

Metro Denver: A Future Headquarters Destination

Concept Paper

This forward looking paper, and the study that it proposes, present a road map for how Metro Denver can significantly enhance its appeal to corporations looking over the next several years into the next decade to relocate their corporate headquarters and build large scale operations. This study should be done soon, and updated regularly, since corporations will begin to grow out of this recession and make serious business location decisions that will affect their companies' long term future.

Prepared for:

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March 11, 2009

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Executive Summary

Metro Denver's economic development leaders, including Tom Clark and Joe Blake, The Metro Denver Economic Development Corporation, and many other diligent individuals and organizations, have worked tirelessly for years to make the Denver Metro area a choice destination for businesses looking to expand or relocate. Our economic development leaders have developed a system where our local jurisdictions are no longer actively competing against each other, to the benefit of all of us. Plus, they have spearheaded legislation, including Referendum C, to maintain and grow Colorado's competitive stature. Just in the past two weeks, The Pew Foundation has issued significant research findings showing that Denver is the city that most Americans would like to move to, if they could.

There have been significant successes in bringing the U.S. headquarters of foreign corporations to the Metro Denver area, including RES Americas. Yet, Metro Denver continues to lose to other states the headquarters of businesses located here as they grow and become the subjects of acquisitions and mergers. As for corporations located here and looking to expand their operations, many have successfully expanded here, but in some significant cases such as Gambro, Metro Denver was not able to make the final list created by site consultants of the top ten most competitive sites for the new plant.

Sustainable Business Group, a new consulting firm in Colorado with 30 consultants and offices in the World Trade Center, believes that there is a significant opportunity for Metro Denver to gain significantly in its ability to attract headquarters of companies, and large scale operations of companies over the next decade. While our company is new, our consultants have easily logged over 500 years of business service in Colorado when adding up all of their experience.

This concept paper and proposed study suggests refinements in how the Metro Denver region does after corporations as they consider relocating their headquarters or opening up new operations. Just in the last six months, the playing field has now been leveled because States like Alabama that have been luring corporations like Gambro through lucrative tax and funding incentives, have run out of money in this recession and will not be fielding such tax giveaways as they have in the past. In addition, every year, the science of corporate relocation gets more and more data driven and the decisions are more and more governed by site selection consultants who create a “short” list of candidates for corporate CEO’s and their advisors to ponder. While we were able to secure a decision from Cabela’s, due to the recession we have not been able to close that deal. Recessions hurt and roads are built to support companies like Cabela’s that might take years to make good on their pledge to move here. However, what really hurts a community is not being fully prepared to go after companies just as they see this recession easing over the next year or two. Now is the time to begin to go after these companies with hard data that show that Metro Denver will be the place to be in 2015 and beyond.

Site selection consultants are the key gatekeepers that enable or prevent companies’ relocation to any given region. These consultants are paid significant sums to evaluate hard, verifiable data about a region and compared these data to other regions. As with all data driven systems, the data for any area can always be made more accessible, can be broader, can be more deeply analyzed that is done presently, and the study we propose in this paper recommends a systematic way of doing this. It is possible with a more robust and more easily analyzed data set describing our region, Metro Denver could be more successful in making the short list of cities under consideration, and then use its leaders, Tom Clark and Joe Blake, even more effectively in landing the deals that will bring and keep corporate headquarters and major operations to the Metro Denver region.

This study will also peer deeply into a new area where current hard data cannot lead anyone. We predict that there will be a significant number of corporations that will consider over the next decade leaving New York, New Jersey, and the East, and without a systematic research effort to uncover these potential “corporate relocators,” Denver economic development leaders may miss opportunities they would not even know about in a timely manner without this research.

Getting Metro Denver short-listed for key corporate headquarters’ relocations and the placing of major corporate operations is the primary goal of the proposed project described in this paper. While our project cannot guarantee more companies will locate

their headquarters in the Metro Denver region, we can and do guarantee that Metro Denver will have a better chance to compete for more opportunities than it would without the unique, systematic, data driven approach to promoting the Metro Denver region that we would produce via our study. We will expand the deal pipeline, enabling development authorities to close more deals.

