



Colorado Economic Chronicle

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National Economy

Inflation-adjusted **gross domestic product** (GDP) grew at a rapid 6.9% annual rate in the fourth quarter of 1999, considerably faster than the 5.8% pace that was initially reported. GDP increased at a 4.1% pace in 1999, slightly less than the 4.3% gain in 1998. The strong increase in GDP was led by gains in personal consumption expenditures and government spending. Data on imports and exports were also revised and indicate a slightly better picture of the trade gap. Exports rose at an annual rate of 8.7% during the fourth quarter of 1999 while imports grew at an annual rate of 10%.

"Employment increased by 43,000 in February, the lowest gain since May 1999 . . ."

Consumer confidence fell to 141.8 in February, its first drop since October 1999, declining from its record level of 144.7 in January. Consumers felt less confident because of rising interest rates and oil prices.

Personal income grew faster than spending in January, increasing 0.7% and 0.5%, respectively. As a result of the changes in income and spending, the saving rate increased from a record low 1.0% in December to 1.4% in January.

Employment increased by 43,000 in February, the lowest gain since May 1999 and follows a job gain of 384,000 in January. Job gains were slowed by a weak increase in the services sector of only 62,000 jobs which was the smallest increase in the sector since August 1997. Manufacturing employment increased by 5,000, while the construction industry cut 26,000

jobs in February. Harsh winter weather caused the cuts to the construction industry in February after mild weather in January led to strong employment gains. Nationwide, the **unemployment rate** increased to 4.1% in February from 4.0% in January.

Average **hourly earnings** grew by 0.3% in February after increasing 0.4% in January, keeping pace with wage increases seen in 1999. Strong wage growth caused concern that inflation is looming and has led the Federal Reserve Board to raise interest rates four times since June 1999. Meanwhile, productivity, which serves to restrain inflation, increased by a revised 6.4% in the fourth quarter, the strongest gain since the fourth quarter of 1992.

The **manufacturing** industry continued growing for the 13th month in a row. The National Association of Purchasing Management's manufacturing index increased to 56.9% in February, up from 56.3% in January. An index value greater than 50% indicates a growing manufacturing industry. Adding to inflation fears, more companies reported paying higher costs for raw materials. The NAPM's index of prices rose to 74.1% in February from 72.6% in January. The price index is the highest since April 1995 when it stood at 74.5%. As a result of an expanding manufacturing industry, industrial production rose 1.0% in January after a 0.4% increase in December. This is the highest level of production since August 1998.

Construction spending increased by 2.7% in January to a seasonally adjusted annual rate of \$751.8 billion.

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This all-time monthly high for construction spending follows a 2.1% increase in December. Spending on government construction projects was up 4.2% after significant gains in spending on highways and schools. Private construction projects climbed 2.3% in January and were led by gains in spending on office buildings, hotels and motels, and apartments. Construction of housing units increased 1.5% in January despite increasing mortgage rates. Apartment and condo starts shot up 17.7% in January, while starts of single-family units decreased 2.1%. Meanwhile, higher mortgage rates, which averaged 8.21% for a 30-year fixed-rate mortgage in January, are appearing to have an impact on sales. Sales of new and resold homes dropped by 4.2% and 10.7%, respectively, in January.

Consumer prices rose 0.2% in January. Consumer prices were pulled higher by a 1.0% rise in energy costs which were partially offset by a 1.1% decrease in

clothing prices. The core rate of inflation, which excludes food and energy, also was up 0.2% in January after increasing only 0.1% in December. Meanwhile, **producer prices** decreased 0.2% in January and core producer prices (excluding food and energy) were down 0.3%. As with consumer prices, increases in energy costs were compensated for by decreases in other prices, especially a strong decline in the cost of cigarettes.

The national economy continued its strong performance in the first two months of 2000. There have been some signs of a slowing economy such as a significant decline in the number of new jobs in February and slightly higher unemployment. Other good signs for the economy include negligible inflation although there are still fears that increasing wages will lead to stronger inflationary pressures. It is also expected that the Federal Reserve will continue to raise interest rates in hopes of keeping inflation at bay.

