



# Colorado Economic Chronicle

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## National Economy

by Josh Harwood

Annualized growth in inflation-adjusted **gross domestic product** (GDP) was revised downward in December to 2.2% for the third quarter of 2000. This is the lowest growth rate since 1996, and has helped to reinforce many economists' fears of a slowing economy. Third quarter *productivity*, bolstered largely by gains in the manufacturing sector, was also revised downward to 3.3%, roughly half of the productivity gains seen in the second quarter of 2000.

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*"Consumer confidence weakened for the third consecutive month in December..."*

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**Employment** continued to moderate in November as the economy added 105,000 *jobs*. New jobs were concentrated in the services and government sectors, while the manufacturing sector lost over 60,000 jobs during the month. Furthermore, the retail sector gained only 8,000 new jobs compared with an average of 40,000 in each of the last two years. The *unemployment rate* remained at 4.0%, making many analysts leery of potentially rising labor costs. To add to these concerns, *hourly earnings* increased in December by 0.4%.

**Consumer confidence** weakened for the third consecutive month in December, as consumers' expecta-

tion of the future has plummeted. Mirroring the slowdown in confidence, *retail sales* decreased 0.4% in November, further illustrating what analysts were predicting as a weak holiday season. The continued proliferation of the Internet was evident during the holiday season as nearly twice as many purchases were made in December 2000 as compared with a year ago. As a result, the *online shopping index* reached its highest monthly level ever, though many e-tailers still failed to meet expectations. The *saving rate* hit a record low for the second consecutive month, falling to -0.8%. This is of only modest concern, as the saving rate fails to capture capital gains realized through various market mechanisms, such as real estate and financial investments.

The **manufacturing** sector provided largely negative news in November. Led by increases in the aircraft and electronic component sectors, both *factory orders* and *durable goods orders* rose modestly by 1.7% and 2.3%, respectively. *Industrial production* decreased by 0.2% in November, though production and capacity are both well above year previous levels in most categories. Despite these relatively positive influences, the National Association of Purchasing Managers' index fell to 43.7% in December, its lowest level since 1991. This is the fifth consecutive month that the NAPM index indicated a contraction in manufacturing activity.

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Available data released for the **construction** sector during the last month stayed mixed. Hit hard by severe weather and a softening economy, construction spending was off 0.6% in November. Sharp drops in remodeling and public investment accounted for most of the decline. In spite of downward movement in the retail and warehouse sectors, completions in the industrial and office sectors helped to lead nonresidential building up slightly in November. Additionally, continuing declines in mortgage rates have helped stave off other market forces in the residential market. *Existing home sales* rebounded in November with a 4.4% gain. Meanwhile, *new home sales* continued to run at a healthy pace in November, despite dropping over 2% from October levels. Total *housing starts* rose 2.2% in November, the first increase since February.

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***“Inflation news in November was positive...”***

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**Inflation** news in November was positive as *consumer prices* increased only 0.2%, due in large part to energy prices remaining in check. The core index, which excludes volatile food and energy prices, increased 0.3% in November. Most price increases

have been driven by rising housing costs. The *producer price index* for November also provided positive news as it increased by a modest 0.1%, following larger increases in September (0.9%) and October (0.4%). Because inflation remained in check, the Federal Reserve Board was able to lower interest rates by 50 basis points in an attempt to revive a faltering economy.

The economic community seems rather mixed over the state of the economy. While some believe the country is on the downward side of the business cycle, still others feel that better times are just around the corner. Though there are still concerns about inflation, the Fed clearly sees the slowdown of overall growth as the largest economic concern. In spite of falling interest rates, many investors remain hesitant, citing a variety of economic uncertainties, such as a new administration and the continued consolidation of much of the high-tech industry. This type of uncertainty, further illustrated by slumping consumer confidence, suggests that the economy has most likely yet to reach the bottom of the business cycle and more government intervention will ensue. However, the low unemployment rate and low mortgage rates are seen as signs of a relatively stable and healthy economy.

