

2006 Annual Report



MEDC works with business



MEDC works with business



MEDC works with business





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Annual Meeting 2006

February 21, 2006

Montrose Pavilion

- | | |
|---|----------------|
| 1. Welcome and Call to Order (6:00pm) | Steve Savoy |
| • Secretary verifies quorum | |
| • Call for ballots | |
| • Appointment of committee to count ballots | |
| 2. Recognition of Guests | Steve Savoy |
| 3. Financial Report | Ron Courtney |
| 4. Comments from the Chair | Steve Savoy |
| • 2005 In Review | |
| • Recognition of outgoing board members | |
| 5. President's Report | Sandy Head |
| • Pepsi Distribution | Alan Schlauger |
| • Hansen WeatherPORT | Jim Keehne |
| • Western Skyways Turbine | Al Head |
| • Webb Dairy | Jim Webb |
| President's Awards | |
| 6. Announcement of 2006 Board | Steve Savoy |
| 7. 2006 and Beyond | Sherry Larson |
| • Membership Drive | Glen Davis |
| 8. Investor Input | Sherry Larson |
| 9. Adjournment | |

BOARD OF DIRECTORS

EXECUTIVE COMMITTEE

Steve Savoy **Chair**

Best Sign Systems

Term Expires: 2006

Steve Glasmann **Past-Chair**

Term Expires: 2007

Sherry Larson **Vice-Chair**

Business Options

Term Expires 2008

Ron Courtney **Treasurer**

Rocky Mountain Motors

Term Expires: 2006

John Overholser **Secretary**

Overholser, Slee, & Clowes

Term Expires: 2007

ELECTED

Dennis Bailey

Coldwell Banker Bailey & Co

Term Expires: 2007

Bruce Panter

Wells Fargo Bank

Term Expires: 2008

Glen Davis

Davis Service Center

Term Expires: 2006

Buck Miller

Dalby, Wendland & Co

Term Expires: 2006

Gary Hendrix

Alpine Data Tax Service

Term Expires: 2006

Paul Panther

Weslin, LLC

Term Expires: 2006

Connie Prewitt

Montrose Memorial Hospital

Term Expires: 2007

APPOINTED

David White

City of Montrose

Dave Fullerton

SOS Staffing

Montrose Manufacturer's Assoc.

Bill Brougham

Alternate, City of Montrose

Dennis Erickson

Montrose Chamber of Commerce

Dave Ubell

Montrose County

George Voorhis

RE1J School District

Woody Palmer

Town of Olathe

Ben Keefer

Mesa State College

STAFF

Sandy Head

President

Karen White

Administrative Assistant

2006 BUDGET

	<u>2005 Actual</u>	<u>2006 Budget</u>
Ordinary Income/Expense		
Income		
4 · Revenues		
4000 · Public Investment	107,500.00	107,500.00
4150 · Investor Revenue	132,037.32	130,000.00
4160 · Land Transactions	149,167.15	0.00
4175 · Office Sublease	6,200.00	6,200.00
4300 · Interest / Misc Income	11,224.42	9,000.00
Total 4 · Revenues	406,128.89	252,700.00
Total Income	406,128.89	252,700.00
Expense		
5 · Operations		
6000 · Accounting	5,906.40	1,000.00
6005 · Auto Expense	0.00	0.00
6010 · Bank/CC Fees	155.00	200.00
6015 · Computer Equipment	599.50	1,500.00
6020 · Computer Services/Support	350.00	1,200.00
6023 · Contract Labor	2,740.00	3,000.00
6025 · Corporate Insurance	1,356.00	1,500.00
6030 · Dues/Subscriptions	2,548.00	3,500.00
6035 · Education/Training	1,261.61	2,000.00
6040 · Interest Expense	910.48	6,050.00
6045 · Legal Services	446.86	2,500.00
6050 · License/Permits	110.00	150.00
6055 · Newsletter / Annual Report	1,451.77	2,000.00
6065 · Office Equipment	3,049.00	3,500.00
6070 · Office Expense	3,801.03	4,000.00
6075 · Payroll Expenses	8,652.01	10,000.00
6085 · Personnel Insurance	9,294.91	9,700.00
6090 · Postage/Shipping	1,248.23	1,500.00
6095 · Printing/Copy Expense	98.49	500.00
6100 · Region 10 Administrative Fees	975.02	1,500.00
6105 · Rent	21,666.71	20,000.00
6106 · Condo Fees/Taxes	7,010.13	7,000.00
6115 · Salaries & Wages	98,794.65	102,000.00
6120 · Software	199.00	6,000.00
6125 · Telecommunications-Internet	2,873.70	3,600.00
6130 · Travel/Lodging	2,247.04	2,500.00
6135 · Utilities-gas, elec, water	3,399.72	4,500.00
Total 5 · Operations	181,145.26	200,900.00