Colorado Economy

The Colorado economy showed few signs of a slowdown in 1999. There were strong job gains in the technology-rich service and finance sectors. Unemployment sank to its lowest level on record. There was a record level of venture capital invested in Colorado startup companies. Retail trade increased more last year than it has in the past five years. Construction also remained strong as demand for nonresidential space accompanied the influx of employment growth. However, price inflation also accompanied the rich economy. Colorado's annual average price inflation rose more than in 1998. Average residential prices, particularly Denver-area homes, continued to climb as construction had a hard time keeping up with residential demand and demand for existing homes exceeded the supply of homes for resale.

There were a few job gains reported around the state last month. EHPT, a software firm, expects to hire more than 120 employees as it moves its headquarters from Sweden to **Denver**. Peak Telecom Group, an electrical and fiber-optic system designer, announced the creation of 40 jobs when it moves its headquarters to **Grand Junction**. StarTek also announced an expansion of its electronic commerce service, adding 200 jobs to **Mesa County** over the next 18 months.

"In January, Colorado's unemployment rate sunk to an all time monthly low of 2.6%."

There were a few job losses announced last month. Quantum Corporation, a California-based computer storage drive manufacturer, eliminated 94 jobs in its **Colorado Springs** tape drive manufacturing plant,

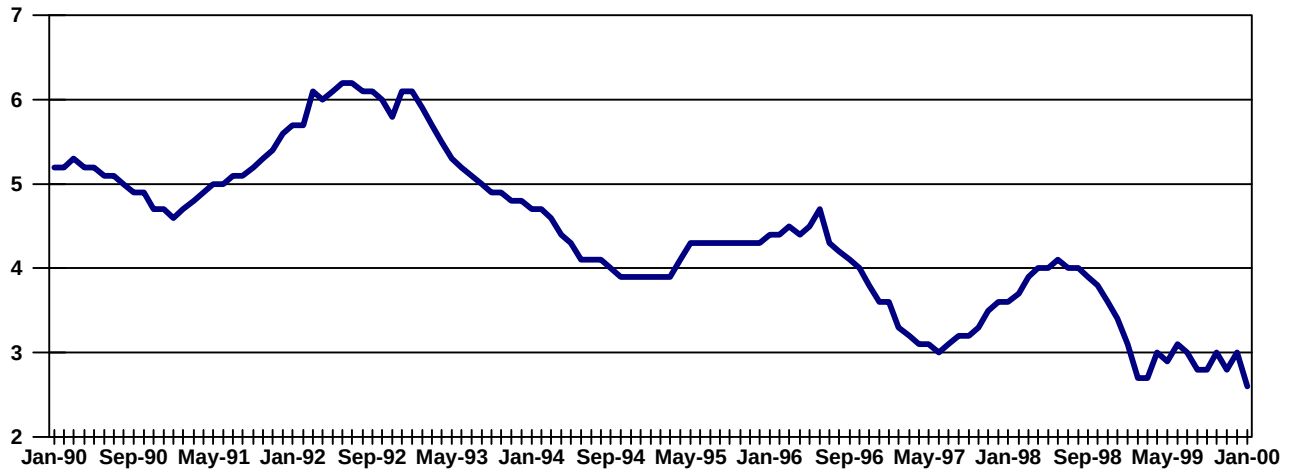
Employment

In 1999, Colorado's nonfarm employment grew 3.7% over a year ago. This is down from the employment growth of 3.9% in 1998, and only slightly less than the 3.8% average annual growth rate since 1990. The Colorado unemployment rate registered a record low average 2.9% in 1999, compared to 3.8% in 1998, and 3.3% in 1997. In January, Colorado's unemployment rate sunk to an all-time monthly low of 2.6%.

Colorado's Economy at a Glance

Key Indicators	Direction	Assessment
Nonfarm Employment Growth		Good
Unemployment Rate		Good
Mortgage Rates		Bad
Retail Trade Sales		Good
Home Resales		Good
Nonresidential Construction		Good
Colorado Inflation Rate		Good
Overall Rating		Good

Colorado Unemployment Rate
1999-2000



part of a plan to cut 335 permanent and 465 contract positions by the end of the year. The University of Colorado Hospital in **Denver** announced it will cut 100 jobs by June. Bula, a ski helmet and headgear outfitter based in **Durango**, announced a layoff of 20 employees due to a slow winter season. DRS Technologies, a defense system technology manufacturer, announced that it would close a **Longmont** plant, eliminating 60 jobs.

homes. Another indicator is the median price **C** suggesting half of the prices were higher and half were lower. According to Metrolist and the Denver Board of Realtors, the median price of a single-family home in metro-Denver was \$178,900 through February, up 12.5% from the median price of \$159,000 one year ago.

