



COLORADO CLOSE-UP

An Economic Newsletter
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THE NATIONAL ECONOMY

The national economic recovery continues, with real estate activity and consumer spending leading the way. Demand and production growth are strong, durable-goods orders are increasing, and the global economy is strengthening. Second quarter inflation-adjusted gross domestic product (GDP) rose 3.4% as business investment — a key contributor to a healthy recovery — jumped 9.0%. Business investment in equipment and software grew 11.0% compared with 8.3% growth in first quarter 2005. Meanwhile, consumer spending grew 3.3% during second quarter 2005, a slight deceleration from the 3.5% gain posted during first quarter 2005. Consumer spending is slowing as a result of increasing energy prices that are constricting consumer's discretionary income.

“... inflation-adjusted gross domestic product (GDP) rose 3.4% as business investment ... jumped 9.0%.”

The national employment situation remained unchanged at 1.7% growth in September 2005 compared with August 2005. Payrolls declined by 35,000 jobs in September 2005 as a result of Hurricane Katrina after posting a 211,000 job gain in August 2005. Meanwhile, professional and business services employment led job growth adding 52,000 jobs, while health care and the construction sector both added 23,000 jobs. The sectors registering job losses include the retail trade sector with 88,000 positions, leisure and hospitality cut 80,000 positions, and manufacturing payrolls fell by 27,000 jobs. The unemployment rate increased to 5.1% in September 2005 from 5.0% in August 2005. This was primarily due to job losses associated with Hurricane Katrina.

In September 2005, the Conference Board consumer confidence index fell to 86.6, its lowest level since October 2003. In September 2005, consumers lowered

their assessment of the present situation, their expectations for the future, and their opinion of business conditions. Recent jumps in energy prices, job market concerns, and the effects of Hurricane Katrina appear to have a significant negative impact on the overall index. Meanwhile, inflation, interest rates, and terrorism concerns continue to dampen overall confidence.

National Economic Statistics

	Second Quarter 2005	Second Quarter 2004	2004 Annual Average	2003 Annual Average
Inflation-Adjusted Annual GDP Growth ¹	3.4%	3.8%	4.2%	2.7%
Consumer Spending	3.3%	3.5%	3.9%	2.9%
Nonresidential Fixed Investment	9.0%	5.7%	9.4%	1.3%
Residential Fixed Investment	9.8%	9.5%	10.3%	8.4%
Exports	12.6%	7.5%	8.4%	1.8%
Imports	-2.0%	7.4%	10.7%	4.6%
Federal Government	1.3%	2.4%	5.2%	6.9%
State and Local Governments	2.4%	1.6%	0.4%	0.6%
	Sept 2005	Sept 2004	2004 Annual Average	2003 Annual Average
Inflation ²	3.3%	2.5%	2.7%	2.3%
Nonfarm Employment Growth ²	1.7%	1.0%	1.1%	-0.3%
Unemployment Rate ²	5.1%	5.4%	5.5%	6.0%
Housing Permit Growth ³	6.7%	9.2%	7.1%	8.1%
Growth in the Value of Nonresidential Construction ³	6.0%	6.3%	7.3%	-1.3%
Retail Sales ³	8.2%	3.0%	2.9%	4.7%

¹Annualized growth compared with preceding quarter.

²Year-to-date.

³Year-to-date through August 2005.

Source: U.S. Bureau of Labor Statistics, U.S. Bureau of the Census and U.S. Bureau of Economic Analysis. Employment growth is computed from wage and salary employment data by place of work.

The Federal Reserve Bank increased short-term interest rates from 3.50 in August 2005 to 3.62 in September 2005 in response to rising inflationary pressures. The Federal Reserve has increased rates 11 times since June 2004. Increased interest rates discourage borrowing for items such as cars and homes and encourage savings, thereby restricting consumer spending.

While interest rate concerns continue to impact overall confidence, energy prices are a particular concern. The

price of natural gas nearly doubled over the past year, peaking at more than \$14.00 per million British thermal units (BTUs) compared with \$6.72 per million BTUs one year earlier. Additionally, an overall decrease in crude oil prices, which rose to over \$70 per barrel in the wake of Hurricane Katrina, but have settled in the low-\$60's during the last month, is attributed to increasing supplies. In turn, consumers are seeing relief at the gasoline pumps, as ameliorating gasoline prices are a direct response to the improved per barrel price of crude oil.