In addition to beefing up the data oriented analysis, accessibility and presentation capabilities of the Denver Metro region, Sustainable Business group proposes to conduct “market research” to interview large numbers of companies that chose not to move to Metro Denver when they had the chance over the past decade, and companies that moved their headquarters out of this region when they reached a certain size. As Ed Mueller, Chair and CEO of Qwest stated at the Voices of Experience speech at the University of Denver recently, businesses that will be very successful in the future will conduct anthropological research in addition to “market research.” Our approach combines exactly the anthropological research that Ed Mueller recommended because we know the questions to ask the companies that did not move here or moved out of the area in order to collect data on “soft areas” as well as the hard core economic areas that people and site selection consultants analyze day in and day out.

The combined approach of a strong survey methodology plus a data warehousing, data analysis, and business intelligence approach will bring this study alive to all key stakeholders in the Metro Denver area and encourage our area to improve in the areas where corporations believe we fall short and to emphasize the areas where corporations believe (and where we know) we have a competitive advantage.

The Sustainable Business Group will work with the Metro Denver Economic Development Corporation and Strategy Software, a corporation from the State of Washington that is independent and rigorous, to assemble the data about Metro Denver required by site selection consultants, compile it in a system that is easy to use, and establish a process for maintaining the data’s efficacy and currency. This information system will enable and empower even more proactive economic development, attracting the companies and the jobs Colorado needs to thrive.

Our study will start with a series of meetings to understand fully all data that the Metro Denver Economic Development Corporation, the Jefferson Economic Council, and all other key players use in our region to promote Metro Denver as the best destination for corporate headquarters and large scale operations. We will analyze and document why certain data are used and certain data are not used. We will analyze the quality of the data, its accessibility, and how it compares to data from other competing jurisdictions. We will work with all key stakeholders from the very beginning of the study to bring them along, in a consensus format, if we can, to agree on a common set of data elements that tell a broad and supportive story about Metro Denver and why it is attractive now and will be even more attractive in the next decade and in decades to come for corporations to have their corporate headquarters and major operations located here. This consensus building approach is one that will help build on the great work of Tom Clark and Joe Blake and so many others and will further solidify in the minds of our business

community that our area is not only a worthy place for major corporate headquarters and operations, but that it is so worthy that we do not have to give away huge tax breaks to secure these much sought after corporate facilities.

Background

Tom Clark and Joe Blake have been the leaders in helping the Metro Denver region secure new businesses, new manufacturing facilities, new corporate headquarters, including RES now located in Broomfield, and have worked tirelessly to make the Denver Metro area a choice destination for businesses looking to expand or relocate. Preston Gibson of the Jefferson Economic Council has also been a leader in helping make Jefferson County a key location for recent and future economic development. Mayor Hickenlooper has been a most effective catalyst for improving the business climate of our region. Both Governor Owens and Governor Ritter have been instrumental in putting some of Colorado's finest people in positions to seek to attract companies to take a fresh look at Colorado as a future home. Many area leaders have worked together to promote our region and they together have had some significant success.

In this downturn and for the foreseeable future (twenty years), Metro Denver rises above the rest of the nation and will continue to rise above the rest of the nation in fewer jobs lost, more jobs created, lower vacancy rates and higher occupancy rates in our office buildings and in our housing stock, in steadier home prices than other regions, in having fewer banks needing government bailouts, and in having a well educated workforce. The capacity of the Metro Denver region to grow far exceeds Silicon Valley, Route 128, and Northern Virginia as land prices will always be lower here than in either of those places. Our advantages over the East are growing daily as even the East's tremendous advantages in access to capital is starting to fade in this recession and will fade further over the next decade. And we stack up well against our great competitor, the Metro Austin area in terms of climate, beauty and life style benefits.

There is much we can be proud of in Metro Denver that never makes the papers. Through the great work of Ledy Garcia Eckstein, Metro Denver has been a magnet for Workforce Initiative Regional Economic Development Programs, and the primary author of this concept paper, Herb Rubenstein, recently won a \$389,000 WIRED grant when he was the Chief Operating Officer of the International Center for Appropriate and Sustainable Technology (iCAST) that is now successfully training next generation workers in energy auditing, solar, and new technologies to promote energy efficiency.

This concept paper acknowledges these important facts and history of Denver's efforts to be the destination home of good companies and their headquarters. This concept paper suggests that there is a new opportunity now in the Metro Denver region, in the midst of this recession and the future economic recovery that we will experience, that will allow Metro Denver to capture significant economic relocation and expansion activity. We have the opportunity to land the headquarters of businesses large and small just now thinking about relocating to lower cost areas and areas less vulnerable to future recessions. Metro Denver fits the bill.

