

ELEVATE

LONGMONT

ANNUAL UPDATE ■ 2017

EXISTING INDUSTRY

TABLE OF CONTENTS

2	Overview Company Information
3	Industry Vitality
5	Workforce
7	Business Environment
9	Follow Up
11	2017 Participating Companies ELEVATE Longmont Committee



ELEVATING BUSINESS. EMPOWERING COMMUNITY.

OVERVIEW

The mission of the Longmont Economic Development Partnership (EDP) is to lead a comprehensive, collaborative economic development strategy to promote and strengthen our community's economic health. As part of that mission, our ELEVATE Longmont Committee, comprised solely of 28 volunteers from the Longmont business community, contacts primary employers in the Longmont area annually. The Longmont EDP utilizes a national software program called Synchronist to track and analyze employer information.

This Existing Industry Annual Update achieves several purposes:

- It demonstrates the community's interest in existing primary industry retention and expansion.
- It better determines existing primary employer needs and concerns so we can address them.
- It helps determine the health of our industry base and its individual companies.
- It allows the Longmont EDP to assess the opportunities and risks for retaining and growing them.

The Existing Industry Annual Update continues to be an integral part of keeping the Longmont EDP informed about the activities of Longmont area primary employers. Conclusions and graphs are based on information supplied through direct answers, analysis and comparisons made from extracted data, and background and historical information. Internal efforts are also made to ensure that Longmont EDP staff follow up with the companies looking to expand their operations in Longmont or who are facing issues that may put their current operation at risk.

The Existing Industry Annual Update also provides a means of communicating with employers and emphasizing our desire to assist in any manner practical. The information gleaned from these contacts helps direct our activities and programs. In real terms, there are limits on our ability to assist companies as many threats are market-oriented and therefore outside our control. What we can do is stay aware of the issues facing our companies, address the ones we can influence, and continue our focus on maintaining the Longmont area as a quality business environment.

The industrial base of Longmont is comprised of 226 primary employers, providing more than 11,440 jobs. 68% of Longmont area companies are headquartered here and 78% of our primary employment is provided by advanced technology companies. In 2017, the Longmont EDP changed their process of contacting primary employers to a bi-annual basis in an effort to better focus our efforts for primary employers.

COMPANY INFORMATION

85

TOTAL PRIMARY COMPANIES
ON CONTACT LIST*

79

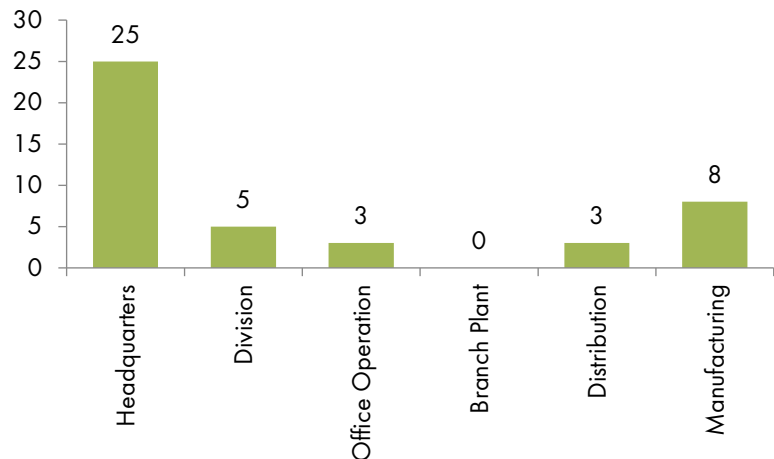
COMPANIES CONTACTED
(93%)

33

UPDATES
COMPLETED/RECEIVED (38%)
REPRESENTING 1,248 JOBS

*We currently have 226 primary employers in our area, however some of the companies have requested not to be surveyed, some are new companies to the area that will be surveyed next year, and we changed our contact timeframe to bi-annual, so we only focused on those that were not contacted in 2016.