## Colorado Economy

*by Natalie Mullis*

Although slowing, and despite a faltering national economy, Colorado's economy remains healthy. Nonfarm employment growth slowed to 3.3% through November. However, the unemployment rate remains at record-low levels on an annualized basis, amidst a critical shortage of labor that is a primary threat to economic growth. Nonresidential construction declined through November but remains at a high level, while residential construction increased somewhat.

### Employment

Colorado's nonfarm employment grew 3.3% through November, compared with the first eleven months of

1999. After hitting 2.5% in October, the unemployment rate was 2.7% in November, and averaged a record-low 2.6% during the first eleven months of 2000.

Job losses were once again concentrated in the Internet-sector. Greenwood Village-based DSL service provider Jato Communications closed in December, after having laid off over 500 people since September. EarthWeb Inc. closed its Boulder offices, laying off or relocating 34 employees in December. E-mail marketer MessageMedia Inc. laid off 75 people in Boulder. Longmont-based satellite firm Earth Watch Inc. laid off 48 people following a failed satellite launch. Meanwhile, Broomfield-based non-profit Up With People closed, laying off 66 people

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## Colorado's Economy at a Glance

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<b>Key Indicators</b>	<b>Direction</b>	<b>Assessment</b>
Nonfarm Employment Growth		Good
Unemployment Rate		Good
Mortgage Rates		Good
Retail Trade Sales		Good
Home Prices		Good
Nonresidential Construction		Bad
Colorado Inflation Rate		Neutral
Overall Rating		Good

in Broomfield and 262 people worldwide, and Eagle Automotive announced that it will either lay off or relocate 350 people this summer when it moves its headquarters away from Denver. While layoffs in Colorado accelerated during the fourth quarter of 2000, the job market has thus far been able to absorb many displaced workers.

While no major job gains were announced during the last few months, the job market remains extremely tight in Colorado. According to a recent report by the National Federation of Independent Business, small-business owners in Colorado rank their inability to find quality workers as the top impediment to their growth.

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***“...small-business owners in Colorado rank their inability to find quality workers as the top impediment to their growth.”***

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The U.S. Bureau of Labor Statistics reported that the number of Coloradans working for themselves declined by 8,000 workers in five years, falling from 4.4% of the workforce in 1994 to 4.1% in 1999, indicating that traditional employers and a strong job market have lured many away from self-employment. Indeed, employers in Colorado's tight labor market extended their hiring practices to as many nontraditional sources as it could in 1999 and 2000, substituted new technologies for skilled labor, and attempted to attract and retain workers with creative and lucrative benefit options. Many analysts believe that finding more workers in Colorado's labor force is nearly impossible. While the large layoffs that materialized in late 2000 may indicate a slight

loosening trend, the tight labor markets and consequent shortage of labor continues to remain a threat to economic growth in Colorado.

## Population and Income

The U.S. Census Bureau reported that Colorado's population increased 30.6% between 1990 and 2000, from 3.29 million people in 1990 to 4.30 million people in 2000. Colorado was the third-fastest growing state in the nation, after Nevada and Arizona, and gained a seventh seat in the U.S. House of Representatives as a result.

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***“...Colorado's population increased 30.6% between 1990 and 2000...”***

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Meanwhile, a recent report by Demographics Daily pegged Colorado as the state with the strongest potential for growth among 13 states in the western United States. The report ranked the capacity for future growth and prosperity on a county level, and then aggregated counties to rank states. Douglas County ranked the highest among all counties in the study, with Park, Elbert, and Eagle counties ranking third, fourth, and sixth, respectively.

According to the U.S. Census Bureau, Douglas County, the fastest-growing county in the nation, is also the wealthiest. In 1997, Douglas County had the highest median household annual income at \$77,513, and the lowest percentage of people living in poverty at 1.9%. Colorado was the 12<sup>th</sup> wealthiest state in the nation in 1997, with an statewide median income of \$40,853.