The Pew Foundation's recent research finding that Denver is the city that most Americans would like to move to if they could is incredibly valuable to this cause. At the Sustainable Business Group, we wholeheartedly support Warren Buffet's comment on March 7, 2009 where he said:

"In five years, I can guarantee you this machine will be running smoothly."

At the Sustainable Business Group we are hard-nosed business consultants and leaders. We are also futurists having been founding members of the Association of Professional Futurists. We cannot predict the future perfectly, but since 1970 our consultants have helped to make the futures we wanted become reality in many, many ways. We believe we can help make Metro Denver "headquarters City..

A Glance at the Future

Even in this economic environment, and perhaps because of it, it is reasonable to predict that companies will be moving their headquarters out of the east, specifically New York and New Jersey, due to the spiraling costs of operations in the area. Today, with access to capital no longer being the monopoly of NYC, and with internet technology giving every company the ability to run operations from any big city in the United States with equal effectiveness, there is a chance that Denver could be the next Silicon Valley, and the next destination location for corporate headquarters of both U.S. and foreign corporations.

Pittsburg has lost many corporate headquarters over the past two decades. Companies from overseas are more reluctant than ever to put their US headquarters in New York or New Jersey unless they need special relations with the United Nations or Wall Street Bankers. The financial debacle in New York with our banking system and the virtual elimination of California's once near monopoly on venture capital money for new technologies has opened up a significant opportunity for Metro Denver to emerge as a significant "headquarters" city for the first time in its history and to garner manufacturing and operations facilities that have eluded this region for decades.

The securing of the Democratic National Convention in 2008, and the listing of Denver on the short list for the 2012 Republican National Convention, are transforming how people look at Metro Denver. While Rotary International rejected Denver as a potential host for its 2017 International Convention for reasons known privately by the Sustainable Business Group, changes and improvements in Metro Denver could make Rotary International take another look at Metro Denver being its host for its International Convention for sometime around 2020. (35,000 attendees, 125 languages spoken, tremendous need for mass transit).

While this proposal focuses on Metro Denver as a future "headquarters city" this phrase is designed not only to raise Metro Denver's rankings and ability at securing headquarters of significant sized companies, but is also designed to help Metro Denver secure other

significant potential corporate relocations including manufacturing operations and service businesses.

Thus, as we focus on “headquarters,” we know that one company here, TriZetto Group, has its headquarters in Newport Beach, California (25 jobs), while it has 500 employees in its services business in Greenwood Village. Thus, the intent of this concept paper is to show how the Sustainable Business Group could add to the effort of many who have worked so hard and for so long in Metro Denver to bring new economic activity to our area focusing not only on communications, transportation, energy and IT, huge areas of competitive advantage for our region, but also other “headquarters” or regional operations that could mean thousands of jobs.

Becoming a Headquarters City

Metro Denver is just starting to come into its own as a potential, legitimate contender for corporate headquarters of companies and operations including industrial and service operations of a significant size. We are well aware of Metro Denver’s great success in attracting government operations and we believe that Metro Denver is now stronger than ever in its potential attractiveness for large scale government investments that will yield thousands of good paying, low water use, low energy use, jobs that are sustainable and virtually recession proof.

To take the next step on the path in becoming a first-rate headquarters city, we propose that we gather qualitative and quantitative answers to three questions

Why have companies in the past not chosen this area for their corporate headquarters?

Why have local companies moved their headquarters to other cities? (Of course, we know many of these companies were purchased or acquired and moved by their new owners).

Which companies in the next ten years are considering moving their corporate operations and how best do we in Metro Denver make our pitch to them?

There are many good and thoughtful answers to these questions known by many economically astute people in the Metro Denver region. We believe these questions, in addition, deserve a sound, detailed research and analytical approach, and the answers from this research need to be widely disseminated to our business and political leaders so action can be taken to address our shortcomings and to promote our strengths. Of course, these three questions are not so easy to answer. They require detailed interviews, analysis of data some of which are both publicly available, but other data are most certainly privately owned. To make sense of the answers to these questions, not only requires asking the right questions and correctly recording the answers, it requires a strong background in understanding of the key determinants of why corporations locate their headquarters and major operations where they have in the past and will locate them in the

future. For any study of this nature to be truly useful in this area, we will need to know the all of the key drivers (and the relative importance of these drivers) as to why companies choose one location and forego all others and how that might be changing over the next two decades. We believe we can gain great insight into learning much useful information about this key area of concern.