TYPE OF FACILITY



INDUSTRY VITALITY

COMPANY EVOLUTION

This section of the update gives us an overview of the company's achievements, product/service life cycle, and their research and development efforts. Answers from this section help us to determine how well a company is poised to take advantage of market opportunities.

ACHIEVEMENTS

"Business Growth or Sales Increase" continued as the highest-ranking achievement companies listed in 2017, decreasing slightly to 34% compared to 37% in 2016. "Products/Services Added" remained as second ranking with 20%.

34%

REPORTED BUSINESS GROWTH
OR SALES INCREASE AS HIGHEST
RANKING ACHIEVEMENT

20%

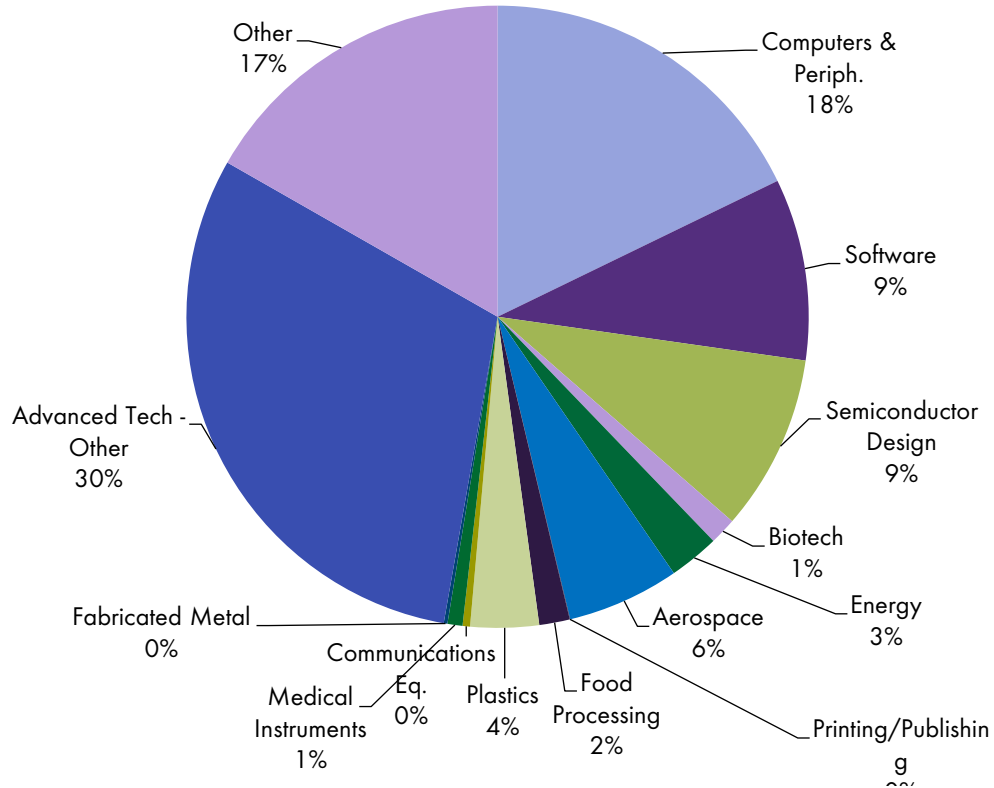
REPORTED PRODUCTS OR
SERVICES ADDED AS HIGHEST
RANKING ACHIEVEMENT

RESEARCH & DEVELOPMENT

Research and development is an integral part of an advanced technology community, and 78% of all primary jobs in the Longmont area are located in advanced technology companies (see graph below).