A recent study by Demographics Daily using data from the U.S. Bureau of Economic Analysis ranked counties based on *per capita income* rather than median income. Colorado boasted six counties out of the 45 wealthiest counties in the United States in 1997. Pitkin County had the second-highest per capita income in the entire country in 1997, at \$59,123. Arapahoe County (32<sup>nd</sup> with \$38,333), Denver (34<sup>th</sup> with \$37,670), Eagle (35<sup>th</sup> with \$37,000), Summit (36<sup>th</sup> with \$36,508), and Boulder (38<sup>th</sup> with \$36,071), rounded out the remaining

Colorado counties on the list. To be one of the 45 wealthiest counties in the nation, the county had to have a per capita income of at least \$34,000, or 25% higher than the national per capita income of \$27,203 in 1997. Douglas County, with a per capita income of \$32,210, was not on the list.

Residential Construction

According to the U.S. Census Bureau, the number of housing permits in Colorado increased 9.7% through November, compared with the same time period in 1999. Multi-family permits increased 49.0% and single-family permits declined 1.0% over the same time period.

According to Perry and Butler Realty, the average price of an existing single-family home closed during December in the Denver area was a record-high \$251,275. As shown in Table 1, both average and median prices soared in the Denver-metro area during 2000. The average price for a single-family home in 2000 was \$239,779, up 15.1% over that of 1999, while the median price was \$195,000, up 14.7% over that of 1999. Meanwhile, the average price for a condominium was \$145,197 in 2000, up 18.4% over that of 1999, while the median price was \$126,500, up 17.7% over that of 1999. During 2000, sales on 48,611 properties were closed, up 4.0% from the number of properties closed in 1999. The Home Builders Association of Metropolitan

Denver reported that the construction of single-family homes is faltering in the Denver area. According to the report, the number of permits issued for single-family homes through October decreased 10.7 percent over the same time period a year ago. Meanwhile, the report indicated that total residential permits increased 4.6 percent during the same period, a result of surging construction of apartment units.

Meanwhile, apartment construction in the Denver area is booming. A recent report by Cushman & Wakefield indicates that a total of 42,312 new units in 144 complexes with a total estimated value of nearly \$4.5 billion are either proposed, currently under construction, or completed since January 1999 in the metro-Denver area. Of these, 9,669 units in 42 complexes with an estimated value of \$966.6 million were completed during 1999 and 2000. Another 14,112 units in 42 complexes with an estimated value of \$1.5 billion are either under construction or were recently opened. Finally, another 18,531 units in 60 complexes with a total estimated value of \$2.0 billion are currently proposed. Despite the boom in construction, the rental market remains tight. The metro-Denver rental vacancy rate was 3.9% and the average rental rate was \$762 in October, according to the Apartment Association of Metro Denver.

While the rental market is tight in metro Denver, the Colorado Division of Housing recently reported that it is even tighter outside metro Denver. The Colorado Division of Housing surveys rental vacancy and rental rates outside of metro Denver, where the total vacancy rate fell to 3.0% in October 2000 from 4.1% in February 2000, and the average rental rate increased 5.0% to \$731 in October 2000 from \$693 a year earlier. Table 2 lists the vacancy rate and average rental rate (among all apartments) in each market. The vacancy rate is lower than 5% in every market surveyed, with the exception of the Fort Morgan/Sterling area and Durango. A vacancy rate of 5% is said to represent a normal turnover of rental units, thus the reported rates are very low. Mountain resort areas continue to have the lowest vacancy rates and highest rental rates statewide, while the highest vacancy rate and lowest rental rate are found on the eastern plains.