The Institute for Supply Management (ISM) *manufacturing index* was 59.4 in September 2005, above the 50-point mark for the 28th consecutive month and indicating that the manufacturing sector in the U.S. continues to expand. An increase in production and new orders were responsible for most of the improvement in the overall index. Additionally, the ISM *service-providing industry index* was 53.3 in September 2005, down from 65.0 in August. September's score is indicative of lower inventories and concerns about the availability of raw materials affected by Hurricanes Katrina and Rita. Out of 17 service industries included in the survey, eight reported increasing business activity.

“... residential home permits issued year-to-date through August 2005 rose 6.7% compared with the same period in 2004.”

The U.S. Department of Commerce reported residential home permits issued year-to-date August 2005 rose 6.7% compared with the same period in 2004. Single-family home permits issued rose 6.2% and multi-family home permits issued rose 8.7%. However, demand for new housing in the coming months will likely diminish with the rising interest rates as most consumers have satisfied near-term demand. Meanwhile, the year-to-date value of nonresidential building construction rose 6.0%. The value of *retail* construction rose 6.5%, *office* construction rose 4.0%, and *factory* construction rose 26.7%.

“Colorado's economic growth continued to strengthen during second quarter 2005.”

Colorado economic growth continued to strengthen during second quarter 2005. Reasons for optimism include an expanding labor market, increases in

personal income, and strong tourism activity. Additionally, retail sales through July 2005 accelerated 6.3% compared with year-to-date July 2004.

THE COLORADO ECONOMY

Colorado Economic Statistics

	Sept 2005	Sept 2004	2004 Annual Average	2003 Annual Average
Nonfarm Employment Growth ¹	2.2%	1.0%	1.3%	-1.4%
Unemployment Rate	5.1%	5.4%	5.5%	6.2%
Housing Permit Growth ²	-0.9%	22.6%	17.5%	-17.3%
Single-Family	1.6%	22.2%	20.6%	-3.3%
Multi-Family	-14.6%	24.8%	-0.5%	-55.5%
Growth in the Value of Nonresidential Construction ¹	-7.0%	24.0%	26.3%	-7.7%
Retail	24.1%	-0.2%	5.5%	-10.0%
Offices	24.9%	-9.3%	21.1%	-28.2%
Factories	-73.5%	145.8%	144.2%	-53.0%
Retail Trade Sales ³	6.3%	4.9%	6.2%	-0.7%

¹Year-to-date.

²Year-to-date through August 2005.

³Year-to-date through July 2005.

Source: Colorado Department of Labor and Employment, Colorado Department of Revenue, F.W. Dodge, and U.S. Bureau of the Census. Employment growth is computed from wage and salary employment data by place of work.

The San Diego Regional Economic Development Corporation ranked Denver second in the nation behind Seattle in their 2005 Sustainable Competitiveness Index. The index ranks cities on a number of factors including overall economy, environment, and equity. Furthermore, Money magazine reports that Louisville is the fifth best place to live in the nation followed by Moorestown, New Jersey; Bainbridge Island, Washington; Naperville, Illinois; and Vienna, Virginia. The ranking is based on economic growth, housing appreciation, crime rate, proximity to cultural activities, and quality of education.

Colorado Economic Indicators

Employment

In September 2005, Colorado employment rose 2.2% compared with 1.0% growth in September 2004. Key industries registering job gains include leisure and hospitality, natural resources and mining, professional and business services, and retail trade. Meanwhile, the September 2005 Colorado unemployment rate dropped to 5.1%, down 0.3 percentage points from the 5.4% rate posted September 2004.

Recent announcements of new hiring in Colorado include:

- United Launch Alliance, a joint venture of Lockheed Martin and Boeing, will relocate 1,000 administrative, engineering, and support positions from California to the Denver area by year-end 2005. The estimated annual pay for these positions is \$75,000.
- Upon completion in December 2005, the Hyatt Regency Hotel in Denver announced plans to hire 560 guest services, housekeeping, engineering, food service, accounting, and human resource positions. The estimated annual pay will range from \$20,000 to \$75,000.
- Barclays credit card company is opening a new call center by January 2006. The Colorado Springs financial services center will be staffed with 450 credit analysts, customer service representatives, and human resources employees.
- TIAA-CREF announced they would add 150 positions at their downtown Denver office by December 2005. The majority of the jobs will be customer oriented.
- Oregon Steel Mills, Inc. will add 150 new employees over the next year to its Pueblo plant. The jobs are expected to pay \$48,000 per year.
- KeyCorp announced plans to hire up to 145 people at its equipment-leasing unit in Boulder over the next two years, bringing their local work force up to 400 people.
- Cingular Wireless will hire 130 employees in the metro-Denver area upon completion of its 25 new retail stores by year-end 2005.
- Washington Group International Inc. will add 100 project managers and engineers to its oil and gas sector during the next 12 months. The construction and engineering company currently employs over 800 people in Denver.
- Twentymile Mine near Steamboat Springs will add 80 mining positions to expand its coal production from 8.7 million tons to 12 million tons by 2008. The mine currently employs 400 people.

