



*(From left Stephanie Steffens, Director at Colorado Workforce Council; Nancy Workman, V.P. Sales & Marketing; and Steve R. Dominquez, President of Soundtraxx)*

## Southwest Colorado Company on Growth “Track” with Model Train Sound Technology

When you think of model train whistles and lights, SoundTraxx has the “track” record. SoundTraxx (legal name Throttle Up! Corp) produces state of the art sound systems, including their Tsunami digital sound decoders that are the industry benchmark.

“Most of us were introduced to model trains as children, but then once we hit our teens, trains take a backseat to relationships, sports and cars,” laughs Workman. “Our typical customers are 40 to 60 year old males, who once they have families of their own and more disposable income, come back to train modeling seeking the nostalgia and a creative outlet. They also want a more sophisticated toy.”

In business since 1990, SoundTraxx’s growth took off after the company purchased their own manufacturing equipment in 1998 and relocated to Durango. They have seen double digit sales growth over the last decade including 65% last year. This success led to their being named one of this year’s 50 Colorado Companies to Watch.

“When the Region 9 Economic Development District nominated us as a Colorado Company to Watch, we didn’t take it too seriously,” said Workman. “But when we made the second round and learned there were 360 nominated businesses, we spent a weekend pulling together the needed information which included employee growth and financials.”

Colorado Companies to Watch is a statewide awards program that celebrates second-stage companies that are developing valuable products and services, creating quality jobs, enriching communities, and creating new industries throughout the state.

“Being recognized as a Colorado Company to Watch legitimizes us,” said Workman. “When you think of model train sound effects, you don’t usually think of well-paid, technical jobs for the serious professional.”

Workman says finding highly educated technical professionals has been their biggest challenge.

“Even though professionals want to move to the area, it is hard to pull the trigger so to speak. There are no other electronic manufacturers in the area, so there is some anxiety that there aren’t many other options for them if the job doesn’t work out.” Workman acknowledges that the decision is harder if they have to relocate a family.

Other than filling those high end technical positions, Workman says their location is ideal. “All of our design work and manufacturing is done in house, allowing us to maintain tight control of quality and time-to-market, which is our goal.” SoundTraxx prides itself of having the very best in customer service, easy installation and the highest quality control standards in the industry, testing 100% of their production.

With an expected 32 employees this year, SoundTraxx has outgrown their facility in the Durango Tech Center and is making plans for expansion in 2013.

Workman says most of their marketing is done through hobby magazines and their website but they also rely heavily on hobby stores and trade shows where customers can see and touch their products. To find out more about SoundTraxx, go to [www.soundtraxx.com](http://www.soundtraxx.com) or call toll free, (888) 789-7637. For more information on the Colorado Companies to Watch program, go to <http://colorado.companiestowatch.org>. ❄️

## Region 9 Kicks off Energy Efficiency Loan Fund

Region 9 has established a regional loan program that provides funds for businesses wanting to reduce their operation costs and resource consumption in order to improve their energy efficiency.

Cassie Alexander, Business Development Specialist with Region 9, says that economic sustainability is playing a larger role in economic development and knows this program provides a needed resource to businesses.

“Businesses that have lower costs have a greater chance of success, and this Loan program funds efforts to reduce utility and energy costs.”

Region 9 is working in cooperation with the Four Corners Office of Resource Efficiency (4CORE) which is providing information on energy assessments and possible tax credits to businesses (and individuals), as well as helping to calculate the financial benefits for making any energy efficiency improvements. Region 9 requests that businesses have defined an energy efficiency plan before contacting them. For more information on this loan program, contact our office. ❄️

## Community Projects can measure their Economic Impact

Region 9 is proud to offer IMPLAN® economic modeling in the region. **MIG, Inc** is the provider of the IMPLAN® (**IMP**act analysis for **PLAN**ing) economic impact modeling system, and now area businesses and organizations can find out the impacts of a proposed project such as how many jobs will be created, or what is the economic impact to the community. Region 9 has assisted Crow Canyon, the Cortez School District, the Colorado Department of Transportation (CDOT), and Community Connections among others to measure construction and program impacts. The first step is to schedule a one to two hour scoping meeting to assess the viability of your project for the analysis and to receive an estimate of costs and the time involved. Region 9 partners with the Southwest Colorado Small Business Development Center, La Plata Economic Development Alliance and Pagosa Springs CDC to provide IMPLAN® in the region and members of these organizations can see reduced fees for this service. For more information, please contact Donna Graves at 970-385-4897. ❄️

## Community Development Action Plans (CDAPs) updated

The Region 9 Economic Development District of Southwest Colorado (Region 9) has updated the Community Development Action Plans (CDAPs) for Archuleta, La Plata, Dolores, San Juan and Montezuma counties. The document is a list of projects to be started or completed within the next two years and also identifies projects that fit the local, regional and state Blueprint economic development priorities. The CDAPs are the fourth and final component of the Southwest Colorado Comprehensive Economic Development Strategy’s (CEDs).