A Weak Link in Economic Development

Like every other process, site selection goes from the general to the specific – the creation of a ‘long list’ of cities or regions that could accommodate the needs of a company is the first step. Cities usually don’t even know this process is underway, but are notified when they are “short-listed”, usually by site selection consultants. When short listed, the city then is notified about the opportunity to be considered in the selection process, and the question the company and its consultants ask is: “What can Metro Denver do for us?”

The evidence presented at the start of the paper suggests that economic development leaders in Denver do quite well in closing the deal. If Denver is short listed, then odds are we will succeed in obtaining the prize relocation or new corporate operations facility. In our view, the weak link is not failing to close the deal when we are on the short list. The weak link sometimes is getting Metro Denver to make the short list that site selection consultants give the corporations, a list from which corporate CEO’s cannot often stray or override. The recent case of Metro Denver not making the short list for the Gambro expansion of facilities that would have employed 1,800 jobs illustrates the point.

Decisions by Gambro’s site selection consultants for their new 1,800 person facility resulted in Colorado not even being among the top ten sites after study even though top management wanted the facility located here. (This is based on a one on one interview between Herb Rubenstein, President of the Sustainable Business Group, and Kevin Smith, the President of Gambro, in 2005). The fact is that Gambro executives wanted to expand here in Metro Denver, but Metro Denver not making the short list (top ten) created by the site selection consultants took the decision right out of the hands of Gambro’s Colorado champions in the executive suite. We know the issues that contributed to the consultant’s assessment included: lack of water, lack of an ability to guarantee large amounts of energy at steady or predictable prices, and lack of capital from the State or any jurisdiction to help defray the costs of training new workers. All played a part in Gambro’s decision to locate that plant in Alabama.

(See:<http://www.expansionmanagement.com/smo/newsviewer/default.asp?cmd=articlede tail&articleid=17265&st=3>) Once all of the research questions are answered and all of the data are compiled, the next question Metropolitan Denver will need to answer brilliantly is:

“How do we best communicate our unique value as a region to the site selection consultant community so that we become short listed?”

Working Assumptions

We understand much about the site selection process. Strategy Software has been working with communities for years to assist them in obtaining new corporate operations and headquarters and knows the thinking and inner-working of site selection consultants very well. Based on this work, we can make several assumptions about site selection that we know are likely to be true:

Site selection is now an intensely data driven activity and will become moreso.

Site selection consultants are the ones forming the impression the business community has of cities. The data that they use is often not the most representative data that an area has developed. It often is whatever data they can put their hands on quickly.

Consultants' opinions of Metro Denver will be based on the data they can review quickly, on how well Metro Denver fits with their clients' business needs, as well as their expert opinions regarding many subjective factors including how easy it is to do business with Metro Denver, what is the work ethic of the people in the Metro Denver region, and many non-quantifiable cultural factors regarding Metro Denver.

Rigorous data standards for site selectors exist. We know what data they require to make decisions about which regions end up on the short list. We know the questions they ask where hard data do not exist and where they must gather information from whatever sources they can to make reasonable conclusions about these factors where no hard data provides the answers.

Metro Denver would benefit greatly from systematically improving the sets of data that are of interest to site selection consultants.

We know that Metro Denver could benefit from an expansive use of Web 2.0 tools like those used by the District of Columbia to put data from its agencies on line and accessible to all so that the data can be compiled in a form that is easily accessible and easy to use, this making it available to site selectors before they even contact anyone in our region related to economic development. The resulting information and its accessibility would make the case that not only is our data "better" than data that they review from other locales, but also it is easier to do business with Metro Denver and our region has the courage to make its data open and transparent for all to see. This is the future of data – open, transparent, easily accessible, easy to apply applications by normal people who want to analyze the data, and easy for site selection consultants to use to defend their recommendation that Metro Denver is the future hot spot for corporate headquarter relocations and opening of new and expanded corporate operations facilities.

Metro Denver needs to sell itself to industries that require and can benefit from our unique competitive advantages. Of course, we do and should place lesser emphasis on

seeking companies and headquarters that will be hurt by our relative disadvantages. While our economic development leaders know our strengths and weaknesses, careful analysis of data might show us that we can compete in areas where we did not think we could compete, or that we are even stronger than we thought where we thought we were strong. Making data open for all to see will allow for new forms of data analysis as the great competition documented at www.appsfordemocracy.org showed for the District of Columbia.