2006 BUDGET con't

	<u>2005 Actual</u>	<u>2006 Budget</u>
6 · Marketing		
6300 · Business Assistance	52,390.78	93,000.00
6315 · Internet Consulting	0.00	1,000.00
6320 · Local Contrib That Support Miss	5,020.32	5,000.00
6325 · Client Entertainment	138.69	1,000.00
6340 · Targeted Advertising	13,205.39	15,000.00
6345 · Travel	1,581.04	1,000.00
6350 · Western Co Marteting Alliance	<u>2,500.00</u>	<u>2,500.00</u>
Total 6 · Marketing	74,836.22	118,500.00
7 · Retention/Expansion		
6405 · Recognition Events	249.79	500.00
6410 · Local Publicity	<u>0.00</u>	<u>1,000.00</u>
Total 7 · Retention/Expansion	249.79	1,500.00
8 · Special Projects		
6515 · Industrial Land Research	<u>2,119.75</u>	<u>2,000.00</u>
Total 8 · Special Projects	2,119.75	2,000.00
9 · Workforce Development		
6600 · Strategy Development	<u>5,000.00</u>	<u>5,000.00</u>
Total 9 · Workforce Development	<u>5,000.00</u>	<u>5,000.00</u>
Total Expense	<u>263,351.02</u>	<u>327,900.00</u>
Net Ordinary Income	142,777.87	-75,200.00
Other Income/Expense		
Other Income		
7000 · WF Investment Gain/Loss	<u>-579.29</u>	
Total Other Income	<u>-579.29</u>	
Net Other Income	<u>-579.29</u>	
Net Income	<u><u>142,198.58</u></u>	<u><u>-75,200.00</u></u>



From the President's desk:

"Success is not only measured by what you accomplish but by the opposition you have encountered, and the courage with which you have maintained the struggle against overwhelming odds." (Orison Swett Marden) These words seem appropriate when describing the "successful" year MEDC had in 2005.

Our year began by preparing a bid for the Colorado Bureau of Investigation, (CBI) to retain the organization here in Montrose. The community brought them to Montrose in 1973. With the need for added space and the current lease at Montrose Memorial Hospital ending in 2008 the State of Colorado sent out an RFP to all communities on the Western Slope. Montrose Board of County Commissioners worked with MEDC and offered free land next to the Justice Center. The City of Montrose also offered help with infrastructure and funding. Despite hundreds of hours of preparation and thousands of dollars spent by local individuals and companies preparing the proposals, the CBI chose Mesa County for their new location. MEDC, along with support from both City and County officials, sent a letter to Representative Ray Rose questioning the process. Representative Rose has requested the Attorney General check into the bidding process. We are hoping to reverse the decision to move to Grand Junction.

Our second successful venture was in working towards privatizing the Fixed Base Operation (FBO) at the airport. Montrose County Commissioners sent out an RFP February 25, 2005 with a decision to be made in August. The final agreement was not signed until December 5th. We believe privatizing is the best way to promote and grow usage of our airport, which in turn will bring new dollars into our Community. In addition, MEDC will continue to work to enhance the ability to allow healthy business to be done in our Aerospace Research Park.

In May, MEDC finalized the deal to retain Pepsi Bottling Group's distribution facility here in Montrose. This concluded an 18-month negotiating process. PBG is in the process of building a new 20,000 SQ FT facility in our Airport Industrial Park. Many thanks to DMEA, which assisted MEDC with the cost of relocating several major power poles on the property.

Hansen WeatherPORT was a recipient of an expansion grant this year. WeatherPORT is a true success story in the arena of 'Primary Jobs'. MEDC has worked with them by granting assistance in 1994, 1997 and again in 2005. WeatherPORT has grown from 8 jobs in 1994 to approximately 200 jobs in Olathe and Delta combined. The new expansion will create 50-100 jobs in Olathe when it is completely built.

Western Skyways moved a turbine engine shop to Montrose from Atlanta, Georgia. Western Skyways received assistance with a land grant from MEDC in 2001 that enabled them to locate at the airport in the Aerospace Research Park—crucial to

From the President's desk continued...

their continued success. The turbine shop has created four new high-tech, high-paying jobs and expects to expand that to 15.

MEDC sponsored a Colorado Value Added Feasibility Study for Webb Dairy. Agriculture is an important part of our community. We want to help sustain it in any way we can. The results of that study are within this report.

In addition, we have continued our financial support of the School-to-Career Program. The WorkKeys testing program is used by many of our manufacturers. These programs help to enhance our workforce. This is a KEY factor in attracting primary jobs. The Board of Directors also decided to help fund the Montrose Transit Authority with a two-year grant. The belief is that this will help local businesses by assisting employees' travel to and from work.

MEDC was able to give out over \$315,000 in cash and land incentives for retention and expansion efforts this year. This will result in ten retained jobs and 85 - 125 newly created primary jobs in the next five to eight years.

We continue to market our area by advertising in SkyWest, Telluride Style, and Montrose Style magazines. We also have an ad at the airport on the new revolving kiosk. As a member of the Western Colorado Economic Alliance (WCEA), we have added exposure for Montrose through their ads as well. I attended the National Business Aviation Association trade show along with the WCEA and the State of Colorado in an effort to promote additional aviation business.

The goal to develop a business incubator remains a focus for 2006. In addition, we will continue to work to further develop our higher education opportunities with Mesa State. As our area grows in high-end home developments, we need to put efforts into maintaining a balance with affordable housing as well.