Table 1  
Average and Median Home Prices

Average Price	1999	2000	% Change
All Homes	\$187,632	\$217,211	15.8%
Single-Family	\$208,274	\$239,779	15.1%
Condominiums	\$122,562	\$145,197	18.5%
Median Price	1999	2000	% Change
All Homes	\$175,000	\$205,000	17.1%
Single-Family	\$107,500	\$126,500	17.7%
Condominiums	\$170,000	\$195,000	14.7%

Source: Perry and Butler Realty

**Table 2. Colorado Division of Housing  
Rental Market Indicators**

Rental Market Area	Average Vacancy Rate		Average Rental Rate For All Apartment Types		
	October 1999	October 2000	October 1999	October 2000	% Change
<b>Northern Region</b>					
Fort Collins/Loveland	2.9%	1.8%	\$668	\$658	-1.6%
Greeley	4.7%	3.0%	\$564	\$539	-4.5%
<b>Southern Region</b>					
Colorado Springs	4.1%	2.8%	\$610	\$668	9.5%
Pueblo	5.0%	4.7%	\$428	\$476	11.1%
Canon City	N/A*	4.0%	N/A*	\$457	N/A*
<b>Western Region</b>					
Grand Junction	4.5%	4.7%	\$460	\$494	7.3%
Glenwood Springs	2.3%	2.7%	\$704	\$658	-6.5%
Gunnison/Montrose	N/A*	3.0%	N/A*	\$521	N/A*
Durango	3.5%	6.2%	\$639	\$641	0.2%
<b>Mountain Region</b>					
Aspen	0.6%	0.9%	\$1,096	\$988	-9.9%
Steamboat Springs	N/A*	1.3%	N/A*	\$768	N/A*
Eagle County	0.4%	0.4%	\$958	\$997	4.0%
Summit County	3.2%	1.1%	\$780	\$743	-4.8%
Lake County	4.5%	4.2%	\$555	\$576	3.7%
Buena Vista/Salida	N/A*	3.6%	N/A*	\$611	N/A*
<b>Eastern Plains Region</b>					
Fort Morgan/Sterling	3.6%	12.5%	\$350	\$426	21.6%
<b>San Luis Valley</b>					
Alamosa	N/A*	2.5%	N/A*	\$437	N/A*

N/A\* = Not Available

## Nonresidential Construction

According to F.W. Dodge, the value of nonresidential construction permits declined 16.7% through November, compared with the same time period last year. Commercial building remained flat, with an increase of 0.3% through November, while building in the manufacturing sector, the education and science sector, and the hospital and health treatment sector declined. Building activity increased in the public buildings and religious sectors.

Building in the hospital and health treatment sector should pick up in 2001. Centura Health announced plans to build a full-service hospital with up to 200 beds on 40 acres, located on the southeast corner of Parker Road and Interstate E-470. The hospital, expected to be complete in 2003, will offer medical and surgery services, obstetrics, emergency services, and trauma facilities. Adjacent to the hospital will be 180,000 square feet of medical office space and 1,600 parking spaces. Construction is proceeding on a \$38 million expansion of the Centura Health Littleton Adventist Hospital near C-470 and Broadway.

Meanwhile, HealthOne recently announced plans to build a hospital at I-25 and Lincoln Avenue in Lone Tree with up to 300 beds, also scheduled for completion in 2003.

Construction began on Aspen Grove, a 300,000-square-foot retail center, in **Littleton**, with an expected completion date of November 2001. The retail center will contain approximately 50 upscale stores and restaurants and is approximately 70% pre-leased. A 300,000-square-foot office complex is planned next to the retail center. The development is next to the southern terminus of the southwest light-rail line at Mineral Ave and Santa Fe Drive.

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***“Plans were announced to redesign the Shops at the Tabor Center in downtown Denver.”***

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Plans were announced to redesign the Shops at the Tabor Center in downtown Denver. The \$25 million renovation will add an additional 26,000 square feet of retail space to the current 110,000-square-foot center.



Construction will begin on the first of a 180,000-square-foot, three-building office complex in the Ken Caryl Business Park near C-470 southwest of Denver. Each building will be three stories and contain 60,000 square feet of office space.

## Retail Trade

Despite faltering retail sales nationwide, retail sales in Colorado remain strong. Colorado retail sales increased 12.5% through the first three quarters of 2000, compared with the first three quarters of 1999. While a slowing economy should cause that number to moderate once data for the fourth quarter becomes available, retail sales in Colorado are expected to remain relatively healthy compared with the rest of the country.