One key point must be made at this time. Just as the Ft. Collins population told Anheuser Busch in the early 1980's (by a popular vote if our history is accurate) that no coal could be burned at its beer plant should it decide to build a large scale brewery along I-25, the people of Colorado would never allow a company in Colorado to significantly harm our environment. The bold and brave stance of Tom Clark and others to question the economic value of uranium mining in Weld County relative to its potential harm to our precious water supplies in that part of Colorado, speaks volumes for how our business community is a staunch defender of our environment. Certainly environmentalists on the far side of this issue, and some business interests on the other far side of the issue of not wanting any government involvement or environmental regulation of certain commercial operations, will never see eye to eye. But, in Colorado, the die has been cast and businesses, due to the culture of the State and the staunch support for our environment that business leaders have in our State, businesses are not allowed to pollute Colorado. With the reemergence of OSHA in the United States as a force to be reckoned with, it is no surprise that RPI Coatings Plant in Georgetown received a huge fine and the Suncor Plant in Metro Denver received a huge fine recently, as well. With Colorado companies learning quickly from the huge fines RPI and Suncor have recently received, Colorado will soon be able to lead the nation in both being one of the safest places to work and one of the healthiest places to live. These are two very important indices in the future for site selection consultants.

With our commitment to environment so strong, sustainability is a key word in Colorado. Sustainability is also a key word and conceptual framework in the future of business in the U.S. Our long standing and ever growing commitment to sustainability in Colorado will be a key factor in attracting headquarters of corporations to Metro Denver. It will also be a key factor to attracting key industries that value our vision for the healthy lifestyle and emphasis on quality of life for the people who live and work here. Since sustainability is the basic framework for future economic development here in Colorado, the argument for going after "headquarters" of corporations comes into a new light since corporate headquarters produce a lot of economic value for a region but do not require a lot of water or energy.

The Proposed Methodology

The Sustainable Business Group, comprised of a strong core of consultants and a firm commitment to make Metro Denver a future headquarters city, proposes to work with every key stakeholder in the Metro Denver region through a series of meetings, briefings, creation of working groups, using 2009 state of the art communication technology

(including GroupMind, a robust decision support software licensed by the Sustainable Business Group). These stakeholders are known to our firm and will include all key business leaders, representatives of key State agencies, representatives of the legislature, professors and students from the business schools of CSU, DU, CU Denver and Boulder, and all those in our area who have significant experience working with site selection consultants. We will begin by analyzing all data used by our economic development leaders in all recent pitches to corporations. We will independently judge its quality, its comprehensiveness, and its ease of use and accessibility by site selection consultants and, we will analyze if there are improvements in the breadth of data, depth of data, analytical techniques regarding the data, use of Web 2.0 presentation media for the data, including Wiki's, blogs, business networking tools, and accessibility of the data that could make a difference to site selection consultants, especially those getting into the field who are under 30 years old and have a great appreciation for the role of Web 2.0 capabilities often not fully appreciated by more experienced business leaders. We will recommend any improvements that we see are appropriate through our rigorous analysis of the data currently being used and the presentation/accessibility features of the data as they are presented. In addition, we will use the International Economic Development Council (IEDC) standards as a basis for creating an enhanced data set for our economic development leaders to incorporate in their presentations and future analysis in pitching Metro Denver to companies.

With the help of Strategy Software, we will build a data warehouse similar in some ways to the data warehouse built by the District of Columbia that makes all data from all agencies of the District government available for anyone to access and analyze. See www.appsfordemocracy.org for keen insight on how a community or locale can make its agencies' data available for popular analysis and thereby promote economic growth and community building.

These IEDC standard tables are a set of 25 data tables used by site selection committees for comparing regions in the general sense. These tables are how site selectors arrive at a 'long list'. (See appendix A). The tables include:

Leading Employers (Table 3)

Average Salary by Selected Occupation (Table 11)

Workers Compensation and Unemployment Insurance (Table 12)

Labor-Management Relations (Percent of Workforce Organized Only) (Table 13)

Taxation (Real and personal property only)(Table 15)

Occupancy (Average costs of sites only) (Table 16)

Utilities (Table 17)

Quality of Life (education data) (Table 21)

Demographics (Table 1)

Labor Force Characteristics (Table 2)

Military Bases (Table 5)

Research Bases (Table 6)

Higher Education – Four Year Universities (Table 7)

Community Colleges (Table 8)

Voc/Tech Education (Table 9)

Payroll Costs by Industry (Table 10)

Transportation (Table 14)

Environmental (Table 18)

Government (Table 19)

International Resources (Table 20)

In addition, we will gather real data on how Metro Denver has or has not been successful in using Foreign Trade Zones for promoting the region to global companies. We know the sources of these data and know how FTZ's can help make or break economic development deals all across this country.

