



Colorado Economic Chronicle

A Research Newsletter

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Effective with the January 2000 issue, the Colorado Economic Chronicle will be published via the Internet only. You can be notified when the latest Chronicle is available by sending your e-mail address to lcs.economist@state.co.us with the message "Please notify me when the Chronicle is published." Because the Chronicle is currently sent to you via bulk mail, you will receive the latest economic news on a more timely basis via the Internet publication of the Colorado Economic Chronicle.

National Economy

The nation's economy continues to steam along, according to data released during the past month. Inflation-adjusted gross domestic product (GDP) increased 5.5% in the third quarter, significantly stronger than previously estimated. At the same time, corporate profits increased substantially, despite \$6 billion in insurance company losses due to Hurricane Floyd. The strong GDP growth was primarily caused by increases in personal consumption expenditures, nonresidential fixed investment, and exports. In addition, the GDP deflator signaled continued low inflation in the economy. It is difficult to believe that the nation can maintain such high growth without an increase in inflation, however. Labor markets are extremely tight, with the unemployment rate hovering at 4.1% and unemployment claims falling dramatically. Claims have remained below the 300,000 level that is indicative of a tight labor market for 19 consecutive weeks.

"It is difficult to believe that the nation can maintain such high growth without an increase in inflation . . ."

Consumers remain confident in the economy and their continuing spending spree is leading the national economic expansion. **Consumer confidence** increased well above expectations in November after a four-month decline. Purchasing plans for interest rate sensitive items weakened, however. November's rise in confidence was partially sparked by a strong rise in **personal income** in October. Income grew at its fastest rate since April 1994. The increase was led by manufacturing union contract signing bonuses and subsidy payments to farmers. **Retail sales** in October were 8.5% higher than a year ago. **Consumer spending** rose at an annual rate of 4.3% in the third quarter of 1999, following a robust 5.1% growth rate during the second quarter.

The nation added 234,000 jobs during November as unseasonably warm temperatures allowed considerably more construction to take place than normal. The **unemployment rate** remained unchanged from October at 4.1%. This rate is the lowest since January 1970. The tight labor markets constrained job growth in November. The retail trade sector added only 1,000 jobs despite needing to hire staff for the holidays.

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The National Association of Purchasing Managers **manufacturing** index fell slightly in November, but remains solidly above the 50% level that indicates growth in the sector. The employment index also indicates expansion in the industry, but actual employment in the sector continued to decline, falling by 2,000 workers during November. The demand for manufactured exports has been increasing along with overall production activity, creating the foundation for a turnaround in the job picture in coming months. On the negative side, orders for durable goods, items expected to last at least three years, fell in October by 1.3% and factory orders dropped 0.9% in September.

News in the **construction** sector was mixed during the past month. After showing signs of weakness in September amid interest rate increases, new home sales rebounded in October by 16.3% to a record annual pace. In addition, **housing starts** increased 0.1% and building permits climbed 5.2%. Interest rate increases may be impacting the **existing home** market, as sales declined 6.6% during October. Sales also declined in September and prices remained flat. Available housing for sale has been declining, however, which should boost prices in the short term. Some of the lag in sales resulted from buyers being unable to find what they want amidst low supply. Despite the declines, sales of existing homes are still very strong relative to historic levels. Overall

construction spending was essentially flat during October. While there is weakness in the retail and industrial sectors, low vacancy rates for office space are causing an increase in office construction that is helping to maintain overall construction levels. Increased federal funding for highway construction will help boost public construction spending during the next year.

Inflation at the **consumer** level increased 0.2% during October, slowing from the 0.4% gain experienced in September. This increase was the smallest since June and leaves prices up 2.0% over the last twelve months. Consumer prices increased only 1.6% during 1998. **Producer prices**, on the other hand, declined 0.1% in October after spiking higher in September. Producer prices have risen an average of just 0.1% during the last 12 months, but October's seasonally-adjusted index value is 2.7 percent higher than a year earlier.