The effort of economic development would not be possible without the support of our investors. Last year we set a goal to grow investors from 138 to 150. With the help of the board and the leadership of our Membership chair, Glen Davis, our investor membership has reached 151.

Our five-year pledge program is ending and we will be holding a new pledge drive this year. We need your support in order to keep our community healthy.

Our board of directors will be holding a retreat in April to focus on a plan for the future. Please feel free to contact us with your thoughts. We encourage your participation and value your input.

Respectfully submitted:
Sandy Head,
President, MEDC



Letter from MEDC Chairman:

Our primary goal at MEDC is to manage economic development by attracting quality businesses that will provide primary jobs within our county at large and to continue supporting existing businesses and their growth plans.

This past year we supported the Pepsi expansion as part of our retention policy. Economic development usually has a two-pronged approach – New Business growth and Existing Business retention and expansion. Neither sector is any more important than the other. In fact, I would suggest that supporting existing business growth has less inherent risk because they are known and have a proven track record. In addition to Pepsi, we supported Hansen WeatherPORT's expansion plans in Olathe as well as the plans of Western Skyways here in Montrose.

One of our other goals is to support all parts of our community including the City and County governments. We worked with the City, County and a number of our member companies this past year to offer a package to encourage the Colorado Bureau of Investigation (CBI) to stay here in Montrose. In addition, we participated in encouraging our County to support privatization of the Fixed Base Operations (FBO) at Montrose Regional Airport.

I've spent a fair amount of time in West Texas the past 6 months where they have a vibrant Economic Development (ED) organization in Amarillo supported by a ½% Sales Tax. One of the challenges that all ED organizations face is balancing the need to provide incentives with available resources. Although MEDC has a healthy cash position with over \$400,000 in cash or CD's, we have very limited available land – potentially only 2 lots that are not already under discussion at this point in time. As you all know, \$400,000 doesn't go very far in today's market in terms of land acquisition. We need to increase our available resources to remain a viable ED organization.

Last year I mentioned that "Quality of Life" was a key attraction for most of our prospects. However, when other ED organizations provide significant grants and tax breaks to attract companies, we find it difficult to compete with incentive packages that are comparable to what other communities that have significant resources set aside for Economic Development have offered. In spite of our limitations, I proudly end my term as Chairman of an organization that operates within its budget and continues to support new prospects and existing business within Montrose County.

We appreciate all of you who support the mission of MEDC. To those of you who are new members, thank you for your involvement and interest.

Best regards,
Stephen D. Savoy, Chairman, MEDC



Letter from 2006 MEDC Chair:

There is a lot of discussion about managing growth in our community. The ability to finance the infrastructure needed to cope with the increase in our population is taking its toll on both the City and the County. Our schools, medical community, and transportation systems are feeling challenged. However, these challenges also provide us an opportunity to shape the future. Montrose Economic Development Corporation's role in the shaping of that future is to assure we attract industries with high paying jobs that complement the lifestyle and environment we all cherish.

I consider the MEDC mission as a commitment to the next generation. We are constructing the foundation that they will build upon. Through our continued efforts to expand the Higher Education system and attract industry that provides higher-level salaries, we make it possible for our children to choose Montrose as their home.

The competition for the "cream-of-the-crop" industry is fierce. We compete with other Colorado communities that have public funding in place for economic development activities. While our members are very generous and forward thinking, it is time for Montrose to investigate other funding alternatives to meet our economic development needs. Our highly committed Board of Directors will be exploring those opportunities and we would appreciate suggestions from our members.

It will be my pleasure to work with MEDC President Sandy Head and her staff to strengthen the Montrose economy. Sandy has done an excellent job of taking MEDC's credibility to new heights. We can all be proud of our membership in this worthwhile organization.

Sherry Larson
2006 Chair, MEDC



It is the largest manufacturer, seller and distributor of Pepsi-Cola products in the world – and it operates right here in Montrose.

The Pepsi Bottling Group Inc. (PBG) decided to expand its warehouse distribution operations in Montrose, rather than relocate, thanks to incentives provided by the Montrose Economic Development Corporation (MEDC). Now, the company is building a brand new 20,000-square-foot distribution center in the city's Airport Industrial Park.

"The Montrose Economic Development Corporation has been very instrumental in making this whole project happen," said Alan Schlauger, Unit Sales Manager for PBG in Montrose. "The MEDC brought a compelling offer to the table, which really helped convince us that staying in Montrose would be the right move for our business."

PBG broke ground on the warehouse on June 22, 2005 and plans to open it for business in the spring of 2006. The company has outgrown the old facility it had been leasing in the area, but still wanted to remain close to its customer base in Montrose. By staying in this community, PBG also enabled its ten existing employees to remain here and work at the new facility. The company believes that there may be a potential for future growth of the workforce.

The new warehouse will include storage space, sales offices, and loading docks for PBG's delivery trucks. The company's full portfolio of carbonated and noncarbonated beverages – including Pepsi, Diet Pepsi, Sierra Mist, Lipton iced tea drinks, Tropicana juice drinks, Starbucks Frappuccino and Doubleshot and Aquafina bottled water – will be distributed from the warehouse.