Recent announcements of layoffs in Colorado include:

- As a result of the nation-wide base closing legislation, the Defense Finance and Accounting Services closed its financial center housed at Lowry Air Force Base, affecting 746 employees.
- Mervyns LLC will close 10 of its 11 Colorado stores by January 2006 affecting 746 employees.
- Albertson's Inc. announced plans to close three of its 52 Colorado stores by November 2005. The closure will affect 200 employees.
- Centrix Financial dismissed 150 employees due to newly released regulatory guidelines which lowered loan volumes.
- EAS Inc. will close its headquarters in Golden affecting 115 workers. The nutritional supplement company will continue its operations in Columbus, Ohio.
- Denver-based Janus Capital Group plans to cut 40 administrative and information technology positions lowering its current work force to approximately 1,000 people.

Bankruptcies and Foreclosures

The number of Coloradans filing for bankruptcy through September 2005 increased during the first nine months of 2005. As of September 2005, public trustees recorded 28,093 cases, a 31.2% increase compared with the 21,416 filings recorded through September 2004. The rise is attributed to new federal legislation — The Bankruptcy Abuse Prevention and Consumer Protection Act of 2005 — which was effective October 17, 2005. The new federal guidelines establish a means test for Chapter 7 bankruptcy, raises the priority for payments of domestic support obligations, places limits on the homestead exemption, and requires credit counseling prior to bankruptcy filing. Meanwhile, home foreclosures in the seven-county Denver area continued to climb during the first nine months of 2005. Public trustees recorded 10,496 foreclosures through September 2005, a 15.3% increase compared with the same period last year.

Energy

Tri-State Generation and Transmission Association announced plans to double its power capacity. The \$5 billion plan would allow the second-largest electrical Colorado utility to increase production over a 15-year period. Additionally, the plan includes both a 1,200-megawatt and 600-megawatt facility in southwest Kansas and southeast Colorado, respectively. The project is scheduled to be completed between 2013 and 2020.

Kinder Morgan Energy Partners, L.P. and Sempra Pipelines & Storage announced plans for a 1,500-mile natural gas pipeline connecting the Rocky Mountain region to the Midwest and Eastern United States. The \$3 billion pipeline will move up to two billion cubic feet per day from production fields beginning in 2008.

According to the Potential Gas Committee, the Rocky Mountain region was the only region in the United States to show an increase in potential natural gas resources. In 2004, the Rocky Mountain region supplied 191.4 trillion cubic feet to the nation — a 9.3% increase — compared with 175.1 trillion cubic feet in 2002.

In 2004, 12 active coal mines were producing 39.9 million tons of coal in the state, making Colorado the seventh leading producer in the country. This is a 10.8% increase compared with 36 million tons mined in 2003. According to the Colorado Mining Association, Colorado has nearly 16.5 billion tons of coal reserves that could last approximately 400 years if mined properly. Colorado's largest coal mine, Twentymile Mine, produced approximately 10 million tons of coal in 2004 and plans to extract 12 million tons of coal by 2008. In response to increasing demand, Union Pacific Railroad announced plans to add 525 cars for coal transportation and 312 locomotives, which are expected to haul 19.2 million tons from the town of Somerset in 2005.

Production of the metal uranium is increasing in Colorado. Four active uranium mines are currently operating on the Uravan Mineral Belt, increasing production to keep pace with surging global demand. Uranium gained importance with the development of nuclear energy and is used for photographic toner, electrical power, and nuclear explosives. According to the United States Geological Survey, more than 8,500 mining permits have been filed in both Colorado and

Utah. In 2004, uranium prices increased from \$7.50 per pound to \$20 per pound, prompting many Colorado uranium mines to reopen.