The national economy continued to experience strong growth during the last few months. Inflation remains modest despite the strong economy and tight labor market. Consumer spending, which has been driving the national expansion for years, continued to be strong and the housing and other construction markets were bolstered by warm temperatures despite increased interest rates.

Colorado Economy

Colorado's economy continued to be healthy through October and November. A shortage of skilled workers has slowed employment growth, but the outlook for holiday retail sales looks robust and construction growth remained strong despite rising interest rates. Meanwhile, the tourism industry is healthy with growing DIA passenger traffic, lodging nights, and gambling revenues. The ski industry, however, is suffering because of low snowfall.

up from 2.8% in September. The unemployment rate averaged 2.9% through October.

Job gains occurred in several industries during October and November. Investment bank Tucker Anthony Cleary Gill moved its headquarters to Denver and will

Employment

Colorado's nonfarm employment grew 2.3% through October 1999 compared with the same time period in 1998. Although still healthy, employment growth has been slowing through 1999, primarily due to a shortage of skilled labor. The seasonally adjusted unemployment rate remained low at 3.0% in October,

Colorado's Economy at a Glance

<i>Key Indicators</i>	<i>Direction</i>	<i>Assessment</i>
Nonfarm Employment Growth	↑	Good
Unemployment Rate	↑	Good
Mortgage Rates	↑	Bad
Retail Trade Sales	↑	Good
Home Resales	↓	Good
Nonresidential Construction	↑	Good
Colorado Inflation Rate	→	Good

hire between 30 and 60 people within the next few years. Circuit City hired 100 people to staff a new store in Boulder. Information technology firm XOR Network Engineering will hire 250 people before the end of 2000, and Walker Manufacturing will hire 100 within the next few years to staff an expansion of their lawnmower manufacturing plant. In addition, the U.S. Air Force expects to increase employment at Buckley Air National Guard Base by 270 after it assumes responsibility for the base in October 2000. Meanwhile, advanced technology firm Level 3 continued its frenzied pace of hiring in Broomfield.

Job losses occurred in the services, advanced technology, manufacturing, and transportation sectors. CountryWide Telecommunications closed down its call center in Pueblo, laying off 30 people. Airline cargo carrier Atlas Air will move its headquarters from Golden to New York, taking along 55 employees. Pharmaceutical manufacturer Atrix Laboratories laid off 13 people in Fort Collins, and food processor Agri Sales Inc. closed its plant in Mead, laying off or relocating 4 people. Storage Technology Corp. laid

off 350 in Louisville, Centrobe laid off about 25 people in Boulder County, and Colorado's shortage of skilled workers in information technology led StarTek Inc. to move its headquarters and customer support operations from Aurora to Texas, laying off or relocating 140 people.

Residential Construction

According to F.W. Dodge, the number of residential units under construction increased 13.1% through October 1999, compared with the same time period in 1998. Most of the growth occurred in apartment construction, which increased 35.0% during the period. Meanwhile, construction of single-family homes increased 7.5%, and construction of multi-family homes declined 6.2%. While home construction continues to show strong growth, recent moves by the Federal Reserve Board to raise interest rates will have a slowing effect on the construction industry.

Colorado Division of Housing Apartment and Multi-Family Rental Market Indicators

Rental Market Area	Vacancy Rate		Average Rental Rate		
	February 1999	September 1999	February 1999	September 1999	Percentage Change
Northern Region					
Fort Collins/Loveland	4.4%	2.9%	\$655	\$668	2.0%
Greeley	5.7%	4.7%	\$532	\$564	6.0%
Southern Region					
Colorado Springs	5.7%	4.1%	\$592	\$610	3.1%
Pueblo	6.0%	5.0%	\$422	\$428	1.5%
Western Region					
Grand Junction	7.3%	4.5%	\$439	\$460	4.9%
Glenwood Springs	1.0%	2.3%	\$689	\$704	2.1%
Durango	3.8%	3.5%	\$608	\$639	5.1%
Mountain Region					
Aspen	0.3%	0.6%	\$1,112	\$1,096	-1.4%
Eagle County	0.1%	0.4%	\$948	\$958	1.1%
Summit County	1.0%	3.2%	\$775	\$780	0.7%
Lake County	1.9%	4.5%	\$534	\$555	4.0%
Eastern Plains Region					
Fort Morgan/Sterling	1.9%	4.5%	\$284	\$350	23.4%

