

**SOAR Colorado Investment Fund**  
*Stimulate Opportunities, Accelerate Reinvestment*

**The Goal**

Colorado is home to cutting-edge innovators, whose companies are improving lives and are a driving force in our economy. Colorado's community, business, and elected leaders should work together to help our companies grow and continue to *stay* in Colorado. Colorado's reputation as an innovation center rides on our ability to support innovation through all stages...conception to commercialization to expansion.

**The Problem**

Across advanced industries that rely heavily on a research and development and a highly skilled workforce, access to capital is a common problem facing Colorado companies. Currently, only 3% of all venture capital for advanced industries is making its way to Colorado, with the vast majorities going to the coasts. While our industries are experiencing growth in Colorado, VC funding has remained flat. As a state, we need to take a more active role in syndicating additional capital into Colorado and bringing in investors from the coasts.

**The Solution**

The SOAR Colorado fund will provide a new source of state-supported capital to nurture, accelerate, and build thriving advanced industries companies to improve our competitiveness, attract talent, create jobs and draw investment. SOAR Colorado would provide resources for start-up, mid-stage and commercial companies in industries such as aerospace, bioscience, cleantech, agriculture and food, outdoor recreation and technology.

**The Framework**

SOAR Colorado would be a \$200 million fund created through state legislation and managed by an entity such as the Colorado Venture Capital Authority.

SOAR Colorado would consist of three funds:

- 1) The Primary Fund would be dedicated to seed/early stage funding.
- 2) The Growth Fund would be designed for any stage of company. It would allow them to match private investments in eligible deals.
- 3) The Rural Opportunity Fund would support rural small businesses and emphasize our rural epicenters of innovation. It's part of the overall strategy to attract capital across the state, not just in the major Front Range cities. It aligns well with the new rural investment fund announced by OEDIT and the VCA.

It's important to note that SOAR Colorado would complement existing programs, such as the Advanced Industries Grant Program.

**The Funding Source**

The capital for SOAR Colorado would come from deferred insurance premium tax credits. Currently, insurance companies pay a state sales tax on the insurance policies they sell, called an insurance premium tax. The legislation would allow insurance companies to purchase deferred tax credits, or pre-pay their taxes, at a reasonable discount. The pre-paid taxes would be invested to provide an ongoing source of capital for SOAR Colorado.