2017 PRIMARY EMPLOYMENT DISTRIBUTION

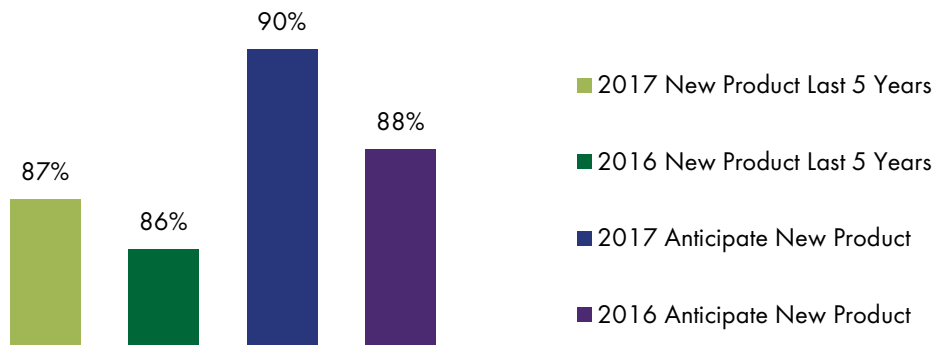
(78% Advanced Technology)



PRODUCT LIFE CYCLE

81% of the companies responding noted that their company's primary product or service life cycle is either emerging or growing. None of the companies surveyed said that their product life cycle was declining, indicating the strong economy in our community.

NEW PRODUCT LAUNCH



MARKET CONDITIONS

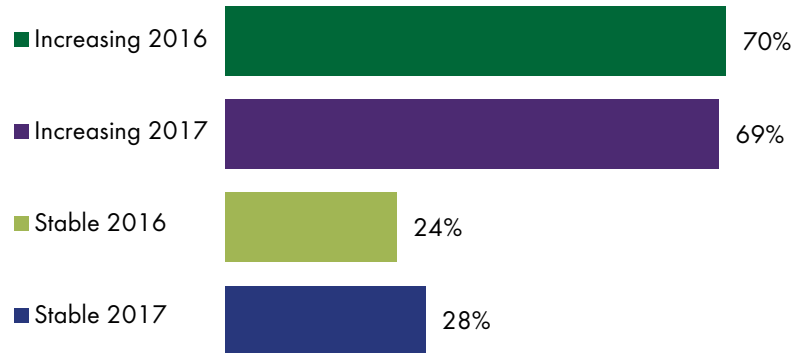
STATUS

This section provides a snapshot of the company's current market situation. It reviews the status of company sales and addresses export markets and foreign operations. 69% of companies responding said that their company sales were increasing, while 28% were stable. While market condition numbers remain stable, we continue to recognize the importance of communicating with companies about the opportunities for their companies to grow in Longmont and how the Longmont EDP may assist with those efforts.

69%
REPORTED
INCREASED SALES

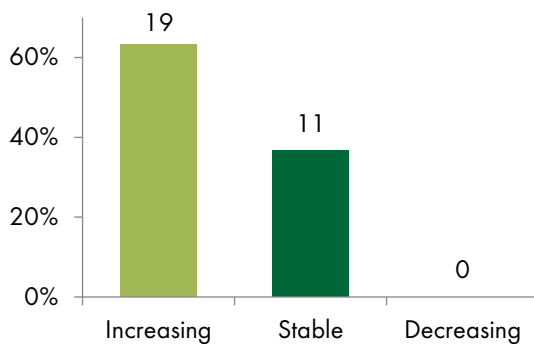
28%
REPORTED
STABLE SALES

COMPANY SALES

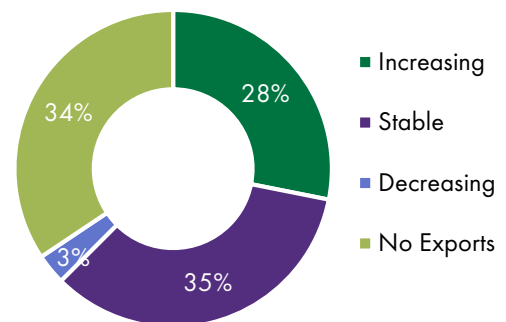


The percentage of employers involved in exporting was 48%. Of those exporting product, 28% reported that export sales, as a percentage of total sales, were increasing while 34% indicated they were stable.