"We're thrilled to stay in the community," said Schlauger. "This added space will help us provide even better customer service to our Montrose customers."

PBG manufactures and sells Pepsi-Cola beverages in the U.S., Canada, Greece, Mexico, Russia, Spain, and Turkey. The company is headquartered in Somers, N.Y.



Hansen WeatherPORT was founded in Gunnison, Colorado in 1968 by Clayton “Sweede” Hansen, when Sweede manufactured the first of its kind, fabric tensioned structure. The adverse climate in Gunnison enabled him to test, develop and manufacture the finest quality, and most durable fabric tensioned structures that are renowned worldwide. These unique traits are still incorporated into every **Hansen WeatherPORT** structure.

The primary goal of **Hansen WeatherPORT** is to build portable, fabric tensioned buildings, structures, and enclosure systems that meet the environmental and economic demands of the general public, commercial applications, and government entities. Regardless of shape, size, or custom design options, **WeatherPORT** continues to meet the needs of the end user. Since their inception, numerous companies have copied the concept, yet **WeatherPORT** is still recognized as a leader in the industry.

To stay abreast of the industry and to meet continuing needs and demand, **Hansen WeatherPORT** felt the need to expand its Gunnison operation. In 1993, the majority of the manufacturing facilities were moved to Olathe, Colorado. This relocation was aided in 1995 through a \$16,000 MEDC Assistance Grant for lot improvement and the purchase of gravel. In 1997 MEDC, with the cooperation of the Town of Olathe, provided additional assistance with a \$30,000 grant that was used to acquire land in Olathe for future expansion of the Olathe facility that was fast being outgrown.

In 1998, the remaining manufacturing and corporate offices all relocated to Olathe. 1999 saw further expansion to the **WeatherPORT Corporation** when a new manufacturing facility was opened in Delta, Colorado when the company began production of military contract work. This facility was soon outgrown and **WeatherPORT** again moved their headquarters and fabric manufacturing into a much larger facility in Delta. This facility, previously known as the “Coors Building”, had been vacant for a number of years, and after some maintenance and remodel work, opened its doors in 2003. The Olathe facility is still in use today and primarily houses metal fabrication and sales offices.

To stay competitive and to further meet the needs of our ever-changing world, **Hansen WeatherPORT** has continued to evolve. Doors opened on a brand new Research and Development facility in Olathe in 2005, where new designs and applications are continually being tested, and marketed internationally to a very diverse world. This facility was built with the assistance of MEDC Assistance Grant Funds, when \$25,000 was used for lot preparation and gravelling. 2005 also saw the addition of a marketing arm of the company, a function that in the past was always left to the distributors. This was a move that was planned to gain **WeatherPORT** increased visibility both locally and internationally.

WeatherPORT continues to have its eye on the future and has plans for further expansion of the business. Currently, we are expanding our offices and sales offices in Olathe through building on to the original Olathe building. In addition, plans are being formalized to open a new facility in Olathe that will house a new arm of the fabric application that will manufacture parts for the existing **WeatherPORT** units. This facility will house anywhere from 25-50 new employees. Our next two phases of expansion will address some of our existing needs, the first being to construct an area to set up and dissect existing structures with an eye on improvement of our existing lines as well as to develop new lines for marketing; the second being to add on to our existing facilities yet again, to further expand our custom side of the corporation.

WeatherPORT is proud of its Colorado roots and today, employs over 300 persons. **Hansen WeatherPORT** is still family owned and operated by Sweede’s sons, Bill Hansen, CEO, and Richard Hansen, President.



Western Skyways Turbine INC 2005

In 1994, Western Skyway began as an entrepreneurial dream, a vision to create an aircraft piston engine shop in Montrose. The shop began in a 2400 SQ FT building in the Stryker Industrial Park, across the railroad tracks west of HWY 50. When Western Skyways opened their engine business, they employed 15 individuals. By the year 2000, Western Skyways had 43 employees. The facility they occupied was extremely crowded. It had been expanded by adding various portable storage containers and portable office trailers to the existing building. Every new engine that was built and every engine brought in for repair arrived by truck. There was no way for a customer to fly their aircraft into the facility for repair.

In 2000, Western Skyways approached MEDC for expansion assistance. MEDC took into consideration the primary jobs that had been created since the inception of Western Skyways and added to that the projected job growth. Western Skyways was given assistance in acquiring Lot 2 in our Airport Research Park.

Western Skyways broke ground for their new facility on September 8, 2001—three days before the world changing “911”. Despite the economic downturn and the challenges facing the entire world, especially the business of air travel, Western Skyways forged on. In May of 2002, Western Skyways celebrated the grand opening of their new facility. They hosted a fly-in for the World Beech Craft Society. More than 25 aircraft owners from around the world flew into Montrose to spend the weekend.

With their new location at the airport, Skyways has steadily grown. The piston engine shop currently provides over 63 jobs in Montrose. David Leis, co-owner and Vice President of sales, has generated sales of 450 engines annually.

In the spring of 2005, Al Head, President and CEO of Skyways, sought out a business expansion thus expanding the dream. He purchased a turbine engine facility in Atlanta, Georgia. Al spent the summer of 2005 moving the company to Montrose. Along with the turbine shop, two employees have relocated to Montrose. Western Skyways Turbine opened for business in October of 2005.