“... the average price of a metro-Denver resold single-family home in February reached a record high \$226,314 ...”

Residential Construction

According to the Home Builders Association of Metropolitan Denver, new residential building permits decreased 7.8% in 1999 in the seven-county metro area (**Adams, Arapahoe, Boulder, Denver, Douglas, Elbert, and Jefferson**). Multi-family housing permits were responsible for the drop as apartment construction decreased 36% from 1998 levels. Permits for single-family homes rose slightly by 4% over 1998 figures.

Due in part to the short supply and increasing demand of homes in the **metro-Denver** area, residential prices have risen (recent increases in mortgage rates may also create a rush to buy homes at current rates). According to Perry and Butler Realty, the average price of a metro-Denver resold single-family home in February reached a record high \$226,314, up 3.6% from the previous record high a month ago and up 12.5% from a year ago. For all residences, the average price was \$203,824 in February, up 2.3% from a month ago and up 11.7% from a year ago. Average prices tend to overstate the impact of higher-priced

A national study comparing 35 metropolitan areas found that home prices in the **Denver** market increased more than 100% from 1989 to 1999 while the national average growth was 23.6%. Only Portland, Oregon had a stronger boom in home prices with a 125% increase. The study, conducted by First American Real Estate Solutions, also found that housing prices increased 13% in the Denver area in the last year alone, doubling the national average. While some of the increase was due to the population inflow and strong economy in the Denver area, the stagnant home values during the late 1980s recession were also responsible for the 10-year growth.

The June 1999 edition of the *Colorado Economic Chronicle* reported that East West Partners, a Beaver Creek builder, announced plans to build 1,700 residential units along the **Central Platte Valley** near Six Flags Elitch Gardens and the Pepsi Center. As of late February 2000, nearly all of the 71 condominiums in the first building have been purchased, four months before the estimated construction start. Condo prices range from \$200,000 for a studio to \$2 million for a

penthouse. Nearly 80 percent of the second planned building, a 53-unit condominium development, has also been purchased.

Nonresidential Construction

Forest City Corporation announced a \$123 million purchase agreement in which it would develop 3,000 acres of the old Stapleton Airport in **Denver**. Pending city council approval, the Cleveland-based development company will construct a 200,000-square-foot retail center, 300,000 square feet of commercial office space, and an 800,000-square-foot, large-scale shopping center. The development plan also includes a public park, an elementary school, a recreation center, and a church. Initial residential construction on the former airport site will include 1,100 single-family homes and 900 apartment units. Before construction can begin, the plan needs city council approval for infrastructure development. The developer will pay all costs of infrastructure development and will receive the sales taxes and property taxes generated by the project over a 25-year period.

Imprimis LLC will add to the development of the Park Centre business park along 120th Avenue in **Westminster**. By the summer, construction should begin on five single-story office buildings on 20 acres, referred to as PrimeCenter at Northridge. Located near I-25, U.S. 36, and the Lucent Technologies campus, Park Centre has recently attracted commercial and retail development plans totaling nearly 300,000 square feet.

Inflation

The average Denver-Boulder-Greeley Consumer Price Index (CPI) increased from 161.9 in 1998 to 166.6 in 1999, translating to an annual inflation rate of 2.9%. Components of the CPI that witnessed the most inflation were medical care (5.2%) and housing (4.9%). Meanwhile, the price index for clothing fell 6.6%. The recent annual inflation rate is up from 1998's nine-year low figure of 2.4%.

Manufacturing

The Front Range Purchasing Managers' Index in February registered 57.1, up from a January index figure of 54.7. An index above 50 represents an

expanding manufacturing economy. The industrial employment component of the index also increased, from 51.0 in January to 62.7 in February. However, the new orders index fell from 56.6 in January to 52.6 in February, suggesting that the next few months may represent an industry decline.

Retail Trade

As of November 1999, state retail trade was up 7.8% over the first 11 months of 1998. Retail trade increased 6.6% in 1998 and 5.9% in 1997. Without the last month of trade data available, 1999 may have produced the largest annual increase in retail trade since 1994, when retail trade increased 11.5%.

“... 1999 may have produced the largest annual increase in retail trade since 1994 . . .”

Agriculture

The number of cattle and calves on feed for the slaughter market in Colorado as of February 1, 2000, was 5% higher than the inventory a year ago. Meanwhile, prices for the steer-heifer, cow, and calf markets were up from a year ago. Mid-February steer and heifer prices were 10.4% higher than one year ago, while cow and calf prices were 6.6% and 24.7% higher than mid-February 1999 levels.