MARKET SHARE OF COMPANY'S KEY PRODUCTS



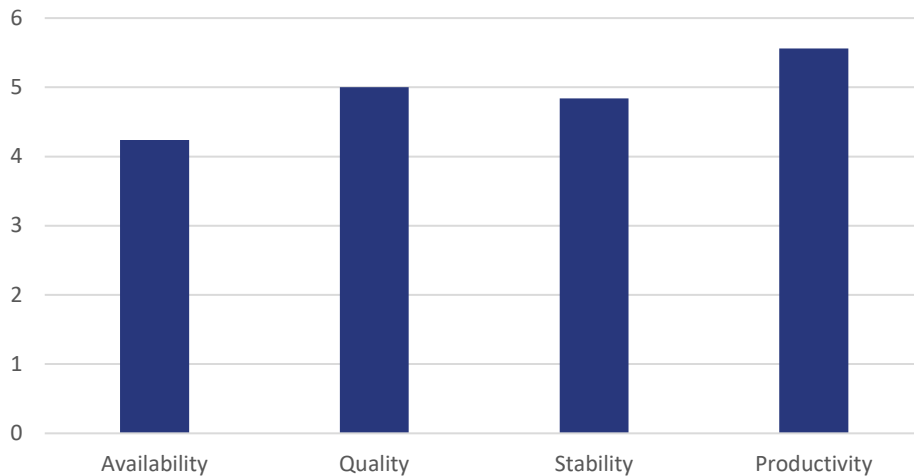
EXPORT SALES AS PERCENTAGE OF TOTAL SALES



WORKFORCE

While workforce continues to be our greatest strength, it is also one of our biggest challenges. With an unemployment rate under 2%, companies continue to struggle with finding the workforce they need.

Workforce - Scale of 1-7



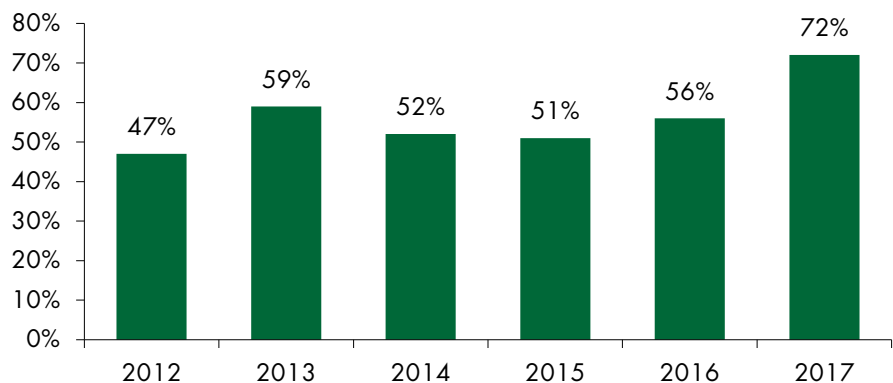
GROWTH POTENTIAL

These questions are designed to provide some insight for the potential growth of companies in our region. They cover plans for expansion, capital investment and job growth, and allow us to further analyze the data by geography and industry sector.

EXPANSION PLANS

72% of companies responding (23) indicated plans to expand in some form (capital, jobs, facilities) within the next three years. This figure continues to remain strong as our economy and employers grow. Growth anticipated over the next three years includes 52 new jobs, \$14,300,000 in capital investment, and 76,400 new square feet.

72%
PLANNED EXPANSIONS
OVER THE NEXT 3 YEARS



In 2017, 23 companies said they plan to expand and 18 of them do not have room to expand at their current operation. This continues to be a challenge in our community and is a reminder that the community needs to work to provide adequate facilities for our employers to have an opportunity to grow/expand into.

POTENTIAL IMPACT

Planned expansion by companies reporting specific numbers is expected to result in 52 new jobs; \$14,300,000 in capital investment; and an additional 76,400 square feet over the next 3 years.