Population

According to the U.S. Bureau of the Census, Greeley is the fastest growing metropolitan area in the nation followed by St. George, Utah and the Las Vegas-Paradise, Nevada metropolitan areas. Between 2000 and 2003, the Greeley metropolitan area grew 8.5%, reflecting nearly 6,500 new residents. Additionally, Weld County grew 16.8% adding 30,000 new residents between 2000 and 2003. Population gains in 2003 were primarily in the southwest corner of Weld County and along the I-25 corridor. Furthermore, Mesa County's population grew 8.3% from July 2000 to July 2004, increasing by approximately 10,000 people. According to the U.S. Bureau of the Census, Mesa County's population growth was 12th fastest among counties in the state during this period. Overall, between 2000 and 2003, Colorado's population grew 5.2%.

Colorado Construction Activity

Residential Construction

The U.S. Bureau of the Census reported that the total number of Colorado housing permits issued through August 2005 declined 0.9% compared with August 2004. Additionally, the number of single-family home permits increased 1.6% compared with August 2004, while multi-family home permits decreased 14.6%.

On average, the year-to-date price of a single-family home in metro Denver was \$306,740 in September 2005, 5.7% higher than year-to-date September 2004. The average price of a condominium rose to \$193,492, a 7.0% increase compared with year-to-date September 2004. Meanwhile, the number of homes on the market in August 2005 fell 8.6% compared with September 2004.

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According to the Denver Metropolitan Area Quarterly Apartment Vacancy and Rent Survey, the Denver-area rental market is improving. In second quarter 2005,

the vacancy rate declined to 8.0% compared with 9.3% in first quarter 2005. However, second quarter average rent decreased to \$826.49 compared with \$833.51 in first quarter 2005. Overall, improvement in the rental market is attributed to increased interest rates, which are hampering people from entering the housing market, and employment growth.

Several noteworthy new residential construction projects were recently announced:

- Metropolitan Homes broke ground on a \$200 million project in Denver's Inverness Business Park. Vallagio will include 469 condominiums, townhomes, and villas priced from the upper \$200,000s to \$800,000 and range in size from 970 square feet to 3,100 square feet. Construction will be completed by spring 2009.
- Bancroft Capital released plans for a \$142 million mixed-use development in Boulder. The Peloton will include 390 condominiums and 17,000 square feet of retail and office space. Upon completion in 2007, each unit will range in price from \$300,000 to \$800,000.
- Development company KB Homes announced plans to build a 106-acre, \$100 million residential development site in Longmont. Harvest Junction will include 450 townhomes, duplexes, and single-family homes priced from the high \$100,000s to \$250,000.
- Construction began on a \$20 million assisted living community in Littleton. Morningstar Littleton will include 85 living units, nursing station, dining hall, movie theatre, and bistro totaling 71,000 square feet. The new facility will be completed in late 2005.

Nonresidential Construction

F.W. Dodge reports that the value of Colorado nonresidential building construction fell 7.0% in August 2005 compared with year-to-date August 2004. *Retail* and *office space* construction rose 24.1% and 24.9%, respectively. Meanwhile, the value of *factory* construction fell 73.5%, while the value of *other* construction — amusement, education, and public buildings — fell 13.7%.

According to a report by Frederick Ross Company, Denver office vacancies decreased slightly to 19.5%

mid-year 2005 compared with 21.6% mid-year 2004. Vacancies in the Central Business District, Denver's second largest submarket, declined slightly to 15.5%, reflecting positive absorption of approximately 315,000 square feet. Meanwhile, the industrial market in the Denver area saw modest improvement with vacancy rates declining to 6.6% in mid-year 2005 compared with 7.1% in mid-year 2004.

Nonresidential construction projects announced during the past month include:

- A new project at the Denver Seminary redevelopment site will include 350 condominiums and townhomes, retail shops, and a private club. The Esplanade Club is valued at \$500 million and will generate between \$750,000 and \$1 million in sales and property tax revenue annually.
- Alberta Development Partners LLC announced plans to build a 950,000-square-foot retail and housing development in Denver. The \$250 million Streets of Southglenn redevelopment is scheduled to be completed in spring 2008.
- In Commerce City, construction began on the Prairie Gateway sports complex. The \$131 million, 1,000-acre project will include, among other amenities, a 20,000 seat soccer stadium, two soccer fields, 20 practice fields, offices, and a retail center. The first phase of development is scheduled to be completed in spring 2007.
- Forest City Development Partners recently broke ground on The Orchard Town Center complex in Westminster. The \$113.6 million, 900,000-square-foot plan will include office and residential space, upscale retailers, and eateries. The first phase of construction is scheduled to be completed by October 2006.
- Zeppelin Development Inc. will begin construction on a \$20 million, 600-foot long office and condominium building along the South Platte River. The facility will include 43 condominiums, fitness center, and a café.
- Children's Hospital will build a 12-room pediatric hospital in Denver. The 17,500-square-foot, \$18 million facility will include exam, treatment, and laboratory services. The project is scheduled to be completed in late 2007.