Montgomery Wards announced that it would close 250 stores nationwide, including 8 stores in Colorado. Between 800 and 900 jobs will be eliminated in Colorado, with 27,000 jobs lost nationwide. The company blamed tight competition and low holiday sales for the decision.

## Manufacturing

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The Front Range Purchasing Managers’ Index registered a dramatic decline in December, portending a harder economic landing for the manufacturing sector in Colorado than previously expected. The index fell to 45.1 in December from 54.4 in November. An index level above 50 indicates growth in the sector, while an index level below 50 indicates contraction. November’s index level was the first to land below 50 since the survey began in 1998. Drops occurred in production, new orders, lead times, inventories, and employment. The low availability of skilled labor continued to inhibit growth in the sector. While the Colorado index has

consistently outperformed the national index, the performance of Colorado’s manufacturing industry remains closely related with that at the national level.

## Transportation

Passenger traffic at Denver International Airport (DIA) increased 1.6% through October, compared with the first ten months of 1999. To accommodate future growth, DIA announced plans to build a \$115 million, 500-room hotel next to the airport. Construction on the hotel, which is expected to create 300 jobs and generate \$3.8 million in tax revenue each year, is expected to begin in 2002. In addition, construction continues on the \$66 million, 100-acre WorldPort, a cargo facility that will include two 50,000-square-foot buildings and one 90,000-square-foot building and is expected to directly create 1,600 jobs. The cargo facility will eventually include a 300,000-square-foot retail center complete with child care for the complex’s employees. Finally, DIA will spend \$6.2 million over the next three years making repairs to its parking garage. DIA is the sixth-busiest airport in the United States and the tenth-busiest in the world.

## Gaming and Tourism

Colorado’s three gaming towns collected \$49.6 million in profits in November 2000, up 14.3% through November compared with the first eleven months of 1999. Black Hawk casinos brought in the lion’s share at \$35.1 million, while Cripple Creek and Central City brought in \$9.5 million and \$4.9 million, respectively.

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***“...much of the tourism decline has been attributed to rising gasoline prices and the large fires that raged in the western United States this summer.”***

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Visitors to the state’s 10 national parks declined 4.8% through November 2000, compared with the same time period in the previous year. Up 5.5% through May, much of the tourism decline has been

attributed to rising gasoline prices and the large fires that raged in the western United States this summer.

## Metro Denver

According to F.W. Dodge, the value of nonresidential construction in the five-county metro-Denver area declined 15.2% through November 2000, compared with the same time period in 1999. Construction activity declined in the commercial, manufacturing, education and science, and hospital and health treatment sectors. Construction activity increased in the public buildings and religious sectors. Meanwhile, F.W. Dodge reported that the number of housing permits issued in metro Denver declined 1.5% during the same time period, with declining construction in single-family homes somewhat offset by growth in the construction of apartment buildings.

In lower downtown **Denver**, plans were announced for the ShoShone Lofts, a \$9 million, 29-unit complex at West 32<sup>nd</sup> Avenue and Shoshone Street. The units will range in size from 984 to 1,732 square feet, and will cost between \$220,000 and \$520,000. The first floor of the complex will include 40 parking spaces. The project is close to two separate condominium complexes currently under development — the \$30 million, 104-unit, Highland Crossing development and the \$12 million, 56-unit, Highland Terrace Lofts development.

Plans were announced to build the \$36 million Monterey Pointe Apartments at the former site of Fitzsimons Hospital in **Aurora**. The development will include 176 one-bedroom units, 146 two-bedroom units, 32 three-bedroom units in 20 two- and three-story buildings. In addition, a 5,000-square-foot club house and 1,500-square-foot exercise center will be constructed.

Construction began on the 15-building, 438-unit, Alexan CityCenter in **Englewood**. The \$48 million apartment complex will include 30,000 square feet of retail space, a swimming pool, spa, clubhouse, business center, conference facilities, fitness center, and covered parking.

**Greenwood Village**-based Jato Communications ended business in December, after laying off more

than 500 people since September. The DSL-provider canceled an initial public stock offering in May when the stock market began to falter. The continued woes of the stock market and difficulties in the DSL industry caused the company to ultimately close its doors.