The existing-home market remained robust through November, despite rising mortgage interest rates. According to Perry and Butler, the dollar value of existing-home sales in the metro-Denver area reached a record \$8.1 billion through November, breaking the previous record of \$7.7 billion for all of 1998. The new record was driven by an increase in sales of larger and more expensive homes rather than by a uniform increase in the sale of homes at all price levels. While the average price of a single-family home rose 11.8% through November from \$185,565 to \$207,441, the number of homes closed through November fell 1.9%.

Increased demand in the rental market has pushed apartment and multi-family vacancy rates down and rental rates up in most areas of the state, according to the Colorado Division of Housing. Glenwood Springs and the mountain region are the exceptions, where rental vacancy rates have loosened slightly but remain the tightest in the state. For each market area in the Division of Housing survey, the table on the previous page lists the vacancy rate and average rental rate experienced in February 1999 and September 1999.

“Increased demand in the rental market has pushed multi-family and apartment vacancy rates down and rental rates up in most areas of the state . . .”

Plans were announced to build an \$8.5 million, 48-unit condominium complex on a vacant lot at Broadway and Third Avenue in Denver. The four-story building will feature retail on the first floor. Meanwhile, construction continues on the Overlook, a 160-unit condominium complex in Denver’s Highland neighborhood, and construction is nearing completion on the Franklin Lofts, a 32-unit complex in Lower Downtown Denver.

Construction began on a 63-unit apartment complex on the former site of Elitch Gardens Amusement Park in Denver. The Cottage Hill Senior Living apartment complex will rent to senior citizens ages 62 and older and will include some affordable-housing units.

Nonresidential Construction

According to F.W. Dodge, the value of nonresidential construction increased 26.0% through October compared with the same time period in 1998. The

growth was strongest in the manufacturing (up 160.9%), education and science (up 88.4%), public buildings (up 63.4%), and hospital and health treatment (up 63.0%) sectors. Declines occurred in the religious (down 27.6%) and commercial (down 0.9%) sectors.

Third-quarter vacancy rates in Denver’s office and industrial markets have been edging up slightly since 1998, according to the Frederick Ross Company. Just over 800,000 square feet of office space was completed during the third quarter, causing Denver’s office vacancy rate to increase from 8.4% in the second quarter to 8.9% in the third quarter. Denver’s office vacancy rate was 8.0% at the end of 1998. Denver’s industrial vacancy rate increased slightly from 7.5% mid-year to 7.6% in the third quarter. Meanwhile, Denver’s retail market retained a very low vacancy rate at 5.3%.

The University of Denver announced plans to begin construction on a \$50 million performing arts and education complex on its main campus during the summer of 2000. The 165,000-square-foot center will include a 1,000-seat opera/concert hall, a 250-seat recital hall, a flexible theater with a maximum capacity of 350 seats, and a five-story academic building for the Lamont School of Music. Meanwhile, the Denver Public Schools will open a new high school for the performing and visual arts at the music school’s current location in Park Hill. Construction on the new facility is expected to be complete in the fall of 2002.

“The University of Denver announced plans to begin construction on a \$50 million performing arts and education complex on its main campus during the summer of 2000.”

Level 3 Communications, which recently dedicated its world headquarters at Interlocken Business Park in Broomfield, announced tentative plans to build an additional 1 million square feet of office space in nearby Superior. Construction is nearly complete on their office complex in Broomfield, which will total 850,000 square feet. Level 3, which is building a high-capacity fiber-optic network, has hired 1,000 people for its Broomfield site this year, and expects to hire another 1,000 next year.