- Nunn Construction Inc. unveiled plans for \$15.6 million worth of additions and renovations to Carson Middle School in Colorado Springs. The project will include 108,800 square feet of new additions and 29,000 square feet of renovations. The project is scheduled to be completed by August 2006.
- Denver Public Schools awarded a \$13.9 million contract to Roche Construction Inc. to begin construction on the new Montbello Village Place K-8 school. The 117,000-square-foot, two-story school is scheduled to open in August 2006.
- Loveland unveiled plans for a \$10 million Residence Inn by Marriott. The hotel is the third of its kind in the master-planned Centerra community and will include 103 suites, swimming pool, Jacuzzi, exercise room, and meeting rooms starting at \$95 per night. The project will be completed by February 2006.
- Mesa County School District is working on several construction projects in Grand Junction. The first, a 700-square-foot expansion of West Middle School, will include a larger library and administrative offices worth \$3.5 million. Central High School will add three new art rooms and expand its cafeteria for \$4.7 million. Finally, Grand Junction High School will add a new gymnasium and improved electrical wiring throughout the school for \$6.9 million. Construction on West Middle School and Central High School is scheduled to be completed by September 2005 and March 2006, respectively, while Grand Junction High School will break ground in late 2005.
- JHL Constructors Inc. began construction on \$4.2 million in additions and renovations to Colorado Community Church in Cherry Hills Village. The project will add 26,000 square feet of new additions to the campus and 15,000 square feet of renovations.
- Construction began on the \$4.2 million Colfax Central retail development center. Upon completion in January 2006, the project will include 14,186 square feet of quick-serve restaurants and retail space.
- Airport Resort Parking LLC began building 347 personal garage units at Denver International Airport. The \$4 million project will feature 24-hour access, remote and keypad entry, and car services. The units will range in price from \$15,000 to \$40,000 for five, 10, and 20 year leases. The first 30 garages will be completed by late October 2005.
- The University of Northern Colorado is adding 460 parking spaces on campus. The \$4 million project will be completed by May 2007.
- In Littleton, construction began on a \$2 million, 19,000-square-foot office building. The three-story Piazza DeCarlo will be completed in late 2005.

Colorado's Industrial Sectors

Advanced Technology

According to Strategy Analytics, Colorado homes and businesses with high-speed internet service increased 46% in 2004. Additionally, 332,926 cable modem lines and 248,285 DSL lines were in service in the state as of year-end 2004. Within the Denver area, DSL service is currently available to more than 80% of businesses and households.

The National Geospatial-Intelligence Agency has awarded two Colorado based satellite-image companies — Space Imaging and DigitalGlobal — with government contracts to acquire high-resolution Earth images. The contracts for Space Imaging and DigitalGlobal were worth \$96 million and \$120 million, respectively. An additional \$5.9 million and \$6.1 million were awarded to both companies in July 2005. The equipment produces images for military planning, intelligence activities, and damage assessments.

The Governor's Office of Economic Development and International Trade, the University of Colorado's Leeds School of Business, and federal and private sponsors awarded \$300,000 to nanotechnology advancement and research in September 2005. Nanotechnology refers to the creation of devices, materials, and systems through the manipulation of individual molecules and atoms. Approximately 30 Colorado companies and academic institutions are currently involved in nanotechnology development. According to a report by Lux Research, Colorado ranked third in the nation for nanotechnology development potential in 2004.

Agriculture

Prices received by Colorado farmers in mid-September 2005 were higher for wheat and lower for corn, steers, and heifers. Additionally, calve prices were relatively flat compared with mid-September 2004. The mid-September 2005 price of winter wheat rose 1.9% compared with mid-September 2004 while the price of corn fell 21.5% during the same period. Steer and heifer prices decreased 0.9% during this period.