The 1999 year-end estimated crop yields saw gains in corn for grain, potatoes, and wheat but a decrease in barley and dry beans. The corn for grain (\$310.1 million in 1999) and potato (\$132.9 million) crops saw a 2.0% and a 1.7% increase in production values, due to the increase in the acreage planted and harvested. The value of the wheat crop (\$267.6 million) increased 4.1% over 1998 production, due to a stronger yield per acre. Barley production (\$23.9 million) was 10.6% lower than the record-setting crop in 1998 and the dry bean crop (\$43.3 million) had a 3.3% decrease due to a smaller harvest.

The fruit and vegetable yield in 1999 suffered a drop in value compared with a strong 1998. The peach crop was down from \$9.0 million in 1998 to \$1.9 million in 1999, a 79.5% decrease. The apple crop decreased in value from \$7.0 million to \$1.8 million, a 75.0% drop. The largest vegetable market, onions, dropped in value from \$80.8 million to \$48.3 million, reflecting a 40.2% decline. In a bright spot, the second largest market,

carrots, increased in value from \$17.0 million in 1998 to \$17.9 million in 1999, a 5.8% climb.

Gaming

The gaming competition between **Central City** and **Black Hawk** took its toll on another small casino as Teller House Casino in Central City closed last month, the third to close in the last 12 months. It is expected, however, that the 40 employees out of a job should be able to find employment in other casinos. Since 1993, the number of Central City casino halls has dropped from 23 to 9.

One of **Black Hawk's** oldest casinos, Otto's Casino, announced it would also close. Meanwhile, another Black Hawk casino, Mardi Gras Casino, quietly opened in early March. The casino cost an estimated \$70 million. Two restaurants also opened in the casino building.

Mining

Statewide coal extraction increased 0.8% in 1999. **Routt County**, the largest coal production county in the state, extracted 9.8 million tons of coal. **Gunnison County** provided the next largest level of 8.1 million tons. While Routt County decreased extraction by 2.4% over the previous year, coal production in Gunnison County increased by 7.9%. Of the nine counties that contribute to state coal production, five witnessed decreases in 1999 extraction levels. Since January 28, the West Elk Coal Mine near **Somerset** in Gunnison County has been closed due to the detection of high carbon-monoxide levels from underground coal combustion. Safety officials could not estimate when the 275 miners could return to full-time work. In the meantime, the miners are conducting part-time training and equipment maintenance until the burning area can be isolated and sealed off from active mining zones.

Business Investment

According to the PriceWaterhouseCoopers Money Tree Survey, Colorado companies attracted an estimated \$1.3 billion in venture capital in 1999, compared with \$518.2 million invested in firms the previous year, an 150% increase. Colorado ranked fifth in the country for business investment last year. The number of venture capital deals increased 30%,

suggesting that 1999 was dominated by large financed projects. Three companies each collected over \$100 million. VeloCom and Formus Communications, both wireless telecom firms, brought in \$293 million and \$130 million, respectively. Vstream, a video streaming firm, brought in \$108 million. Internet-related companies were responsible for 68% of state venture capital investment.

"Colorado ranked fifth in the country for business investment last year."

Advanced Technology

EHPT Inc., a telecommunications software firm, expects to hire more than 120 employees as it transitions its headquarters from Sweden to **Denver**. EHPT, a joint venture between Ericsson mobile phone and Hewlett-Packard, announced a plan to increase sales in the U.S. by establishing a presence within its target market. According to EHPT, the company chose Denver based on its quality of life and proximity to other high-tech firms.

Metropolitan Denver

Metro-Denver nonagricultural wage and salary employment grew 3.8% in 1999. This was a similar level of employment growth compared with 1998. A household survey conducted by the Department of Labor and Employment found that the metro-area unemployment rate averaged 2.4% in 1999.

The University of Colorado Hospital in **Denver** posted an \$8 million shortfall in the first six months of its annual budget. As a result, the hospital announced it will cut 100 jobs before the fiscal year ends on June 30, 2000. According to the hospital, the shortfall is due in part to smaller Federal Medicare reimbursements for patients over the age of 65 or patients with certain disabilities. The hospital also expects to cut back programs, such as a transitional-care unit, that depended upon Medicare reimbursements.