Eagle Automotive, Inc. announced that it will move its corporate headquarters from Denver to Tennessee in the summer of 2001. Approximately 350 employees will either be laid off or relocated.

## Boulder County

According to F.W. Dodge, the value of nonresidential construction declined 11.0% through November 2000 in Boulder County. While construction in the commercial sector grew slightly, construction activity declined in every other sector except the public buildings and amusement sectors. Meanwhile, the number of housing permits issued in Boulder County increased 10.4 percent through November.

According to recent study released by the American Electronics Association, **the Boulder** metropolitan area has the second-highest concentration of high-tech workers in the nation. The “Cybercities” study ranked 60 metropolitan areas nationwide for high-tech employment, wages, and other measures of the high-tech industry.

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*“...the Boulder metropolitan area has the second-highest concentration of high-tech workers in the nation.”*

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Internet firm EarthWeb Inc. announced that it would close its Boulder offices and either lay off or relocate its remaining 34 employees during the first three months of 2001. Nationwide, the company will sell 14 Web sites related to the provision of career-development resources to information-technology professionals, and lay off 350 people.

Meanwhile, Longmont-based satellite firm Earth Watch Inc. laid off 48 employees, representing approximately 25% of its work force. The layoffs were

a result of a failed satellite launch on November 21. The company announced tentative plans to hire back some who lost their jobs before its next satellite launch scheduled for summer 2001.

Email marketer MessageMedia Inc. laid off 75 people at two Boulder offices as a result of lower-than-expected demand for its software and services. An additional 25 people were laid off outside of Colorado. The company now employs 250 people in Colorado and 317 nationwide.

**Broomfield**-based Up With People, a nonprofit organization that provided a multicultural leadership program for youth from around the world, announced that it would close shop in December. The 35-year-old organization laid off 66 people at its headquarters at Interlocken Business Park and 262 employees worldwide.

## Western Region

According to F.W. Dodge, the value of nonresidential construction in Mesa County declined 43.9% through November 2000, compared with the first eleven months of 1999. Construction activity decreased in every sector except the commercial, manufacturing, and education and science sectors. Meanwhile, permits for residential construction declined 22.5% in Mesa County through November. Plans were announced to build a development with 89 single-family homes on 140 acres between Grand Junction and Fruita. The development, located north of the Question Mark Hill section of Colorado Highway 340, must gain Mesa County's approval before construction can begin.

## Mountain Region

According to F.W. Dodge, the value of nonresidential construction in the ski counties of Eagle, Pitkin, and Summit more than doubled through November 2000, compared with the first eleven months of 1999. Construction activity increased in every major sector except dormitories. Meanwhile, housing permits for residential construction declined 19.6% in the three counties through November.

The **Aspen** Valley Hospital announced plans to convert a \$4.8 million ski lodge into affordable housing for its employees. The hospital has had difficulties attracting workers because of the high cost of living in the city. According to the Colorado Division of Housing, the average October rental rate for all apartments in Aspen was \$988.

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*“...the average October rental rate for all apartments in Aspen was \$988.”*

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## Northern Region

According to F.W. Dodge, the value of nonresidential construction in Larimer County declined 58.9% through November 2000, while the value of nonresidential construction in Weld County increased 21.0% during the same time period. In Larimer County, construction activity declined in every major sector. Weld County saw construction activity increase in the commercial, manufacturing, public buildings, religious, and amusement sectors. Meanwhile, permits for residential construction in Larimer County declined 15.5% through November, while permits for residential construction in Weld County increased 16.2%.

Commercial vacancy rates in Larimer and Weld counties are healthy. In Fort Collins, the industrial vacancy rate is 5.5%, the retail vacancy rate is 8.3%, and the office vacancy rate is 13.1%. Commercial vacancy rates in Greeley are similar, where the industrial vacancy rate is 6.0%, the retail vacancy rate is 8.0%, and the office vacancy rate is 12.0%. Commercial vacancy rates are the lowest in Loveland, where industrial vacancy rate is 4.3%, the retail vacancy rate is 6.7%, and the office vacancy rate is 5.6%.

