boulder City Manager with an important and effective tool to help retain, grow, and attract businesses that align with Boulder’s values and goals and generate a positive return on investment.

Return on Investment – 2012 Flexible Rebate Recipients (2012 – 2014)					
	Rebate Approved	Rebate PV	Tax Revenue PV	Net Return PV	Net Return on \$1 invested
Active Interest Media	\$25,000	\$23,810	\$264,665	\$240,855	<b>\$10.12</b>
Anthem Branding	\$60,000	\$57,143	\$381,400	\$324,258	<b>\$5.67</b>
Avery Brewing Company	\$90,000	\$82,540	\$1,047,499	\$964,959	<b>\$11.69</b>
Boulder Brands, Inc.	\$60,000	\$57,143	\$539,347	\$482,204	<b>\$8.44</b>
Boulder Homemade, Inc.	\$25,000	\$23,810	\$71,967	\$48,153	<b>\$2.02</b>
Cocona, Inc.	\$10,000	\$9,524	\$47,455	\$37,931	<b>\$3.98</b>
Orbotix, Inc.	\$30,000	\$28,571	\$149,714	\$121,142	<b>\$4.24</b>
Rudi’s Organic Bakery	\$50,000	\$47,619	\$356,688	\$309,069	<b>\$6.49</b>
SolidFire, Inc.	\$50,000	\$47,619	\$415,839	\$368,220	<b>\$7.73</b>
Sterling-Rice Group	\$55,000	\$51,042	\$513,791	\$462,749	<b>\$9.07</b>
<b>Total</b>	<b>\$455,000</b>	<b>\$428,821</b>	<b>\$3,799,096</b>	<b>\$3,370,271</b>	<b>\$7.86</b>

*PV = Present Value; Net return represents the current value of income to the City of Boulder (estimated tax revenue) over the three years of the program less the current value of the expenditures (approved rebate).*

## Return on Investment– New and Retained Business Recipients: 2007 – 2013

From 2007 and 2013, a total of 32 companies were attracted to or retained in Boulder as a result of the Flexible Rebate Program and approved for rebates totaling \$1.56 million. The overall net return to the city is projected to be \$7.74 million or \$5.51 for every \$1 invested.

Flexible Rebate Funding and Returns: New and Retained Businesses 2007 - 2013					
Program Year	Total Approved Rebates	Total Recipients	Approve Rebate PV	Net Return PV	Net Return on \$1
2007	\$250,422	4	\$228,018	\$2,119,331	\$18.11
2008	\$150,000	3	\$130,040	\$418,709	\$2.22
2009	\$119,963	3	\$111,077	\$488,819	\$4.40
2010	\$150,000	3	\$136,053	\$613,162	\$4.51
2011	\$281,000	6	\$246,410	\$728,746	\$2.96
2012	\$290,000	6	\$267,488	\$938,012	\$3.51
2013	\$305,000	7	\$285,964	\$2,431,936	\$8.50
<b>Total</b>	<b>\$1,556,385</b>	<b>32</b>	<b>\$1,405,050</b>	<b>\$7,738,715</b>	<b>\$5.51</b>

### 2007 Return on Investment – New or Retained Businesses

In 2007, the Flexible Rebate Program provided incentives that influenced IBM’s decision to locate its green data center in Boulder and the decisions of LeftHand Networks, Mountain Sports Media and Solekai Systems to remain and expand in Boulder.

Return on Investment – 2007 Flexible Rebate Recipients (2007 – 2009) – New or Retained Businesses					
	Rebate Approved	Rebate PV	Tax Revenue PV	Net Return PV	Net Return on \$1 invested
IBM*	\$100,000	\$90,703	\$2,511,545	\$2,420,842	\$27.69
LeftHand Networks	\$80,698	\$74,073	\$144,840	\$70,769	\$1.96
Mountain Sports Media	\$44,917	\$40,741	\$224,678	\$183,937	\$5.51
Solekai Systems	\$24,807	\$22,501	\$106,876	\$84,376	\$4.75
<b>Total</b>	<b>\$250,422</b>	<b>\$228,018</b>	<b>\$2,119,331</b>	<b>\$1,891,313</b>	<b>\$9.29</b>

PV = Present Value; Net return represents the current value of income to the City of Boulder (estimated tax revenue) over the three years of the program less the current value of the expenditures (approved rebate).