These data will be gathered and placed into a relational database, so that the information can be downloaded via a website as a batch by site selectors or corporate officials or anyone who wants to do their own analysis. We will also create topical data reports for site selectors and anyone who wants to spend time researching Metro Denver. These data will be reviewed and/or updated twice a year. The goal here is for Metro Denver to take complete control over the acquisition, maintenance, and presentation of its own economic development data.

The data will be acquired in phases. The tables in phase 1 are the tables deemed most important for general comparison of the region. Tables in phase 2 are important for overall general comparison, but are of lesser weight than the phase 1 tables.

Once the all IEDC data for Metro Denver are gathered, select phase 1 table data will be gathered for cities in the West and East that compete with Denver in the general.

SBG will recommend additional tables that help showcase the attributes Metro Denver possesses that other regions do not, and will short list industries and specific companies that would benefit from Denver's unique advantages without being significantly affected by its disadvantages.

Understanding all of the core elements and how they are scored by "site selection consultants" and companies themselves regarding corporate headquarters siting will yield some significant suggestions regarding how Metro Denver must improve to get on the radar screens (or short lists) of companies contemplating a move (or their site selection consultants). This data set, we believe, will also be important to companies that are already here and growing in Metro Denver, to be useful to get them to stay.

To the extent that jobs and economic development are always partially driven by the ability of a region's leaders to "sell" the region to potential companies, we in the Metro Denver have strong "sales" capabilities, and recent studies like the one by the Pew Foundation is certainly a feather in our cap. However, improving the area's ability to capture, analyze and present data will help make our case to companies who are more and more using a data-driven approach toward site selection.

Enabling and Empowering Proactive Economic Development

SBG, and our colleagues, in an open source format, will analyze the data that are collected, identify holes where data are either not as accurate as we like or the data collection techniques are not as strong as they should be. We may make a call for the collection of new or additional data. We will certainly analyze all data that we have to further the conversation and critical thinking as to which industries, companies and their headquarters:

Might best benefit from Metro Denver's unique competitive advantages

Are not significantly affected by our disadvantages

Best fit Metro Denver's community vision and philosophy of the quality of the life of its citizens.

We will analyze all disadvantages that the data reveal about Metro Denver. We will use the portion of the study where we interview the companies that left and those who chose not to come when they had the chance to rank the issues these companies raise in terms of their importance so that we can truly understand across a broad range of companies the key factors as to why they moved from here or did not relocate here.

SBG will create a final report and a presentation on how to use the results of our data analysis to improve Metro Denver's attractiveness to companies, attract headquarters as they relocate, and attract operational facilities as companies expand after this recession ends.

This project will give us a data-driven perspective on not only how to improve our overall attractiveness to corporations, but also will give us tremendous insight into what industry segments where we may have a strong chance of succeeding in our solicitation efforts. In addition, as we find shortcomings that can be documented, we can create fact based recommendations as to specific public policies our State or local jurisdictions should amend to help attract headquarters and specific business/industry sectors to our area. Ultimately, our study will add to what we already know as we try to answer the question for companies "Why Metro Denver?"

The approach we suggest will provide data analysis that will allow Metro Denver to put its best feet forward in 2010 and for every year in the future as the data are kept current and analyzed from new perspectives year in and year out.

We understand that this study's results must be communicated to the Metro Denver region in a manner that brings together our entire community in support of undertaking significant efforts to attract headquarters and other sustainable oriented companies to our region. Therefore, we know that Joe Blake and Tom Clark could be great spokespersons who can take our study findings to the region's business leaders. We propose a series of no less than 20 presentations of our findings and it is possible that it will make sense to hire two former State legislators to help communicate our message to the State legislature and the Governor's office. We have not discussed this proposal with either Mark Hillman or Andrew Romanoff, but we believe they would make excellent ambassadors to carry the findings of this study and its implications for future public policy to our State legislature and our Governor's office.