52

NEW JOBS*

\$14,300,000

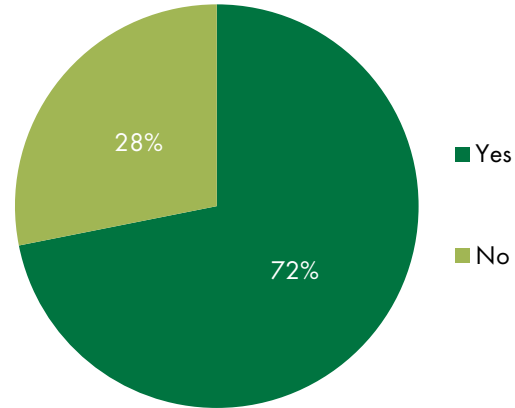
IN CAPITAL INVESTMENT*

76,400

SQUARE FEET*

*Over the next 3 years.

ROOM FOR EXPANSION



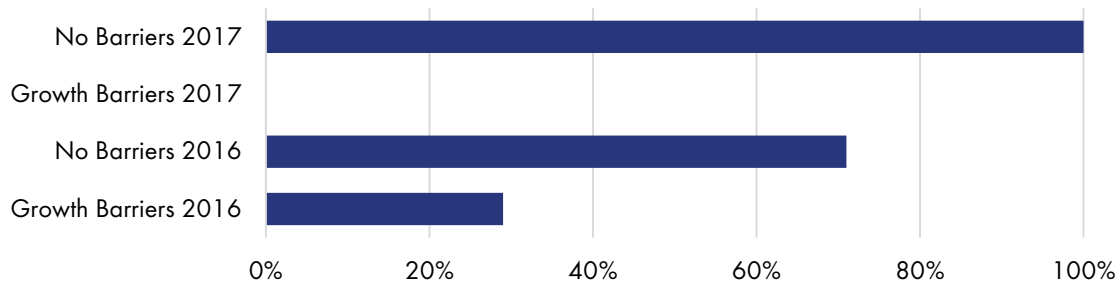
BUSINESS ENVIRONMENT

MANAGEMENT PERCEPTIONS

The "management" section asks about company management changes and management feelings toward the community. This includes community strengths, weaknesses, barriers to growth and executive attitudes at corporate headquarter levels about doing business in our community.

23 companies responding note that there are no barriers to growth in our community. Note that all companies reported that the executives at corporate headquarters agree with local management about the quality of the Longmont area business environment.