The new turbine shop is currently housed in the JetAway Aviation facility. This facility is a perfect fit for the turbine shop. Western Skyways can promote the ability for customers to fly in and hangar their aircraft while being maintained. The high-end jets currently flying into Montrose now have a full engine shop with qualified mechanics at their disposal.

Western Skyways Turbine is the only turbine engine shop located between the Mid-Western United States and the West Coast. It will create a tremendous draw for aircraft owners to come to our area for engine repair.

Combined, Western Skyways and Western Skyways Turbine will create over 100 primary jobs. These jobs will bring new dollars into our community to benefit all avenues of business and add to the economic health of Montrose.

WEBB DAIRY

Webb Dairy, a family owned and operated dairy in Olathe milks 500 cows three times a day. There are a total of 1000 cows on the place including milking dries and replacement heifers. The Webb Dairy of today is the result of five generations of Coloradans in agriculture. Each generation has expanded the operation. Bob Webb and his wife Charlotte bought a herd of 40 cows from her father in 1965. Bob and Charlotte are still active in the business, but Jim Webb has taken on the role of manager and his brother-in-law, John Gibson, oversees the farming of their 600 acres of corn silage and alfalfa.

Jim Webb not only grew up living and working on the dairy, he also earned a Bachelor of Science in Farm and Ranch Management from Colorado State University. Jim returned to the dairy and has been there the last fifteen years. Jim has more than doubled the milking herd, remodeled and expanded the milking barn, implemented facilities and practices to be in compliance with water quality regulations, and put in head locks for the herd to aid in his artificial breeding system. Jim uses extensive computer records and state of the art veterinary medicine.

Currently, the dairy operation supplies milk to a local fluid plant, Meadow Gold, Delta. The business receives a blend price from the milk coop, Dairy Farmers of America. The blend price is calculated by taking the percentage of each class of milk sold times the price to come up with the blend price. The classes of milk are Class I fluid; Class II cream, yogurt, cottage cheese; Class III cheese; Class IV powder. Class I is the highest price.

The Western Slope of Colorado has always been around 98% Class I sales through the Meadow Gold plant, which only bottles and sells fluid milk. The excess supply of roughly 2% is transported to Beaver, Utah to a cheese plant. The blend price for Western Colorado is not based on the 98% Class I sales, but on Eastern Colorado's 27% Class I sales. A location differential or adjustment is paid to Eastern and Western Colorado by the Market Administrator but, Western Colorado's differential is \$0.55 less than Eastern Colorado's. Therefore, by not receiving higher 98% Class I sales to Meadow Gold, Delta, and the \$0.55 less location adjustment from the Market Administrator, the Western Slope is at a significant price disadvantage.

The long term stability of the local market is uncertain. Class I sales (fluid milk) are declining and Class III sales (cheese) are increasing, making cheese, rather than fluid milk, the price driver of dairy products. Processing cheese on the Western Slope of Colorado would add value to milk produced by the Webb Dairy and other Western Slope Dairies. Not only would dairies benefit, but also the economy as a whole. Whereas milk has an economic multiplier of 2.68, cheese has an economic multiplier of 4.3, which means that for every dollar spent on Rocking W cheese, another \$4.30 is generated in the local economy. Additional jobs, a market for local forage producers, and increased sales tax revenues are additional benefits for the region.

With the need and the possible benefits in mind, Jim applied for, and received, a USDA value-added grant with the help of the Montrose Economic Development Council and their generous contribution of \$5000.00 in matching funds. The feasibility analysis was done by Rod Sharp, CSU Extension agricultural economist, and Dr. Norm Dalsted, CSU agricultural economist. The results were presented to the MEDC in December and all agreed that the project has great promise.

With the encouraging results of the feasibility study, Jim is now ready to grow once again. This time it is with production of the value-added product, Rocking W, LLC cheese. Long term market stability for dairy products, increased independence as a processor, growth opportunities, and diversified markets are all goals for adding cheese production to the operation. Rocking W, LLC cheese and maybe someday ice cream, yogurt, and home delivery of bottled milk is the new thrust for Webb Dairy. Additionally, by providing fresh, local, rBST free cheeses, the entire region will benefit by more choices and a premium product not currently produced locally.

Jim and Willyn Webb are currently writing for a USDA rural development grant for working capital to produce and market this value-added product. The grant deadline is March 31st and Webb Dairy plans to be in cheese production by next fall. The first to sample Rocking W Cheese will be the Montrose Economic Development Council in appreciation for their support of this project.



Play here, stay here...