Deliverables

Specific deliverables will be determined in concert with all key stakeholders in the Metro Denver area, including the sponsoring economic development agencies. We will always to balance utility against costs as keeping the cost of this study reasonable is a key goal of our company. As we currently envision it, SBG will deliver:

A hosted economic development data management system providing our economic development leaders with convenient, constantly updated, and publicly accessible information for use in economic development and site selection.

Data gathering for the IEDC tables, done in two groups or phases. Information would include 20 of the 25 IEDC data standards for site selection committees:

Phase I: The following data tables established by the IEDC will be populated first using the data standards spreadsheet in the appendix. These tables have been chosen because they contain the most local information:

Leading Employers (Table 3)

Average Salary by Selected Occupation (Table 11)

Workers Compensation and Unemployment Insurance (Table 12)

Labor-Management Relations (Percent of Workforce Organized Only) (Table 13)

Taxation (Real and personal property only)(Table 15)

Occupancy (Average costs of sites only) (Table 16)

Utilities (Table 17)

Quality of Life (education data) (Table 21)

Phase II:

Demographics (Table 1)

Labor Force Characteristics (Table 2)

Military Bases (Table 5)

Research Bases (Table 6)

Higher Education – Four Year Universities (Table 7)

Community Colleges (Table 8)

Voc/Tech Education (Table 9)

Payroll Costs by Industry (Table 10)

Transportation (Table 14)

Environmental (Table 18)

Government (Table 19)

International Resources (Table 20)

Integration into the Metro Denver Economic Development Corporation's economic development section of its website of

Individual downloadable reports for the various data topics

batch download of all economic development data in a compressed file format.

First data availability: Within 16 weeks, with progress on data gathering being monitorable independently via report downloads. As more data are gathered, the data will be cross-checked where possible, documented as to source, and made available for use.

A final report about the data itself, how the data on Metro Denver compares to other regions, and specific recommendations as to what industries, verticals, and particular companies Metro Denver should actively seek to promote its economic development.

Scope of Services

The system proposed allows for the monitoring and management of key economic data used in site selection. The data to be used include:

Initial population of 20 of 25 tables included in the IEDC Data Standards

Continual upkeep of the selected IEDC Data Standards

Up to 8 hours of custom primary research per month

Used for custom research on competing sites

Creation of new data standards not covered by the IEDC Standards

About the Team

The Sustainable Business Group (SBG) is a Colorado corporation that includes a network of thirty consultants, MBA and undergraduate interns, plus several full time staff members. It is the first for-profit organization invited to office at the Advance Colorado Center in the World Trade Center in Denver. The company has two offices, the Denver office at the World Trade Center, and our Grand Junction office at 326 Main Street.

Herb Rubenstein, President of the Sustainable Business Group, and former Congressional Candidate from the 7th Congressional District, will be the primary consultant from SBG on this project should it be funded. Mr. Rubenstein has a MPA from the Lyndon Johnson School of Public Affairs at UT Austin, has his law degree from Georgetown University, was a Phi Beta Kappa graduate of Washington and Lee University, and in 2007 was the Development Director at the Autism Colorado Society, and in 2008 was the Chief Operating Officer at the International Center for Appropriate and Sustainable Technology in Lakewood before starting SBG in October, 2008. Mr. Rubenstein has been an adjunct professor of Entrepreneurism at Colorado State University, has taught in the CSU executive MBA program, has lectured at the Air Force Academy, Johnson and Wales University, and the University of Colorado at Boulder. He is the co-author of Breakthrough, Inc.: High Growth Strategies for Entrepreneurial Organizations (Financial Times/Prentice Hall, 1999), several additional books on leadership and over 100 articles on strategic planning, economic development, and business. He was a Senior Research Associate at the American Institutes for Research and worked employed at the National Academy of Sciences. Clients and References for Mr. Rubenstein and SBG are available upon request.

Tim Matanovich is an expert in strategic marketing and pricing at SBG. Most recently he has been Vice President of Strategic Pricing and Value at TriZetto Group, a \$500M software and professional services firm with 500 employees in Greenwood Village. As a consultant, Tim has worked on five continents to help business leaders improve market and financial performance. Among others, Tim has worked with GE, DuPont, Ericsson, PPG, VHA, Hercules and First Data Corporation. Tim has been an adjunct faculty member with the Institute for Study of Business Markets at Penn State, the Center for Services Leadership at Arizona State, and has an MBA from the University of Michigan.