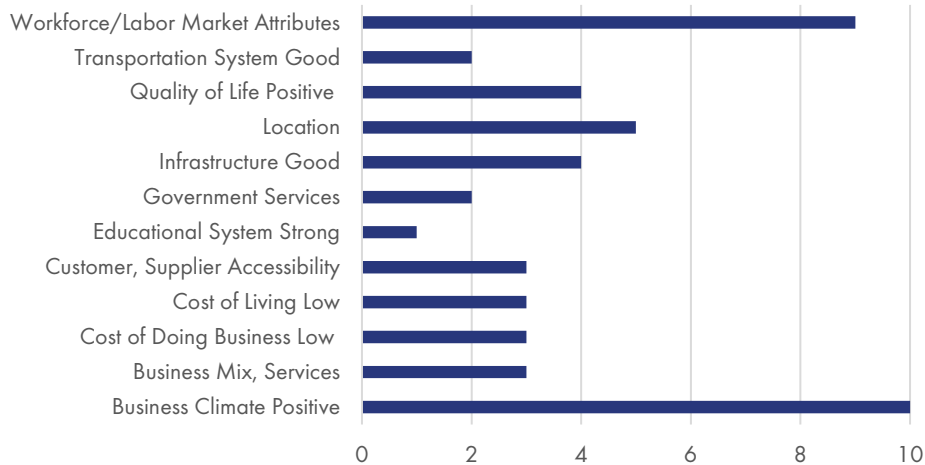
PERCEIVED GROWTH BARRIERS



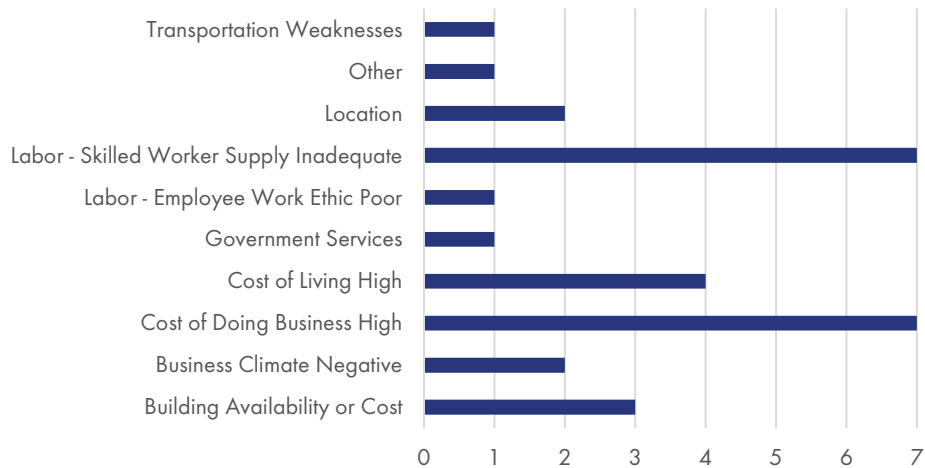
The 2017 survey revealed that the barriers seen in the community at this time are Labor – Skilled Worker Supply Inadequate, Building/Land Availability; and other items including Cost of Doing Business and Location.

STRENGTHS & WEAKNESSES

COMMUNITY STRENGTHS



COMMUNITY WEAKNESSES



Community weaknesses included: expensive real estate, taxes too high, cost of living increasing, recruiting, talent pool expensive, and proximity to Denver International Airport.



COMMUNITY FOLLOW UP

The Longmont Economic Development Partnership, in cooperation with the City of Longmont, responds to all inquiries as a result of the surveys conducted. In 2017, the concerns included:

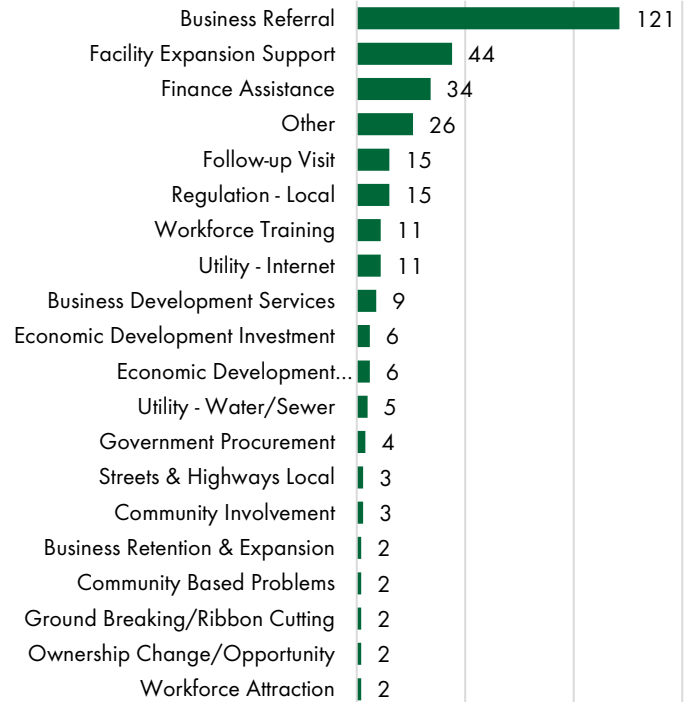
- Working with the City to provide “dark fiber” options for more secure connections that may be needed in primary employers working with government contracts, etc.
- Discussion of the cannabis industry prohibition in the City and how that may affect businesses providing product and service to those industries.
- Further explanation on the City’s sales tax structure.
- Details and availability discussions on the City’s NextLight service.
- Traffic control concerns in certain parts of the city including Pike & Miller Drive, Ken Pratt Boulevard, and Nelson & Disc Drive.
- Information on how to participate in the Rhythm on the River event.
- Request for meeting to provide safety management services for the City.
- Explanation of development process behind an existing primary employer.