Relocate your business
to Montrose

POLYSTRAND

Established in Montrose - 2004

GENHAM DIAMOND TOOLING

Relocated to Montrose - 1998

WESTERN SKYWAYS

Established in Montrose - 1996
Expanded in Montrose - 2001

JETAWAY AVIATION

Established in Montrose - 2004

PEPSI DISTRIBUTION

Expanded in Montrose - 2005

HANSEN WEATHERPORT

Relocated to Montrose - 1993
Expanded in Montrose - 1997, 2005

GENHAM DIAMOND TOOLING

Relocated to Montrose - 1998

GENERAL INDUSTRIAL DIAMOND

Relocated to Montrose - 1988

COLORADO YURT

Relocated to Montrose - 1994

RUSSELL STOVER CANDIES

Expanded to Montrose - 1974

TEI ROCK DRILL

Relocated to Montrose - 1989

SCOTT FLY ROD

Relocated to Montrose - 1995

ROSS REELS

Relocated to Montrose - 1986

SWISS-O-MATIC

Relocated to Montrose - 2000

BEST SIGN SYSTEMS

Relocated to Montrose - 1984

GORDON COMPOSITES, INC.

Relocated to Montrose - 1994
Expanded in Montrose - 2004

EAGLE VALLEY MILLWORKS

Relocated to Montrose - 2002

GALISO, INC.

Relocated to Montrose - 1988

SUMMA DESIGN

Relocated to Montrose - 2004

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Relocated to Montrose -



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Montrose Regional Airport kiosk ad - 2006

2005 MEDC INVESTORS

***Our success is due to the support of the following investors.
Thank you!***

* 600 Junction, Inc.	Robert Brown
Acme Silver Plating Works, Inc.	Robert Tell
Advance Canvas Design, LLC	Daniel Kigar
Air Options Respiratory Care	Emily Schneider
Alexander, Dr. Charles DDS	Chuck Alexander
Alpine Bank	Dale Davidson
Alpine Data Tax Service	Gary Hendrix
* Alpine Lumber Company	Scott Jeffrey
Alpine Optical of Western Colorado	Ken Linenberger
Bank of the West	Greg Pope
Best Sign Systems, Inc.	Steve Savoy
* Black Canyon Jet Center	Kevin Scott
* Bootlegger Liquor	Carlos Guara
Bray and Company/GMAC Real Estate	Darrell Maness
* Bridges at Black Canyon	Ty Jennings
Brougham & Associates	Bill Brougham
Buckhorn Geotech	Norm Aufderheide
Bush & Associates, Inc.	Jeff Bush
Business Options	Sherry Larson
Camelot Gardens	Sheree Wanner
Camp Robber Cafe	Kim & Bill Volk
Campbell, Teresa CPA	Teresa Campbell
Canfield & Benziger, Drs.	Tom Canfield, MD
Canyon Cleaners	Joe Goecke
Carlton Corporation, Inc.	Wayne Carlton
Carpetrends, Inc.	Darla McFadden
* Cazwellas Restaurant	Donn Wagner
* CCR-3 Montrose, LLC	Jay Austin
Cedar Creek Development Co.	R. Dee Stryker
Century 21-Action Realty	Bob Byers
City of Montrose	Mary Watt
Cobb & Associates	Larry Cobb
Cobble Creek Golf Community	Tiff Hayden
Coldwell Banker Bailey & Co.	Dennis Bailey
Colorado West Property Mgt	Ben Alexander
Commercial Federal Bank	Tracy Wich
Community Staffing Services, Inc.	Dave Dolan
Computer Business Solutions	Sue Tolvo
Consolidated Electrical Distributors	Steve Mercer
* Cornerstone Montrose, LLC	Jim Mikula
* Crippin Funeral Home	Greg Crippin
Dalby, Wendland & Co., P.C.	Buck Miller
Davis Service Center	Glen Davis
Del-Mont Consultants, Inc.	Rick Weaver
* New Investors	

2005 MEDC INVESTORS

Delta-Montrose Electric Assn.	Dan McClendon
DeVinny Jewelers	David DeVinny
Devor, Dennis Attorney	Dennis Devor
Eagle Valley Millwork Corp	Scott Carlisle
Edward Jones--Ron Smith	Ron Smith
Elderado Financial	Jim Elder
Farmers Insurance	Greg Bollig
First Mortgage Corporation	Bob Leu
First National Bank of Montrose	Randy Havens
Flairmont Furniture & Carpet	Ken DeJulio
Future Moves of America, Inc	David White
General Industrial Diamond Co., Inc.	Roger Eicheldinger
Genham Diamond Tooling Systems	Rick McBee
Glasmann Family Partnership	Steve Glasmann
Gordon Composites, Inc.	Mike Gordon
Groskopf & Groskopf LLP	Cindy Groskopf
* Hampton Inn	Adam Miller
Hansen WeatherPORT	Bill Hansen
Hansen, Douglas, DDS	Douglas Hansen
High Mesa Communications	Greg Fishing
HighLife Homes of Montrose, LTD	Steve Annis
Historic Montrose Downtown	
Holcomb, Tom CPA	Tom Holcomb
Hot Water Productions Inc.	Joe Derence
Insurance Center, The	Sean Stansberry
Jeans Westerner	Mary Mathis
JetAway Aviation	Steve Stuhmer
Keith's Heating & Air Conditioning	Cody Powell
Kienholz-Miller & Co.	David Kienholz
* Kinder Morgan, Inc.	Natalie Shelbourn
King, Mike and Suzi	
Krebs, Jeffrey DO	Jeffrey Krebs
Kroack, Kalman J. DDS	Kal Kroack
Lambert & Associates	Dennis Lambert
Laursen Repairs & Beyond	David Laursen
Lionel's Auto Repair	Lionel Box
Loewen Window Center	Tammy Couturier
Logan Family LLC	Dave Logan
Mark Neill Insurance Services	Mark Neill
Masters Law Firm, LLC	David Masters
Mathis & Associates, PC	Stephen Mathis
Mesa Engineering & Surveying, Inc.	Randy Fender
Mesa Structural Design	Ted Hermanns
Milestone-Ashley	Larry Wooddell
Miller, R.A. & Marsha L.	
* Montrose Area Merchants Assoc.	Julie Messenger
Montrose Bank	Garth Gibson
Montrose Chamber of Commerce	Marge Keehfus
* New Investors	