According to the Colorado Association of Wheat Growers, Colorado ranks 13th nationally in winter wheat production and ranks 11th in total export production. The state's wheat industry exported 61.6 million bushels of wheat during the 2003-2004 harvest, totaling \$206.4 million.

“... Colorado ranks 13th nationally in winter wheat production and ranks 11th in total export production.”

Manufacturing

Colorado's manufacturing sector continued to expand in September 2005. According to the Front Range Purchasing Managers Index, Colorado's score rose in September 2005 to 56.8 compared with 54.7 in August 2005. A score above 50 indicates an increase in economic activity, while a score below 50 indicates a decline. September's expansion reflects an increase in new orders and raw material inventory compared with August 2005.

Tourism

Average occupancy and hotel rates are accelerating according to a recent report by the Rocky Mountain Lodging Association. In June 2005, Colorado hotels posted a 70.6% occupancy rate compared with 66.9% in June 2004 and the average room rate rose to \$100.41 from \$91.83 during the same period. In metro Denver, hotels posted a 77.6% occupancy rate compared with 71.2% in June 2004 and the average room rate rose to \$91.99 from \$84.76 during the same period.

In 2004, the Denver Metro Convention and Visitors Bureau reported \$277.5 million in spending generated by visitors to the Denver area, 6.1% higher than the \$261.7 million generated in 2003. This was the best year since 2001 for total spending. In 2004, convention

delegates occupied 218,602 room nights compared with 197,043 in 2003, a 10.9% increase. After the completion of the \$310.7 million Convention Center expansion in December 2004, the current number of conventions booked in 2005 is 38, a 31.0% increase compared with 2004. The Bureau also reported that total overnight visits in the Denver area increased to 9.9 million in 2004 compared with 9.7 million in 2003.

According to a Longwoods International annual study, 16th Street Mall was Denver's number one attraction in 2004 followed by Lower Downtown's historic district, Cherry Creek shopping district, FlatIron Crossing, and the Outlets at Castle Rock. Additionally, visitors to the state spent approximately \$39 per day and Colorado guests stayed on average 6.3 nights in 2004, up 8.6% from 2003. The Colorado 2004 Travel Year Study reported that 25.9 million visitors to the state had at least one overnight stay in 2004, up 3.6% from 24.9 million in 2003.

In August 2005, approximately 4.1 million people traveled through Denver International Airport, setting a new record as the third busiest month in the airport's history. The 2.8% increase brings the total year-to-date passenger total to 29.5 million. According to the Bureau of Transportation and Statistics, Denver International Airport fell behind Phoenix Sky Harbor Airport and Las Vegas McCarran Airport in plane boardings through the first six months of the year.

“In August 2005, approximately 4.1 million people traveled through Denver International Airport...”

The state's mountain resorts reported an increase in the number of visits during the 2004-2005 ski season. Skier visits totaled 11.8 million, increasing nearly 5% compared with 11.3 million visits reported during the 2003-2004 season. Moreover, resorts reported a 3.2% increase in destination skiers. Destination skiers are visitors who stay several nights and thus, spend money on lodging, shopping, food and drinks. Additionally, Vail Resorts Inc. posted a 5.4% gain in skier visits for the 2004-2005 ski season with 1.57 million skier visits throughout the season.

According to Ski Magazine, Colorado has 10 of the top 20 ski resorts in North America. In the magazine's annual ranking, Vail ranked second, Snowmass fourth, Beaver Creek sixth, Breckenridge seventh, and Aspen eighth. Additionally, the Echo Mountain Snowboard

and Ski Park will reopen for the 2005-06 ski season. Formerly named Squaw Pass Ski Area, Echo Mountain is located 35 miles from downtown Denver and will offer lift-tickets ranging from \$30 to \$40. After closing in 1975, the renovated 250-acre ski area will include rail slides, snowboard, ski, and snowshoe trails.

Venture Capital

According to the MoneyTree survey, Colorado venture capital investments in second quarter 2005 totaled

\$144.5 million, an 11.0% increase compared with second quarter 2004. During the quarter, 18 companies received funding. Biotechnology companies received the largest share, over 27% or \$40.2 million, while computers and peripherals received \$32.1 million. Capital Hunter, a private research and consulting firm reported the two companies receiving the largest amount of venture capital were InPhase Technologies (\$32 million), a holographic storage company based in Longmont and Local Matters (\$15 million), a Denver-based Internet search company.