Due to the increase in freight traffic in recent years, **Denver International Airport (DIA)** sought Denver City Council approval to issue \$65 million in tax-exempt special facilities revenue bonds to finance the expansion of DIA's air cargo complex. Two large shipping corporations, Federal Express and United Parcel Service, have both expressed interest in

expanding existing cargo space at DIA's current cargo terminal. Developers propose to construct 500,000 square feet of tenant space in the first expansion phase, and an additional 250,000 square feet in a second phase if demand for air freight shipping continues. The second phase would increase the expansion

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project cost to an estimated \$100 million. The cargo complex is expected to add nearly 1,600 jobs to DIA. As part of a nationwide expansion, MCI WorldCom disclosed plans to build an electronic data storage center in **Arapahoe County**. Construction on a 100,000-square-foot computer information warehouse should begin by the end of 2000. According to MCI, this development is in response to a growing need for World Wide Web hosting services with a local presence in the metro-Denver tech market.

Sullivan Hayes announced details regarding the second phase of the renovation of 80,000 square feet in the **Cherry Creek district** in Denver. The old Catholic Archdiocese headquarters will become the Merrill Lynch Plaza by the end of the year. Merrill Lynch secured two floors of the six-floor building and the remaining space will most likely be occupied by small retail and office space. Another two-story building offering 5,700 square feet will be constructed adjacent to the renovated plaza. Upon completion, the construction should total \$35 million.

Boulder County

Boulder County had the most significant value of venture capital investment in the state last year. Of the \$1.3 billion invested in 1999, \$610 million, or 46.9 percent, was invested in **Boulder** firms. Boulder County nonagricultural wage and salary employment grew 4.1% in 1999, up from the revised 3.9% employment growth in 1998. A household survey conducted by the Department of Labor and Employment found that the **Boulder-Longmont** area unemployment rate averaged 2.7% in 1999.

DRS Technologies, a defense system technology manufacturer, announced that it would close a **Longmont** plant and move the facility to Pennsylvania. The move was motivated by a plan to

consolidate recent acquisitions. A year ago, DRS purchased the Longmont plant from NAI technologies, a provider of computers, peripherals, and integrated systems for military and commercial applications. Twenty of the 80 employees at the plant will move to Pennsylvania. The remaining 60 jobs will be eliminated.

In 1999, the value of Boulder County nonresidential construction increased 52.8% over the previous year. The Westpeak Building near downtown **Boulder** should offer 55,000 square feet upon completion in December 2000. Westpeak Investment Advisors is expected to fill half of the four-story building. Another floor is close to being leased, leaving the first floor, offering 14,000 square feet, still available before construction is finished.

Another 60,000-square-foot, two-story building on **Pearl Street** has signed retailer Borders Books, distributor GE Access, and a restaurant, leaving 8,000 square feet available. Construction is expected to be completed by October. Downtown Boulder will also make room for a 47,600-square-foot, three-story building to be completed in November.

El Paso County

El Paso County nonagricultural wage and salary employment grew 4.7% in 1999, up from the 3.0% employment growth in 1998. A household survey conducted by the Department of Labor and Employment found that the county unemployment rate averaged 3.3% in 1999, a significant improvement from a 4.5% rate in 1998.

Quantum Corporation, a California-based computer storage drive manufacturer, cut 94 jobs in its **Colorado Springs** tape drive manufacturing plant, part of a production cost-cutting plan that will eliminate 335 permanent and 465 contract positions by the end of the year. Most of the production assembly is expected to move overseas to take advantage of lower labor costs. The Colorado Springs plant will be converted to a product marketing center.

According to F.W. Dodge, the value of nonresidential construction increased 40.3 percent in 1999 in El Paso County. Most of the value added came from commercial office space, a significant amount of which is represented by new business park campuses along the I-25 corridor. Last month, Neenan

Development Group completed the purchase of 24 acres in the bustling InterQuest Business Park area in Northern **Colorado Springs**. In the first phase, valued at \$30 million, the park will expand by 277,800 square feet of commercial space by the summer. In a second phase, Neenan is considering the development of an additional 300,000 square feet in three buildings to accommodate demand for larger space.

“... the value of nonresidential construction increased 40.3 percent in 1999 in El Paso County.”

Ford Motor Credit Company agreed to lease 167,000 square feet under construction to house 1,100 employees at the InterQuest Business Park. While most of the workers will come from other office locations, Ford Credit reported that an undisclosed amount will represent new hires.