## Southern Region

According to F.W. Dodge, the value of nonresidential construction in **El Paso County** declined 0.9% through November 2000, compared with the same time period a year earlier. Construction activity in-



creased in the commercial, education and science, and hospital and public building sectors. Activity declined in the manufacturing and hospital and health treatment sectors. Permits for residential construction in El Paso County increased 7.0% through November.

Meanwhile, F.W. Dodge reports that the value of nonresidential construction in **Pueblo County** increased 52.6% through November, with increased activity in the education and science, public buildings, religious, and amusement sectors. Activity declined in the commercial and manufacturing sectors. Permits for residential construction in Pueblo County declined 24.9% through November.

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***“...high-tech employment is growing faster in Colorado Springs than in any other city nationwide.***

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According to a recent study released by the American Electronics Association, high-tech employment is

growing faster in **Colorado Springs** than in any other city nationwide. The “Cybercities” study ranked Colorado Springs as the second most “tech savvy” city, with 76% of its households owning a computer and 65% with Internet access as of August 2000. The report ranked 60 metropolitan areas nationwide.

The City of Colorado Springs is finishing up construction on a \$4.5 million facelift in downtown Colorado Springs. The construction includes new street lamps, signal poles, trees, signs, parking spots, benches, bike racks, and foliage. The city plans to continue a make over of Colorado Springs streets in a similar manner over the next few years, with an additional \$6.9 million of improvements.

Construction began on a three-story, 101,153-square-foot office building at the northeast corner of Research Parkway and Explorer Drive in Colorado Springs. Construction on the building is expected to be complete by 2001. Plans were announced to construct a second speculative office building with 160,000 square feet next to the first.

### Colorado Indicators Year-to-Date Growth Rates

Indicator	November 2000	October 2000	1999 Annual Average
Nonfarm Employment Growth	3.3%	3.4%	3.7%
Unemployment Rate (seasonally adjusted)	2.7	2.5	2.9
Housing Permit Growth ~	9.7	10.2	-3.6
Single family	-1.0	-2.1	6.4
Apartments	49.0	58.2	-27.6
Growth in Value of			
Nonresidential Construction §	-16.7	-20.1	25.1
Retail	-9.5	-12.7	22.4
Offices	13.4	0.7	-3.4
Factories	-76.2	-77.6	131.6

Actual level, not growth rate.

§ F.W. Dodge data.

Colorado Department of Labor and Employment data.

~ U.S. Census Bureau 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 3.8% through the first half of 2000, following a 2.9% rate in 1999.

## 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 November 2000)	3.5	4.1	2.9	3.6	-0.8	1.5	2.2	1.9	6.2	3.9	-1.3	3.4	4.0	6.9
Unemployment Rate (not seasonally adjusted) (in November 2000)	5.0	2.1	2.9	2.2	3.6	2.7	3.4	3.3	2.5	4.2	4.3	2.6	2.4	2.4
Retail Trade Sales Growth (through September 2000)	10.6	13.3	9.4	13.7	7.4	11.9	9.6	13.4	12.9	10.9	6.9	8.7	8.2	11.0
Housing Permit Growth * (through November 2000)	-11.5	10.4	7.0	-1.5	-7.1	-15.5	-22.5	16.2	-37.4	-3.4	-24.9	-19.6	4.4	-49.1
Growth in Value of Non-residential Construction* (through November 2000)	14.6	-11.0	-0.9	-15.2	-9.3	-58.9	-43.9	21.0	See footnote	-73.1	52.6	See footnote	0.6	-95.9

Actual level not growth rate.

Colorado Department of Labor and Employment data.

\* F.W. Dodge data.

Colorado Department of Revenue data.

\$142.2 million was contracted through November 2000, while \$61.3 million was contracted through November 1999.

\$350,000 was contracted through November 2000, while nothing was contracted through November 1999.