2005 MEDC INVESTORS

Montrose County	
Montrose County Abstract	Deb Tetsell
Montrose Daily Press	Tim Frates
Montrose Internet	Lanham Rattan
Montrose Memorial Hospital	Ken Platou
Montrose Surgical Associates	Michael Jay
Moore, Kit	
North Mesa Farms	Bob Goodhue
Office Furniture & Design Centers	Steve Attarian
Office Machine Sales	Darrell Kastendieck
Olathe State Bank	Boyd Hodges
Overholser, Slee & Clowes	John Overholser
* Oxbow Crossing Properties	Matt Miles
Pacific/Desert Partners, LLC	Mike Kettell
Parish Oil Co.	Greg Parish
Patrik Davis Associates, AIA	Patrik Davis
Performance Consulting Services	Ron Griebenow
Powderhorn Industries	Robb Ruyle
Reed, J. David PC	David Reed
Remax Alpine View	Dee Holman
Renfrow, John & Jim	John Renfrow
Rental Services Corp	Phil Bishop
Ridgway Valley Enterprises	Scott Stryker
* Rocky Mountain Motors	Ron Courtney
Ross Reels/Hauck Engineering	Dan Clark
Scott Fly Rod Company	Scott Meder
Scott's Printing & Graphic Design	Scott Beyer
Security Title Guaranty Company	Randy Williams
Shop N Lube Express	Bill Stimatze
* Silverjack Restaurant	Jeff Boehme
* Skip Huston Construction	Skip Huston
SOS Staffing Services	Dave Fullerton
State Farm Insurance	John Donley
Summit Laundry & Linen Supply	David Volz
Sunnyside Development Co LLC	Ed Ulibarri
Super 8 Motel	Diane Douglass
Swiss-O-Matic	Claude Rocchia
TEI Rock Drills	John Patterson
Town of Olathe	
Townsend, K.M. & Marlene	
Turner Automotive, Inc.	Ross Turner
Uncompahgre Valley Water Users Assn.	Marc Catlin
United Companies (Delta Sand & Gravel)	Jim Ferganchick
Vectra Bank	Dorinda Elder
* Watson Insurance	Cindy Watson
Wells Fargo Bank	Greg Majors
Weslin, LLC	Paul Panther
* Western Colorado Contractors Assoc.	Linda Smith
* New Investors	

2005 MEDC INVESTORS

Western Skyways	Al Head
Western Slope Office Solutions	Joe Wittenberg
WestStar Bank	Lance Michaels
* Wild Rose Apparel	David & Sandy Schlauger
Wollert GMC	Kent Wollert
Young, Charles, OD	Charles Young
<i>* New Investors</i>	

Our Mission

The Montrose Economic Development Corporation (MEDC) is a non-profit organization governed by a volunteer Board of Directors, comprised of community business members and elected officials. Our organization represents the communities of Montrose, Olathe, Nucla, Naturita, and Montrose County. Operating funds are provided by MEDC memberships from businesses, local government, and individuals, who are united in their support of the future economic strength and diversity of our community.

Montrose Economic Development Corporation's focus areas include; Retention/Expansion of Existing Companies; Attraction of Targeted Companies; Entrepreneurial Job Development; Agricultural Development; and Work Force Enhancement.

The Mission of MEDC is to strengthen Montrose County's economic base and increase the standard of living for all of its residents through the retention, expansion, attraction and development of primary jobs and capital investments. This Mission includes the promotion of workforce enhancement, agriculture advancement and other business development that provides economic diversification and stabilization.

Contact Information:

Sandy Head
President
970-249-9438, ext. 2
Cell: 209-9965

Karen White
Admin. Assistant
970-249-9438, ext. 1

www.montroseedc.org

100 Tessitore Court, Ste. A
Montrose, CO 81401
970-249-9438

sandyh@montroseedc.org

Economic Development 101

Economic development is a vital activity for any community. It is the process of creating greater wealth within a community by bringing in new "outside" dollars. This is mainly achieved through:

- Retention, expansion and recruitment of "primary" jobs
- New capital investment
- Business creation and attraction

What is a "primary" job?

A "primary" job is a job that produces goods and/or services for customers that are predominantly outside the community. This creates new "outside" dollars for the community. Once an employer is paid for the products and/or services, he redistributes that wealth in the community through wages paid to employees and through suppliers.

What does an economic developer specifically do?

Economic developers wear many different hats. However, there are three main functions an economic developer performs:

1. Provide information and assistance to companies that are interested in the economic developers community for relocation, retention or expansion.