The U.S. Army and Regent Partners of Atlanta announced redevelopment plans for **Fort Carson**, an army base just south of Colorado Springs. Construction, costing an estimated \$250 million, will create 840 new homes and renovate 1,823 existing homes. Another private firm, J.A. Jones Management, will manage the property after development. This represents one of the first U.S. Army contracts with a private firm for property development and management. Existing housing at the army post has sub-standard wiring and plumbing and some homes require asbestos removal prior to any renovation. It is estimated that 1,500 Fort Carson families are waiting for available homes at the base.

According to F.W. Dodge, the number of residential units constructed or renovated in El Paso County was 33.3% higher in 1999. While the number of single-family homes built increased 9.8%, the number of apartments constructed increased 226.4% over the 1998 level. More apartment complexes are on the way as several development companies announced multi-family development plans. Carbon Development of Dallas announced plans for a \$29 million, 368-unit complex near the Oracle Corporation headquarters in **Northgate**. Forest Equities of Houston announced plans for a \$20 million, 300-unit complex in the **Briargate** area. Another 709 planned units were announced in Briargate with an undisclosed price tag.

Larimer and Weld Counties

According to F.W. Dodge, nonresidential construction in **Larimer County** increased 45.1%, while **Weld County** had a 23.8% decrease in construction value. In 1999, the amount of residential construction increased 10.6% in the northern region, bolstered mostly by growth in Weld. While there were 1.8% more residences built or renovated in Larimer County, Weld County witnessed a 23.3% increase in residential construction.

Mayo Industries of **Loveland** announced it would move to the city of **Johnstown** in Weld County. Mayo, a metal manufacturer, will begin construction on a 31,000-square-foot facility by the end of March. Currently operating in 13,000 square feet with 68 employees, Mayo will be able to devote much of that space in the new facility to administrative offices, leaving more space for the metal shop area. The company expects to hire an additional 6 to 8 employees.

DH Designs of **Fort Collins** plans to seek city approval for the construction on a new 22,500-square-foot building. DH Designs manufactures specialty signs and employs 34 people. The company plans to add another 6 employees in the move. If approved, it plans to lease out the smaller 16,000 square foot facility.

“The town of Evans in Weld County approved plans for the development of a 430-acre subdivision.”

The town of **Evans** in Weld County approved plans for the development of a 430-acre subdivision. Construction should begin this summer on the first phase, including 320 single-family homes. Upon completion of all phases, there are expected to be 1,000 homes and apartments as well as small commercial, restaurants, a post office, community service centers, and planned open space.

Two months after the voters of **Erie** turned down a proposed development of 4,500 homes and 600 acres of planned commercial space, the Erie town board approved a more modest proposal of 2,500 homes and 100 acres of commercial space. Erie covers areas in both Boulder County and Weld County. The development will occur near the Tri-County Airport on the Weld County side of town.

Mountain Region

Club Mediterranee, the company managing Club Med Resorts worldwide, announced its latest resort in **Crested Butte**. The resort company reportedly purchased the 261-room ski-in, ski-out Marriott Hotel from Crested Butte Mountain Resort and plans to renovate it into an all-inclusive village-style resort. The renovations should be complete by the 2000-2001 ski season.

Century Casinos, Inc., parent company of Womacks/Legends casino, is expected to complete construction on a 500-seat events center in **Cripple Creek** this summer. The city of Cripple Creek will operate the events center. Century Casino is expected to move its corporate office from the casino to the office space made available at the center.

Meanwhile, the trend of the baby-boomer generation aging into early retirement has sparked demand for second homes across the country, particularly in mountain regions. According to F.W. Dodge, the number of single-family residences in **Pitkin, Eagle, and Summit counties** increased 14.6 percent in 1999.

“ . . . Crested Butte Mountain Resort is planning to sell single-family homes adjacent to the resort. The homes are expected to sell for as much as \$1 million.”

To take advantage of the demand for mountain homes, **Crested Butte** Mountain Resort is planning to sell single-family homes adjacent to the resort. The homes are expected to sell for as much as \$1 million. The real estate profit will be used to develop a town center consisting of a combination of retail, restaurants, condominium residences, grocery, ice rink, and a small convention venue.

Western Slope

Peak Telecom Group, an electrical and fiber-optic system designer, announced it would move its headquarters from Lake Bluff, Illinois to **Grand Junction** in the next 2 years. It is expected that 40 jobs will be created in the move.