FOLLOW UP

The Longmont EDP, in conjunction with the City of Longmont senior staff, responded to nine different company needs/concerns in 2017 that was a result of the survey conducted. Requests for assistance ranged in topic from local regulation, government procurement, City services and economic development involvement.

The Longmont EDP provides a variety of services to advance Longmont's Primary Industry sector, including:

- CONNECTIONS
- RESOURCES
- SITE SELECTION SERVICES
- PRIMARY INDUSTRY ADVOCACY
- SMALL BUSINESS ASSISTANCE
- TRAINING & DEVELOPMENT
- AND MORE!



**Types of assistance requests over the past 2 years.



2017 PARTICIPATING COMPANIES

Advanced Machining, Inc.
BluIP
Centerline Power Inc.
CivilArts
Colorado Tech Shop
Crating Technologies
Current, powered by GE
Digital Retirement Solutions
DigitalGlobe
Electrom Instruments
ExtractCraft

Food Equipment Company
Honey Bunchie, LLC
Huvepharma, Inc.
IMRA America Inc.
Integrated Device Technology
Inter Mountain Railway Company
Lightwave Logic, Inc.
Management & Engineering Services
NEOTech
Parascript LLC
Radiometrics

Reeb Cycles, LLC
Robauto
Rocky Mountain Aerial Surveys
SanDisk
St. Vrain Manufacturing, Inc.
StickerGiant
Surfatek LLC
Uniform Technology
Vapor Technologies
Woodley's Fine Furniture
XY Motion

2017 ELEVATE LONGMONT COMMITTEE MEMBERS

Our appreciation goes out to the dedicated group of volunteers who make this important task possible.

John Altenborg – U.S. Bank
Amy Aschenbrenner – Longmont Association of Realtors
Karen Buchanan – Front Range Community College
Polly Buster – First National Bank
Tamara Byrd – Guaranty Bank
Kai Chin – Sunflower Bank
Chuck Finleon – Longmont Power & Communications
Narciso Garibay – Colorado Business Bank
Scott Gilbert – Bank of America Merrill Lynch
Mark Gittes – Boulder SBDC
Bo Langdon - Guaranty Bank
Monty Meduna – First National Bank
Pam Metzger – Wright Kingdom Real Estate
Jeff Moore – Longmont City Council
Lurbin Moore - FirstBank
Jennifer Ostenson – Guaranty Bank & Trust
Dietra Porter – Bank of Colorado
Tina Ramey - VolkBell
Kevin Reddy – Golden Van Lines
Ed Regel – Regel & Associates
Mark Sheeley – Rawlins National Bank
Jeffrey Sidders – Mental Health Partners
Donna Smith – Neenan Archistruction
Scott Solem – Sun Construction & Facility Services, Inc.
Kay Vollmayer – Bronco Environmental
Kyle Wilmot – Creative Alignments
Dene Yarwood – Wright Kingdom Real Estate



ABOUT ELEVATE LONGMONT

ENGAGE. The Longmont EDP engages businesses of all types in our ongoing economic development strategy through visits from our ELEVATE Longmont volunteers.

LISTEN. We listen carefully for opportunities for the Longmont EDP to provide assistance and solutions.

EDUCATE. We identify opportunities to educate our business community about available resources through one-on-one meetings, executive roundtables, and workshops.

VALUE. The information gathered is used in aggregate to assist in the development of new programs, policies, and workshops focusing on areas of common interest.

ACKNOWLEDGE. The Longmont EDP will acknowledge the significant achievements and contributions of your company and can help enhance public awareness.

TELL THE STORY. The Longmont EDP uses information collected to “tell the story” of our local economy via annual existing business reports that are shared with community and government leaders to inform program and policy decisions both locally and regionally.

EXECUTE. The Longmont EDP and our Advance Longmont Partners use information collected to execute a comprehensive and collaborative economic development strategy to promote and strengthen our community’s economic health.