Initial drafts of the CDAPs are developed through review of the previous project list, interviews with key community stakeholders, and those working on, or planning, community projects. The CDAPs are presented at various community and public meetings, and distributed for public comment. The final drafts are presented to each county’s Board of Commissioners for approval. The CDAPs are useful tools for organizations working with communities, and have evolved into being the central source for listing the full range of projects that are in process, or are desired. The CDAPs are used as the official community plan required for eligibility for many federal and state funding sources. The CDAPs can be viewed on Region 9’s website, [www.scan.org](http://www.scan.org). ❄️

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# Senator Michael Bennet recognized with NADO 2012 Congressional Partnership Award

Region 9's Assistant Director, Laura Lewis Marchino, presented Senator Michael Bennet with a 2012 Congressional Partnership Award during an August visit to the region. The Congressional Partnership Awards are biennial awards from the National Association of Development Organizations (NADO), that recognize members of Congress that support regional development polices and NADO's national legislative priorities.

Marchino is a board member of NADO, and said, "Senator Bennet was chosen for his leadership on the Farm Bill, and receptiveness to southwest Colorado's concerns regarding regional broadband efforts and rural transportation." Wally White, La Plata County Commissioner, Michael Whiting, Archuleta County Commissioner, Greg Schulte, Archuleta County Manager and Region 9 Board member Laurie Sigillito were in attendance. The Senator also discussed his work on continuing the Payment in Lieu of Taxes (PILT) program and finding deficit solutions. ❄️



## Is your business taking advantage of the Colorado Enterprise Zone Program?

***You could be missing out on Colorado income tax credits for your business.***

A business (which includes a farm or ranch) located within a designated Enterprise Zone area are eligible for state tax credits, which can include investment purchases, job training credits, and more.

**Specifically your business ...**

- Could receive a 3% **Investment Tax credit** on equipment purchases (Section 38 property).
- Could get **Job training tax credits** of 10% on qualified training expenses.
- With a **New Business Facility (NBF)** designation, you could receive...
  - **Jobs credits** - \$500 per new job.
  - **Health Insurance Credits** - \$200 x 2 years (\$400) additional per new job.
- Could see 25% of rehab expenditures (hard costs) credited under the **Vacant Building Rehabilitation Tax Credit**.
- As a manufacturing or mining business, the **Manufacturing and Mining Sales and Use Tax form** can exempt you from sales tax for equipment, if filled out prior to purchase and given to your vendor.

**It is not too early to begin thinking about 2013.**

If you think you might be eligible for any Enterprise Zone tax credits, please **pre-certify your business name and address at [www.advancecolorado.com/ez](http://www.advancecolorado.com/ez)**.

State Legislation requires businesses seeking tax credits to obtain pre-certification **prior** to engaging in any eligible activity.

Pre-certification must be obtained **EVERY** year in which a business anticipates earning an EZ tax credit. Therefore, **before** creating a job or making an investment, a business **MUST receive precertification** in order to claim that credit. Submitting information for pre-certification does not obligate the business to actually earn or use the credit(s).

Contact Region 9 to see if your business is in the Enterprise Zone. ❄️

## Investing in the Future

By Dave Welz, Four Corners Film Office Coordinator

High return, low-impact investment is smart investment in our future. As we look for ways to diversify our economy and lay a foundation for future success, the Four Corners Film Office is demonstrating one way we can turn our region's unique and diverse beauty into a sustainable source of revenue that will benefit us all in the long-run.

The Four Corners Film Office was launched in May of 2011, under the administrative umbrella of the Region 9 Economic Development District of SW Colorado. They have a total annual budget of around \$20,000, supplied by smart local and state government entities and private businesses that understand the potential of location production. Despite such a small overall investment, the Film Office has helped attract over 25 production projects to the Region 9 counties, bringing in a conservatively estimated \$175,000 in direct outside spending. (That does not include any of the \$7 million *The Lone Ranger* movie spent during filming in southwest Colorado.) This spending occurs as direct wages, equipment rental, and purchase of local goods and hospitality services, and it represents a 550% return on investment.

Uniquely, that return on investment comes with very few negative impacts. Location production is a moveable feast that requires no infrastructure beyond what is already here: roads, cellular and Wi-Fi networks, hospitality services, etc. The industry has proven to be recession-proof, (ad spending and film production does not tend to change during down cycles), it does not need factories, does not consume natural resources or create waste streams, and can survive with only a few skilled full-time residents—the rest are usually brought in temporarily from urban centers.

When a location-shoot is completed, this mobile army of creative professionals picks up and moves on, “taking only pictures and leaving only footprints.” And of course money—money that continues to circulate throughout our community supporting all businesses and jobs. To learn more about the 4CFO or make a contribution, go to [www.4cornersfilmoffice.org](http://www.4cornersfilmoffice.org). The 4CFO is an approved Enterprise Zone Contribution Project making donations over \$100, eligible for state tax credits. ❄️



*'Out West' starring Sean Astin and Daniel Baldwin, filmed in Mancos, Colorado.*

## Colorado Association of Regional Organizations, practicing what we preach.

Laura Lewis Marchino, Asst Director of Region 9 EDD of Southwest Colorado & Chair, CARO

In today's era of regionalism, Colorado's Councils of Governments and Economic Development Districts are more and more important as regional conveners and problem solvers. However, Colorado is behind other states in that as of 2005, 39 states had established state associations for their regional organizations and Colorado was not one of them. Colorado's regional governments as a rule have focused more on their internal jurisdictional boundaries and not on statewide concerns.