\*Only includes taxes and fees generated by the new data center that the incentive helped win for Boulder

### 2008 Return on Investment – New or Retained Businesses

In 2008, incentives provided through the Flexible Rebate Program influenced the decisions of Advanced Thin Films and Siemens to move to Boulder and Rally’s decision to remain and expand in Boulder.

Return on Investment – 2008 Flexible Rebate Recipients (2008 – 2010) – New or Retained Businesses					
Retained Businesses	Rebate Approved	Rebate PV	Tax Revenue PV	Net Return PV	Net Return on \$1 invested
Advanced Thin Films	\$50,000	\$47,619	\$152,748	\$105,129	\$2.21
Rally Software	\$50,000	\$44,833	\$232,406	\$187,573	\$4.18
Siemens Wind Power	\$50,000	\$37,588	\$33,555	(\$4,033)	(\$0.11)
<b>2008 Total</b>	<b>\$150,000</b>	<b>\$130,040</b>	<b>\$418,709</b>	<b>\$288,669</b>	<b>\$2.22</b>

PV = Present Value; Net return represents the current value of income to the City of Boulder (estimated tax revenue) over the three years of the program less the current value of the expenditures (approved rebate).

### 2009 Return on Investment – New or Retained Businesses

In 2009, the Flexible Rebate Program provided incentives that influenced the decisions of eTown, IBM and Tundra Specialties decision to expand in Boulder.

Return on Investment – 2009 Flexible Rebate Recipients (2009 – 2011) – New or Retained Businesses					
	Rebate Approved	Rebate PV	Tax Revenue PV	Net Return PV	Net Return on \$1 invested
eTown	\$50,000	\$47,619	\$205,253	\$157,634	\$3.31
IBM*	\$35,000	\$31,746	\$4,293,702	\$4,261,956	\$134.25
Tundra Specialties	\$34,963	\$31,712	\$181,789	\$150,077	\$4.73
<b>2009 Total</b>	<b>\$119,963</b>	<b>\$111,077</b>	<b>\$599,896</b>	<b>\$488,819</b>	<b>\$4.40</b>

PV = Present Value; Net return represents the current value of income to the City of Boulder (estimated tax revenue) over the three years of the program less the current value of the expenditures (approved rebate).

\*Includes only those taxes and fees generated by IBM's new division

### 2010 Return on Investment – New or Retained Businesses

In 2010, incentives provided through the Flexible Rebate Program influenced the decisions of Rally Software, Microsoft and Mountainside Medical to remain and expand in Boulder.

Return on Investment – 2010 Flexible Rebate Recipients (2010 – 2012) – New or Retained Businesses					
	Rebate Approved	Rebate PV	Tax Revenue PV	Net Return PV	Net Return on \$1 invested
Rally Software	\$50,000	\$45,351	\$385,152	\$339,801	\$7.49
Microsoft	\$50,000	\$45,351	\$151,209	\$105,858	\$2.33
Mountainside Medical	\$50,000	\$45,351	\$462,656	\$417,305	\$9.20
<b>2010 Total</b>	<b>\$150,000</b>	<b>\$136,053</b>	<b>\$749,215</b>	<b>\$613,162</b>	<b>\$4.51</b>

PV = Present Value; Net return represents the current value of income to the City of Boulder (estimated tax revenue) over the three years of the program less the current value of the expenditures (approved rebate).