Plans were announced to begin construction on the Golden Corporate Center, a three-building, 116,500-square-foot office complex located at Interstate 70 and C-470. Construction began on Clear Creek Square, an 80,000-square-foot office and retail building in Golden. In addition, construction began on the first building of a \$22 million speculative office project in Highlands Ranch Business Park. The project will include two buildings, one with 72,000 square feet and the other with 75,000 square feet.

Revised construction plans were announced for a Westin Hotels & Resorts Hotel located at the Denver International Airport terminal. Construction on the 500-room, \$87 million hotel is expected to begin by the fall of 2000, and be finished by late 2002. The hotel will feature a 15-story tower, with 11 levels of guest rooms, a separate level for 40,000-square-foot of ballroom and meeting space, and three levels of underground parking. The hotel will also feature a separate parking garage with 2,000 spaces.

State Rankings

“According to a report by The Corporation for Enterprise Development, Colorado is tied with Utah for the best economy in the nation.”

According to a report by The Corporation for Enterprise Development, Colorado is tied with Utah for the best economy in the nation. Colorado received a grade of “A” on all three summary economic indicators: performance, business vitality, and development capacity. Performance includes indicators on employment, wages, and quality of life. Business vitality measures competitiveness, entrepreneurial activity, and economic diversity. Finally, development capacity includes indicators on education, lending activity, housing costs, and university research. The report indicated that Colorado has room for improvement in the sub-category of financial resources, which includes the ratio of bank loans to deposits and commercial and industrial loans.

Transportation

Passenger traffic at Denver International Airport, at 29 million passengers, was 4% higher through September

compared with the same time period in 1998. This growth is ahead of the pace set in 1998 which culminated in a record 37 million passengers. Meanwhile, Atlas Air announced plans to move its headquarters from Golden to New York, relocating most of its 55 Golden employees outside of the state. The cargo carrier company employs 1,200 people worldwide.

Advanced Technology

Storage Technology Corp. will lay off 350 people from its Louisville headquarters in a restructuring that will reduce its worldwide workforce by between 1,500 and 1,750 jobs. The 350 laid off from the Louisville location will include 100 temporary and contract workers. The restructuring is a result of poor earnings and a falling stock price. The information storage product manufacturer currently employs 3,700 people in Colorado and 8,700 people worldwide.

The Bureau of Labor Statistics (BLS) estimated that employment in information technology (IT) occupations, which include database administrators, computer engineers, systems analysts, computer support specialists, and all other computer scientists, will grow 75.4% nationwide between 1996 and 2006, while employment in all occupations will grow by only 14.0%. According to BLS, there are currently 12,000 empty IT positions in Colorado.

“. . . 15 Colorado firms are among the 500 fastest-growing technology companies in the United States.”

The local shortage of skilled workers in advanced technology led StarTek Inc. to relocate its headquarters and customer support operations from Aurora to Texas, and the company will either lay off or relocate 140 people. The 13-year old company, which offers logistics support, shipping, and customer service for e-commerce and Internet companies, has grown from 1,000 employees to 2,500 employees since 1995.

According to Deloitte & Touche Technology, 15 Colorado firms are among the 500 fastest-growing technology companies in the United States. The high number of firms underscores Colorado’s emergence as a mecca for advanced technology companies.

Tourism

According to a report by the Adams Group, tourism is healthy in Denver. Lodging nights grew 5.8% through the third quarter of 1999 compared with the same time period in 1998, and consumer spending grew 12.2%. A 2.1% decline occurred in attraction attendance, however.

Ski resort bookings throughout Colorado were down through the Thanksgiving weekend, and many resorts have postponed opening dates and limited the number of operating lifts. A Vail Resorts Inc. official indicated that some hotels have cut their rates by as much as 50%. A Snowmass Village Resort Association official indicated that, as of early November, advanced bookings through central reservations are down 25% for December. Aspen Central Reservations indicated that advance bookings for December were down 12%, but were up 26% for January and 6% for March.