In early 2009, former Northwest Colorado Council of Governments executive director, Gary Severson, introduced to Colorado's 14 Planning & Management Regions the idea of forming a statewide association. This idea was met with support and the recognition that regional organizations need to be accountable as organizations to their peers and “practice what they preach”. Specifically, a statewide association can help individual organizations improve the consistency, quality and delivery of services, provide best practices, and develop new partnerships, programs and funding.

Charles Unsel with the Colorado Department of Local Affairs (DoLA) said that DoLA played an instrumental role in bringing the regional groups together by convening an organizational meeting, hiring a meeting facilitator, and creating a listserv for conversation because they saw regions as critical partners.

“DoLA has provided Impact funding for COGs since soon after the Impact program started and we wanted make sure we were spending grants funds strategically to support regional partners,” said Unsel.

Though DoLA funding has been cut due to the state budget situation, Unsel says that having CARO has been extremely

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beneficial to DoLA. “When Governor Hickenlooper started the Colorado Blueprint Initiative, CARO was a place for the Office of Economic Development and International Trade (OEDIT) to receive input and provide information to representatives from the regions.”

There are other examples including when the Colorado Department of Transportation wanted to include every town in their Transportation Planning process, and under Governor Ritter, Unseld cited the statewide New Energy Communities effort as another that needed to be done on a regional basis.

Only three years old, CARO is open to all regional organizations and has 11 dues paying members. CARO’s goal is to increase uniformity, add value, and increase collaboration with government partners. At meetings held at least quarterly, CARO invites state and federal partners to provide reports to the regions, discuss programs, and give feedback. DoLA, the Economic Development Administration, USDA Rural Development, and OEDIT have been regular participants at CARO meetings. Other participants have included federal and state legislative staff and the Colorado Department of Labor.

Most recently, CARO has received funds from the Economic Development Administration (EDA) to complete a strategic plan including the potential for staff and funding. The group will also evaluate the need for formalizing CARO over the long-term. To get information about upcoming meetings, please contact Laura Lewis Marchino or Rachel Lunney at [laura@scan.org](mailto:laura@scan.org) or [rachel@nwccog.org](mailto:rachel@nwccog.org). ❄️

**Business Loan Officer,  
Jenny Stollar, was  
recognized for ten years  
of service at Region 9**



*Tom Maley's immediate family surprised him at the award presentation at the Montezuma Community Development Association (MCEDA) Membership meeting.*

## Montezuma Resident Tom Maley named Economic Development Leader of the Year

Tom Maley, long-time Montezuma business owner, and well respected community member, has been named the Economic Development Leader of the Year by the Region 9 Economic Development District (Region 9) Board of Directors.

The owner of Maley and Associates PC., Tom Maley’s expertise ranges from accounting, insurance, and real estate. His commitment to the communities in which his businesses are located always has been very important. Maley served on the Montezuma Community Economic Development Association, was a football official for over 15 years, served on the RE-1 School Board, and was instrumental in bringing girls’ softball to Cortez through the Optimist Club – a result of which both of his daughters received college scholarships for the sport.

Laura Lewis Marchino, assistant director of Region 9 EDD said, “Tom prefers to work under the public radar where he can get things done, and he will always do right by his family, clients, business partners, friends, and communities where he works.”

Maley was recognized at the Montezuma Community Economic Development Association membership meeting October 16th.

The Economic Development Leader of the Year award honors individuals for their achievement and commitment as leaders in economic and community development efforts. The award was first given in 2001. Previous winners are from throughout the region and include: Bryce Capron, Dove Creek resident, Former Fort Lewis College School of Business Dean, Tom Harrington Ph.D.; Neal Stephens, Montezuma County resident and Empire Electric General Manager; Emily Meisner, Ignacio Chamber; Laura Lewis Marchino, Assistant Director of Region 9; and the late Leonard Burch, Southern Ute Tribal Chairman. ❄️

**The CEDS Resource Network** is a group of Southwest Colorado residents that are interested in economic development planning and implementation. They help by providing input, resources, and critical thinking to Region 9's Comprehensive Economic Development Strategy (CEDS) and the Colorado Blueprint Initiatives. We continue to seek diverse participation from persons who can represent more than one sector of the community and are willing to help communicate and coordinate between their sector, their community, and the regional plans.

The CEDS is a regional a data document that provides information about the overall health of our economy and whether the region is headed forward or backward, improving or deteriorating. Governor Hickenlooper's administration has implemented the Bottom Up & Blueprint Economic Development program that Region 9 has integrated into the CEDS process. If you are interested in more information, please contact Laura at Region 9. 🌀



CEDS Blueprint meeting in Cortez, Colorado.

## BUSINESS LINE

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*A newsletter from your friends at Region 9 Economic Development District of Southwest Colorado, Inc.  
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