### 2011 Return on Investment – New or Retained Businesses

In 2011, the Flexible Rebate Program provided incentives that influenced Biodesix's decision to move to Boulder and the decisions of Tendril Networks, LogRhythm, juwi Wind, Eetrex and Salewa to remain and expand in Boulder.

Return on Investment – 2011 Flexible Rebate Recipients (2011 – 2013) – New or Retained Businesses					
	Rebate Approved	Rebate PV	Tax Revenue PV	Net Return PV	Net Return on \$1 invested
Tendril Networks	\$85,000	\$77,098	\$315,320	\$238,223	\$3.09
LogRhythm	\$85,000	\$73,426	\$471,564	\$398,138	\$5.42
Biodesix	\$60,000	\$51,830	\$61,652	\$9,822	\$.19
juwi Wind	\$15,000	\$12,958	\$44,644	\$31,687	\$2.45
Eetrex	\$26,000	\$22,460	\$49,790	\$27,330	\$1.22
Salewa	\$10,000	\$8,638	\$32,185	\$23,546	\$2.73
<b>2011 Total</b>	<b>\$281,000</b>	<b>\$246,410</b>	<b>\$975,155</b>	<b>\$728,746</b>	<b>\$2.96</b>

PV = Present Value; Net return represents the current value of income to the City of Boulder (estimated tax revenue) over the three years of the program less the current value of the expenditures (approved rebate).

### 2012 Return on Investment – New or Retained Businesses

In 2012, incentives provided through the Flexible Rebate Program influenced the decision of HEAD USA to relocate to Boulder and the decisions of American Rec, Gnip, RealD, Tensentric and Upslope to remain and expand in Boulder.

Return on Investment – 2012 Flexible Rebate Recipients (2012 – 2014) – New and Retained Businesses					
	Rebate Approved	Rebate PV	Tax Revenue PV	Net Return PV	Net Return on \$1 invested
American Rec Products	\$25,000	\$23,140	\$152,929	\$129,789	\$5.61
Gnip	\$45,000	\$41,518	\$216,290	\$174,771	\$4.21
HEAD USA	\$50,000	\$46,280	\$39,976	(\$6,304)	(\$.14)
RealD	\$80,000	\$73,513	\$219,362	\$145,849	\$1.98
Tensentric	\$40,000	\$36,757	\$140,355	\$103,598	\$2.82
Upslope	\$50,000	\$46,280	\$436,589	\$390,309	\$8.43
<b>Total</b>	<b>\$290,000</b>	<b>\$267,488</b>	<b>\$1,205,501</b>	<b>\$938,012</b>	<b>\$3.51</b>

PV = Present Value; Net return represents the current value of income to the City of Boulder (estimated tax revenue) over the three years of the program less the current value of the expenditures (approved rebate).

### 2013 Return on Investment – New or Retained Businesses

In 2013, incentives provided through the Flexible Rebate Program influenced the decision of Active Interest Media, Avery Brewing Company, Boulder Ice Cream, Cocona, Inc., Rudi's Organic Bakery, SolidFire, Inc., and Sterling-Rice Group to remain and expand in Boulder.

Return on Investment – 2013 Flexible Rebate Recipients (2013 – 2015): New and Retained Businesses					
	Rebate Approved	Rebate PV	Tax Revenue PV	Net Return PV	Net Return on \$1 invested
Active Interest Media	\$25,000	\$23,810	\$264,665	\$240,855	<b>\$10.12</b>
Avery Brewing Company	\$90,000	\$82,540	\$1,047,499	\$964,959	<b>\$11.69</b>
Boulder Homemade, Inc.	\$25,000	\$23,810	\$71,967	\$48,153	<b>\$2.02</b>
Cocona, Inc.	\$10,000	\$9,524	\$47,455	\$37,931	<b>\$3.98</b>
Rudi's Organic Bakery	\$50,000	\$47,619	\$356,688	\$309,069	<b>\$6.49</b>
SolidFire, Inc.	\$50,000	\$47,619	\$415,839	\$368,220	<b>\$7.73</b>
Sterling-Rice Group	\$55,000	\$51,042	\$513,791	\$462,749	<b>\$9.07</b>
<b>Total</b>	<b>\$305,000</b>	<b>\$285,964</b>	<b>\$2,717,904</b>	<b>\$2,431,936</b>	<b>\$8.50</b>

PV = Present Value; Net return represents the current value of income to the City of Boulder (estimated tax revenue) over the three years of the program less the current value of the expenditures (approved rebate).