Gaming

Since 1990, when voters approved limited-stakes gaming, developers have completed a total of \$639 million of construction on casinos within the Black Hawk city limits. An additional \$184 million is currently under construction. This includes a \$29 million addition to the Isle of Capri Casino, the \$80 million Riviera Casino, and the \$75 million Mardi Gras Casino (opening in March 2000). In addition, plans have been announced to construct three additional large casinos, with total construction costs projected at \$570 million.

“Gaming has boomed in Colorado’s three gaming towns of Black Hawk, Central City, and Cripple Creek since the casinos’ doors opened in October 1991.”

Gaming has boomed in Colorado’s three gaming towns of Black Hawk, Central City, and Cripple Creek since the casinos’ doors opened in October 1991. Adjusted gross proceeds (AGP), or total revenues less awards, grew at an average annual rate of 13.0% in the three towns combined between 1993 and 1998. AGP in Black Hawk alone grew at an average annual rate of 19.4% during the same time period and accounted for 56.8% of the state’s AGP in 1998. Central City, which

brought in 19.6% of the state’s adjusted gross proceeds in 1998, has seen an average annual growth rate of only 3.5%. Finally, Cripple Creek, which brought in 23.6% of the state’s AGP in 1998, grew at an average annual rate of 10.5%.

Meanwhile, Colorado’s gaming towns produced a total of \$47.8 million of AGP in October, up 14.8% from October 1998. Furthermore, AGP for the first four months of the fiscal year were up 13.5% compared with the same time period a year ago. According to the Division of Gaming, warm weather contributed to higher than expected revenues during October and November, although November’s AGP is not yet available.

Venture Capital

According to a survey by PricewaterhouseCoopers, 38 companies located in metro-Denver and Colorado Springs received \$307.2 million in venture capital dollars during the third quarter of 1999, and nearly \$700 million through the first three quarters. This is well above the record set last year of \$519.4 million for all of 1998. The majority of the companies were in the advanced technology sector.

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

Indicator	October 1999	September 1999	1998 Annual Average
Nonfarm Employment * Growth	2.3%	2.4%	3.6%
Unemployment Rate ∇ * (Seasonally adjusted)	3.0	2.8	3.8
Housing Permit Growth §	13.2	13.9	-0.5
Single-Family	7.5	8.3	26.6
Apartments	35.0	36.1	-42.5
Growth in Value of			
Nonresidential Construction §	26.0	21.6	-22.0
Retail	20.0	4.2	-15.3
Offices	6.1	1.5	9.5
Factories	157.6	-53.2	-70.5

∇ 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% through the first half of 1999, following a 2.4% rate in 1998.

Metropolitan Denver

Investment bank Tucker Anthony Cleary Gill, which currently employs 40 people in Denver, moved its headquarters from Milwaukee to Denver and expects to employ between an additional 30 and 60 people here within the next few years. The investment bank, which began doing business in Denver in March 1998, employs 200 people in seven cities nationwide and ranked 23rd in the nation during the third quarter of 1999 in merger and acquisition deals.

A survey of 2,000 business executives nationwide conducted for the real estate company Cushman & Wakefield lists Denver as the nation's most desirable city in which to work. Denver ranked high for its recreational and leisure resources, job prospects, business support services, and opportunities in technology occupations. Denver ranked low for its tax burden and congestion.

"A survey of 2,000 business executives nationwide conducted for the real estate company Cushman & Wakefield lists Denver as the nation's most desirable city in which to work."

The U.S. Small Business Administration guaranteed 532 real estate loans to small businesses for a total of \$169 million in the Rocky Mountain Region during fiscal year 1999, up 20% from 1998. The Small Business Administration estimated that one job is created for every \$35,000 the agency guarantees.

Buckley Air National Guard Base in **Aurora** will be converted to an active-duty Air Force Base rather than an Air National Guard Base in October 2000. The U.S. Air Force is expected to add up to 270 jobs on the 3,250-acre base as a result.