StarTek, USA, based in Denver, announced that project management operations will be expanded to

Grand Junction over the next year. By July 2001, 200 jobs will be added to the existing StarTek work force in the Grand Valley. StarTek provides telephone customer support and order processing for large companies venturing into electronic commerce.

Mesa County residential and nonresidential construction shot up in 1999. The number of residential units built jumped 41.8%, mostly attributable to apartment complex development. Meanwhile, the value of nonresidential construction increased 31.7% in the last year.

A large-scale combination of residential, commercial retail, office space, and community amenities was recently unveiled for 422 acres west of **Glenwood Springs**. The mixed-use plan, Glenwood Meadows, includes 363,000 square feet for large-scale commercial retail, 261,000 square feet for smaller retail space, and 656,000 square feet for office space, churches, a school, a community center, and a regional convention hall. The development also calls for 262 single-family residences and townhomes, as well as 510 apartments. The plan has the approval of the Glenwood Springs city council, which has planned adjacent development of a park. The proposal package, including annexation and tax financing plans, will seek public approval through a local ballot issue in November.

Bula, Inc., a ski helmet and headgear outfitter based in **Durango**, announced a layoff of around 20 employees in production and shipping due to a slow winter season. Because revenue is dependent upon the ski season, Bula may rehire employees when orders are expected to pick up later in the year.

According to F.W. Dodge, the value of nonresidential construction in La Plata County shot up by 249.8% in 1999. Draft plans were announced for an industrial and commercial business park south of **Durango**. The Carter Commercial Park, a joint venture between the Durango Industrial Development Foundation and the owner of the development site, should total 170 acres at build out. The foundation plans to conduct a feasibility study before development plans are finalized. Bodo Industrial Park of Durango, which provides an estimated \$67 million annually in wages and salaries, is reportedly 85% full.

Regional Growth Cumulative Year-to-Date Growth Rates

	Alamosa	Boulder	Colorado Springs	Metro Denver	Durango	Fort Collins	Grand Junction	Greeley	Lamar	Montrose	Pueblo	Ski Counties (Eagle, Pitkin, and Summit)	Steamboat Springs	Sterling
Employment Growth (through December 1999)	-1.0	4.1	4.7	3.8	0.2	1.3	2.3	2.7	2.2	1.4	-0.2	1.1	2.6	3.4
Unemployment Rate (not seasonally adjusted) (average for 1999)	5.1	2.7	3.3	2.4	3.8	3.1	3.7	3.6	2.9	5.3	4.8	2.6	2.7	3.3
Retail Trade Sales Growth (through November 1999)	1.4	9.5	7.0	7.4	7.2	7.1	5.6	3.2	10.0	4.5	4.0	0.4	4.3	-3.2
Housing Permit Growth * (through December 1999)	2.4	0.7	33.3	15.6	-19.4	1.3	41.8	23.3	1.1	18.1	12.2	14.6	50.0	63.9
Growth in Value of Non- residential Construction* (through December 1999)	-57.0	52.8	40.3	25.0		45.1	31.7	-23.8		17.3	-0.7	-12.9	-83.6	-80.4

§ Nonfarm Employment Growth.

Actual level not growth rate.

Colorado Department of Labor and Employment data.

* F.W. Dodge data.

Colorado Department of Revenue data.

Nothing was contracted in 1999, while \$4.5 million was contracted in 1998.

\$31.0 million was contracted in 1999, while \$8.9 million was contracted in 1998.

Colorado Indicators Year-to-Date Growth Rates

Indicator	1999 Annual Average	1998 Revised Annual Average
Nonfarm Employment Growth	3.7%	3.9%
Unemployment Rate (seasonally adjusted)	2.9	3.8
Housing Permit Growth §	14.2	8.6
Single family	3.7	13.6
Apartments	53.0	-7.2
Growth in Value of		
Nonresidential Construction §	25.1	-12.0
Retail	22.4	-5.1
Offices	-3.4	36.5
Factories	131.6	-77.0

Actual level, not growth rate.

§ F.W. Dodge data.

Colorado Department of Labor and Employment data.

Note: An inflation rate is not calculated for the state. The Denver-Boulder-Greeley inflation rate is often used as a proxy for Colorado's inflation rate. The Denver-Boulder-Greeley inflation rate was 2.9% in 1999, following a 2.4% rate in 1998.