## History of Boulder's Economic Vitality and Flexible Rebate Programs: 2002-2013

Since 2002, the city of Boulder has proactively worked to establish and support an economic vitality program that provides consistent outreach, assistance and recognition of business in the community. As part of an overall economic vitality plan, a pilot Business Incentive Program was developed and implemented in 2007, including a pilot Flexible Rebate Program with funding of \$500,000 from the city targeted at retaining and expanding primary employers in Boulder.

Primary employers are defined as those that “export” the majority of their goods and services outside the community, infusing external funds into the local economy and producing a substantial impact on local output, employment and wages. From the time of implementation of the pilot through 2008, the city defined primary employers as businesses (excluding hotel, retail and food services) that generate at least 75% of their revenues from outside Boulder County. This is a higher threshold than many communities use and the definition was lowered to “exceeds 50%” in 2009.

The 2007 Flexible Rebate Program pilot was judged to be a success and has been continued by the city each year since then as a formal program. The city has commissioned the Boulder Economic Council (BEC) to provide an objective evaluation of the effectiveness of the program each year based on its value in retaining or attracting businesses and providing a return on the city's investment.

Some program criteria have changed to ensure that grant recipients support the city's goals for social and environmental sustainability. The maximum rebates granted, as well as the funding provided in each year's city budget, has also changed to address funding constraints in the city's budget. Changes made to the program since 2007 include:

- Expanded options for demonstrating commitment to environmental sustainability including energy and waste reduction, energy certifications, encouraging alternative transportation, general sustainable business practices and buying locally
- Primary Employer was redefined as one consisting of any number of employees
- The amount of revenue required to be derived from the sale of goods and/or services outside of Boulder county was lowered from 75% to 50% to be consistent with the common definition of a primary employer within the state
- The application form was adjusted so that it could be filled in online and arrangement of the information and requirements on the city's website were improved to facilitate ease of use based upon feedback from users.

City of Boulder Economic Vitality and Flexible Rebate program highlights:

### 2002

- As part of the 2003 budget (in 2002), city EV efforts were funded by using a portion of the resources currently available from \$2.9 million Boulder Urban Renewal Authority (BURA) bond reserve fund that came back to the city when the BURA bonds were paid off.
- A base budget of \$250,000 per year for five years was set for the EV account (with carryover of unused funds each year) beginning in 2003 and *continuing through 2007*. The urban redevelopment portion of the account began in 2004 and *continued through 2008*.
- Prior to 2003, the City Council economic goal group had a series of discussions about economic initiatives and concluded that a more focused effort to formulate an economic policy was required.

### 2003

- City Manager Frank Bruno convened the Economic Vitality Action Group (EVAG) in February, 2003—his first few weeks on the job. The charge to the EVAG was to prepare appropriate options, tools and other strategies that will assist the city's efforts to enhance business opportunities and sales tax revenues. EVAG formulated a draft EV policy in August 2003.
- City Council adopted the EV policy in October 2003 (see policy in Attachment H).

- Initial EV staffing took place in late 2003 to mid-2004. Brad Power, who served as Executive Director of BURA since 1997 was hired as the fixed-term redevelopment director in December 2003.

#### **2004**

- Michael Stumpf served as the city's first EV coordinator from summer 2004 to spring 2005.
- The Economic Vitality Advisory Board (EVAB) was named by Frank Bruno in August 2004 as advisory to the city manager.