Economic developers *do not* create new jobs. They provide information and assistance to companies who create new jobs. A good economic development program strives to have the most comprehensive and current information available on the following:

- Local demographics
- Public infrastructure
- Real estate
- Quality of life
- Business assistance programs
- Taxes, fees, and regulations

2. Market the community to targeted business industries.

Like any company, if a consumer isn't familiar with your product, they won't buy it. Another function of an economic developer's job is to market the community to businesses in "targeted" or specific industries best suited for the community. Marketing activities often include:

- Website development
- Print advertising
- Tradeshows
- Multimedia presentations
- Recruitment trips to targeted areas
- Site selection conferences
- Public relations

3. Work with elected officials and community partners to ensure that a positive business environment exists in the community.

The same things that attract new employers will keep existing firms in the community. There are several reasons why companies thrive in certain communities and struggle in others. These factors include:

Economic Development 101, cont.

- Proximity to markets
- Ease of international travel
- Local labor skills and availability
- Tax and regulatory environment
- Quality of life issues
- Cost of doing business
- Strong and stable political leadership
- Incentives
- Infrastructure
- Proximity to major universities
- Concentration of existing industries

Why does our community need "greater" wealth?

Economic development programs vary based on the needs of a community. There are several benefits of a successful economic development program.

Higher quality public services—By increasing the tax base of a community, local governments can provide higher quality public services to citizens. This could mean additional police officers to help ensure public safety, additional parks and recreation areas, etc.

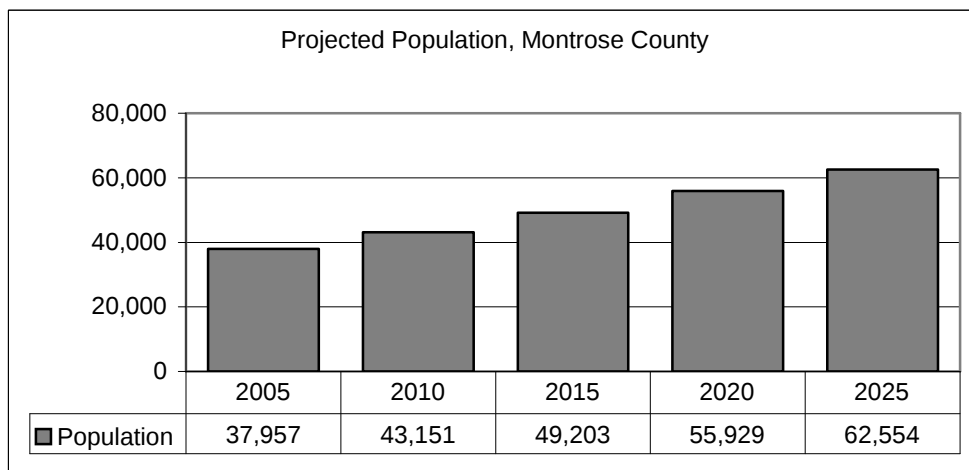
More job opportunities for citizens—Adding "primary" job opportunities to a community gives citizens more opportunities to find higher-paying jobs closer to home. "Primary" jobs usually pay a higher average wage than the average per capita income of the community. They also create additional or "spin-off" jobs within a community.

Greater protection from economic downturns—One of the focuses of economic development is to diversify the economic base, thereby increasingly cushioning the community against economic shocks. A community that has not diversified its industry base can find itself in trouble if its single, major industry downsizes or suddenly leaves the community.

Economic developers work with elected officials and community partners to strengthen any gaps in the community related to the above items and make the community more desirable for businesses.

Industry Sector	# Jobs	# of Establish-ments	Total Wages YTD	Average Annual Wage
Accommodations and Food Services	1,174	86	12,873,375	\$10,965
Administration and Waste Services	450	57	9,646,189	\$21,436
Agriculture, Forestry and Fishing	268	41	5,482,272	\$20,456
Arts, Entertainment and Recreation	94	13	922,507	\$9,814
Construction	1,230	253	38,120,857	\$30,993
Educational Services	28	7	666,613	\$23,808
Finance and Insurance	380	57	13,674,638	\$35,986
Government	2,878	57	97,776,867	\$33,974
Health Care and Social Assistance	1,351	112	35,876,324	\$26,555
Information	206	22	5,898,596	\$28,634
Management of Companies	13	4	2,922,112	\$224,778
Manufacturing	1,545	71	39,527,303	\$25,584
Mining	110	10	5,435,455	\$49,413
Other Services	358	81	9,530,667	\$26,622
Professional and Technical Services	465	104	15,706,753	\$33,778
Real Estate, Rental and Lease	296	61	7,255,598	\$24,512
Retail Trade	1,963	169	45,983,453	\$23,425
Transportation and Warehouse	422	42	10,471,329	\$24,814
Utilities	202	9	10,951,759	\$54,217
Wholesale Trade	473	68	14,383,744	\$30,410
# Jobs	13,906			
Total Wages			\$383,106,411	
Average Wage				\$27,549.72

Source: State of Colorado, Department of Labor and Employment



Source: U.S. Census/Colorado Dept. of Local Affairs