Denver-based TeleTech Holdings Inc., an Internet, e-mail response, and telephone services manager, was awarded two major contracts in November. First, they will assist Ford Motor Co. in the centralization of the automobile manufacturer's worldwide customer service operation. The 25-year Ford Motor Co. contract is worth more than \$500 million annually. Second, they will provide customer service for Blockbuster Inc.'s new e-commerce site on the World Wide Web, a deal worth between \$12 million and \$15 million. The number of new employees required by

the two contracts has not been specified. TeleTech employs 14,000 people in 29 locations worldwide.

Plans were announced to build a hospital in **Castle Rock** featuring 24-hour emergency services, surgical services, a family birthing center, physical and occupational therapy, primary care, and specialty physical services. Although plans indicate an expected opening date for September 2001, the location has not yet been finalized.

Boulder County

According to a report by the Boulder Economic Council, Boulder County's economy has remained extremely healthy throughout the 1990s. Employment in Boulder County grew at an average annual rate of 4.3% between 1990 and 1998, slightly higher than Colorado's average annual growth rate in employment of 3.8% during the same time period. More than half of the growth (52.4%) occurred in the services sector, with the retail sector and manufacturing sector also contributing. Furthermore, the City of Boulder's share of the county's employment fell from 63.5% in the first quarter of 1994 to 58.6% in the third quarter of 1998. Meanwhile, the average annual wage in Boulder County increased 14.1% in a single year, from \$33,158 in 1997 to \$37,825 in 1998, while the median price of a single-family home in the county was \$208,322 in 1998, up 41.2% from its level five years earlier. The report indicated that the largest problem facing the local economy is the stress caused by employment growth that is outpacing population growth, creating pressures on the transportation, educational, and telecommunications infrastructure. Boulder County's population grew at an average annual rate of 2.2% between 1990 and 1998.

"Employment in Boulder County grew at an average annual rate of 4.3% between 1990 and 1998, slightly higher than Colorado's average annual growth rate in employment of 3.8% during the same time period."

According to F.W. Dodge, the value of nonresidential construction in Boulder County increased 42.8% through October compared with the same time period in 1998. Most of the growth occurred in the education/science and commercial sectors, while

declines occurred in the hospital and health treatment, public buildings, and religious sectors. Meanwhile, residential construction in Boulder County is up 1.1% during the same time period, with declines in single-family housing and a compensating increase in the construction of multi-family housing.

Boulder-based Centrobe, a customer-relations services company, laid off approximately 1% of its Colorado workforce, or around 25 people, as a result of a restructuring of its parent company Electronic Data Systems. Centrobe employs 2,500 people in Longmont, Louisville, and Boulder.

Boulder-based XOR Network Engineering announced plans to add 250 jobs before the end of 2000. Currently employing 100 people in Boulder, XOR designs, builds, and operates transaction-oriented Web sites for large companies. Meanwhile, Circuit City opened a 30,000-square-foot store in Boulder in November and hired 100 people to staff the store. The store is the eighth Circuit City store to open in the metro area since 1995.

The **Broomfield** City Council approved a financial plan in November that increased the cost of creating the City and County of Broomfield from \$20 million, estimated in 1997, to \$54 million. Included in the financial plan is more than \$37 million for new and expanded buildings and \$13 million for start-up expenses, which include setting up a debt service reserve.

Construction will begin in January on the Flatiron Marketplace, a 70-acre retail development across the street from the FlatIron Crossing Mall, which is currently under construction. The 684,371-square-foot Flatiron Marketplace will include retail, restaurants, and as many as 450 hotel rooms in the first phase of development. In addition, a shuttle-bus system is being designed to reduce traffic in the area. Broomfield City officials estimated that Flatiron Marketplace will generate in excess of \$3 million in annual sales tax revenues.

Southern Region

The U.S. Department of Veterans Affairs (VA) announced tentative plans to close its hospital in **Fort Lyon** and allow the state of Colorado to convert it into a new prison for 1,000 elderly and mentally ill

inmates. The VA also announced plans to open three new outpatient clinics in southern Colorado. The 77-year old hospital, which is located on 566 acres on a former army base east of **Las Animas**, was ranked the second most inefficient VA facility in the nation.