#### **2005**

- EVAB has provided advice and input to the city manager, individually and in periodic meetings since 2005.
- In April 2005, an EV work plan was adopted.
- After Stumpf's departure, Boulder Economic Council (BEC) Executive Director Sean Maher served as interim economic development coordinator from May 2005 to September 2006.
- An independent assessment of Boulder businesses' views of doing business in Boulder was conducted by business consultant, Ray Wilson in fall 2005.

#### **2006**

- Liz Hanson, a 20-year veteran of the Planning Department, was hired as the city's business liaison in January 2006 for a two-year fixed term.
- An updated EV work plan was reviewed by City Council at a study session in March 2006.
- A 2007 Business Incentives Pilot Program was adopted by City Council in September 2006.
- Frances Draper was hired as the new executive director of the BEC in September 2006.

#### **2007**

- The city and BEC enter into a 2007 agreement for specific services related to implementation of the pilot incentive program, business outreach, and business retention.
- EV staff implements the approved 2007 Business Incentives Pilot Program: Developing application and administrative review processes; creating and implementing a communication plan, including direct marketing and public presentations; and obtaining owner-occupied loan pool commitments and agreements.
- As of August 1, eight flexible rebate and two employee training applications are received from Boulder primary employers.
- The City Council authorized the Business Incentive Rebate Program for 2008.

#### **2008**

- The Boulder Economic Council contracts with the city to complete an analysis of the 2007 Pilot Business Incentive Rebate Program.
- The City Manager grants Business Incentive Rebates to eight companies.
- The analysis is completed and presented to City Council on April 22, 2008 showing a return of \$14.41 on every \$1.00 invested in incentive rebates.

#### **2009**

- City Council reauthorizes the City Manager to approve Business Incentive Rebates with some additional sustainability guidelines for companies to meet, to continue each year if funding is made available each year in the city's budget.
- A 2009 budget of \$350,000 is approved for the Flexible Rebate Incentive Program and \$50,000 for the city's contribution to a MicroLoan Fund.
- The City Manager grants Business Incentive Rebates to seven companies.
- The Boulder Economic Council provided an analysis of the 2008 program showing a return of \$8.78 on every \$1.00 invested in incentive rebates.

**2010**

- A 2010 budget of \$350,000 is provided for the Flexible Rebate Incentive Program and \$100,000 for the MicroLoan Fund.
- On September 30, the Ash Center for Democratic Governance and Innovation at the John F. Kennedy School of Government, Harvard University, announced that the City's Flexible Rebate Program was one of 173 government programs selected for its newly-created Bright Ideas program. In its inaugural year, the Bright Ideas honor is designed to recognize and share creative government initiatives around the country with interested public sector, nonprofit, and academic communities.
- Seven companies are granted Business Incentive Rebates totaling \$345,366.
- The Boulder Economic Council provided an analysis of the 2009 program showing a return of \$28.89 on every \$1.00 invested in incentive rebates.

**2011**

- A budget of \$350,000 was provided for the 2011 Flexible Rebate Incentive Program, all of which was incorporated into the city budget rather than relying on one-time funding.
- Six companies are granted Business Incentive Rebates totaling \$281,000.
- The Boulder Economic Council provided an analysis of the 2011 program showing a return of \$2.96 on every \$1.00 invested in incentive rebates.

**2012**

- A budget of \$350,000 was provided for the 2012 Flexible Rebate Incentive Program.
- Nine companies are granted Business Incentive Rebates totaling \$395,000.
- The Boulder Economic Council provided an analysis of the 2012 program showing a return of \$3.61 on every \$1.00 invested in incentive rebates.

**2013**

- A budget of \$350,000 was provided for the 2013 Flexible Rebate Incentive Program and \$50,000 for the MicroLoan Fund.
- Ten companies are granted Business Incentive Rebates totaling \$455,000.
- The Boulder Economic Council provided an analysis of the 2013 program showing a return of \$7.86 on every \$1.00 invested in incentive rebates.