Matt Kelly is Vice President of Strategy Software, (SSI), an industry leader in strategic marketing information systems. With offices in Washington State, London, Atlanta, and the Philippines, Strategy Software has been tapped to provide the technology and advice in the creation and management of economic data management systems. With 13 years experience in competitive analysis and economic data management and consulting, SSI is uniquely qualified in this area, having built and consulted on many economic development data management systems. SSI also has a great deal experience in regional competitive analysis, and has actively participated in the attraction of capital and qualified businesses for other locations in the United States.

Fees

As with specific deliverables, final fees will be based on the specific requirements established with the appropriate economic development authorities. The Sustainable Business Group believes in the concept of transparency. The fee for this study and twenty presentations will depend on how many other organizations in the economic development arena in Metro Denver are willing to put in time and effort on an in-kind basis and how we can make the 20 presentations be professional and impactful, at a low, or at least, reasonable cost. Therefore, it would be premature for SBG to put a price tag on this work.

We are most interested in helping lead such an effort and less interested in staffing every part of this effort and charging our fees to be in charge and to staff every aspect of this broad scale piece of work. However, we are fully capable of undertaking this entire effort if we were to only receive encouragement, guidance and advice from others and we undertook all of the work spelled out in this concept paper. We present this concept paper to help provide support to our area's future in a manner that we believe we are uniquely qualified to do. There are not many think tanks in Metro Denver doing this kind of work. We can coordinate the work of many under the umbrella of this project and to the extent that others have or bring with them funding sources, this does not have to be a hugely expensive project. Once this work is done for the Metro Denver area, this type of work could be replicated for the Western Slope, where we understand the El Pomar has a strong interest in helping that region achieve a more diversified, stable economy, less subject to the inevitable boom and bust cycles of the oil, gas, and mining industries of that region. We believe Club 20 and many others would be interested in this type of work in the Western Slope.

We envision the report will be available electronically and 500 will be printed. All contents of the report will be in the public domain and anyone will be allowed to copy any portion of the report. We would seek to have the printing done in a sustainable and low cost manner, but certainly the printing of the study will impact its cost.

Conclusion

Similar to the project led by the Metro Denver Chamber of Commerce in the 1980's to clean up the air in Metro Denver, this project is similarly needed to promote Metro Denver becoming a City that is in the forefront of minds of corporations and their site

selection consultants when they make future location decisions. This study will put the Denver Metro area on a path toward significant economic expansion in the future. This study will create a “buzz” around the world that Metro Denver is looking to be the corporate headquarters for significant corporations, and is making strides to meet the requirements of these corporations to locate significant operations in our region.

Today, Metro Denver has great economic development leaders. It has assembled great data to promote our region. It has scored many successes, but it has only rarely been able to bring a corporate headquarters of a very large corporation here from another city. As Metro Denver becomes a more international city, Denver has the opportunity to be the US headquarters for many companies, not just RES, Vestas or Abengoa. What it will take to make Metro Denver the most appropriate choice for foreign companies to establish their US headquarters here and what it will take for Metro Denver to be the most appropriate choice for US headquarters as they begin to shift and move in our country, will be answered by this study. We believe that once our area learns what these corporations expect from their future communities, we will be able to deliver. Colorado will never be able to hand out large amounts of taxpayers’ money to secure corporate headquarters or large scale plants or facilities. But, other regions are not going to be able to do this either, as they did in the past. This brings the Metro Denver area into the top tier of potentially attractive destination areas for corporate operations, and even corporate headquarters.

We welcome your response to our concept paper and if there is interest in moving forward, we would prepare a budget and consider all available options as to getting this study funded. We have selected three initial potential grantors for this project, as shown on the cover page of this proposal, because we believe these three organizations we have identified represent the truly strategic partners for this work. We know the Office of Economic Development of the City of Denver will want to participate fully in this study and we will provide them with a copy of this concept paper. We also are intimately familiar with the budget condition of the City.

We have delivered this concept paper on March 11, 2009 to Tom Clark and Joe Blake, and will soon be delivering this paper to the El Pomar Foundation and the Anschutz Family Foundation. We are certain that over time there may be many more strategic partners and other funding sources who will want to participate in this ambitious study.

We thank you for reviewing this proposal and, as stated, we would be willing to work with many other organizations in a collaborative effort to make this project a reality.