"The U.S. Department of Veterans Affairs (VA) announced tentative plans to close its hospital in Fort Lyon and allow the state of Colorado to convert it into a new prison for 1,000 elderly and mentally ill inmates."

CountryWide Telecommunications closed down its new call center in **Pueblo** after having been open for less than a month, laying off 30 people. The company had planned on hiring 175 people before the end of the year, and a total of 550 people within the next three years.

A congressional proposal to form a national park at the Great Sand Dunes, located at the southern base of the Sangre de Cristo Mountains, is gaining momentum. The proposal would add approximately 62.5 square miles of land to the current 39-square-mile national monument created in 1932. According to the Alamosa Chamber of Commerce, more than 300,000 people visit the Great Sand Dunes each year.

Northern Region

Commerce City-based TD Machine Inc., a manufacturer of oil-field equipment, will move its Commerce City office to **Fort Lupton** by the end of the year, relocating 18 employees. The company will move into a newly renovated 10,000-square-foot building next door to its partner-company, Production Control Service, Inc.

Walker Manufacturing Co. announced plans to expand its **Fort Collins** facility by 100,000 square feet in the spring of 2000 and hire as many as 100 additional people over the next few years. The lawnmower manufacturer currently employs 135 people in a 116,000-square-foot facility in Fort Collins. Meanwhile, Woodward Governor Co., located in Fort Collins and Loveland, was awarded a contract by General Motors to supply PG Rail governors for 1,000 Union Pacific locomotives that will be built by a GM division.

Atrix Laboratories Inc. laid off 13 people, or approximately 12% of its workforce, in Fort Collins as part of a restructuring designed to cut costs. Atrix manufacturers Atridox, a treatment for gum disease. Additionally, Michigan-based Agri Sales Inc. will close its bean-handling and processing plant in **Mead**, either laying off or relocating four people to its expanded plant in Garland, Wyoming.

Plans were approved to build a 48,000-square-foot Safeway store in **Delta** off of Highway 92. In addition, two 8,400-square-foot retail spaces will be built on either side of the store. Aspen Skiing Co. announced rough plans to build a major resort center on 15-acres known as Base Village in **Snowmass Village**. Preliminary plans include a major residential development, chairlifts accessing both the east and west sides of the mountain, community amenities, and retail space.

Western and Mountain Region

Plans were announced to build a community center in Glenwood Springs. Construction on the center, which will include a theater, rehabilitation center, day care, fitness room, two pools, and a dance studio, will begin in the spring of 2000.

“Aspen Skiing Co. announced rough plans to build a major resort center on 15-acres known as Base Village in Snowmass Village.”

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 October 1999)	0.6	\$2.6	\$2.1	\$2.6	1.5	2.7	1.5	-0.2	3.3	2.7	0.6	2.6	2.7	0.8
Unemployment Rate ⊗ ◆ (not seasonally adjusted) (in October 1999)	3.8	2.7	3.3	2.4	3.2	2.9	3.2	3.4	2.3	3.9	4.5	3.2	3.1	3.1
Retail Trade Sales Growth ∇ (through September 1999)	0.4	9.7	7.4	9.0	8.2	7.4	6.1	2.2	8.8	5.3	4.2	0.8	6.8	-3.7
Housing Permit Growth * (through October 1999)	8.8	1.1	21.9	12.2	-20.7	38.6	42.8	19.0	13.2	1.3	9.6	18.6	21.7	78.9
Growth in Value of Non-residential Construction * (through October 1999)	-25.7	42.8	43.1	31.8	♣	51.6	55.3	-29.5	♠	-23.4	-5.1	-14.1	-83.9	-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 through October 1999, while \$4.5 million was contracted through October 1998.

♣ \$30.4 million was contracted through October 1999, while \$7.1 million was contracted through October 1998.