



# Colorado Economic Chronicle

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## National Economy

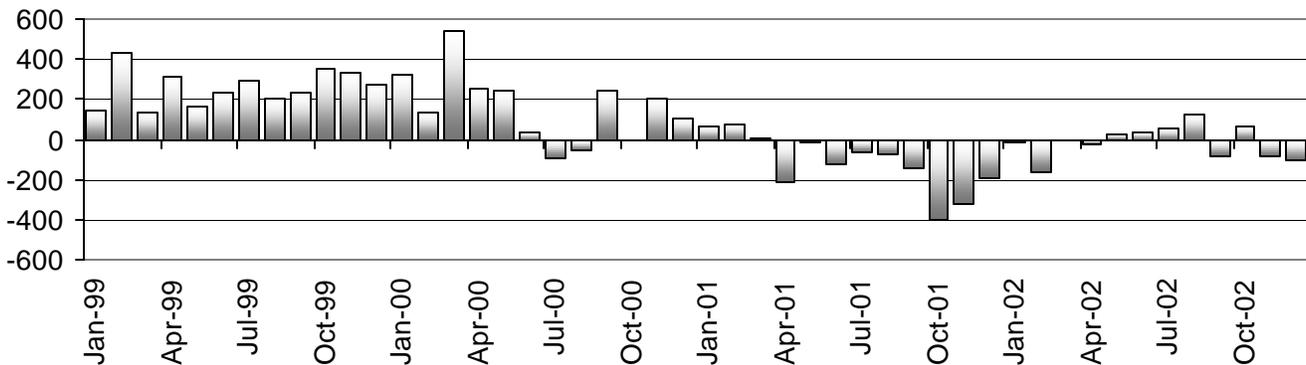
The final release of data for inflation-adjusted gross domestic product (**GDP**) indicated that the economy grew by 4.0% in the third quarter. Consumption increased 4.2% and contributed approximately 3/4 of the overall growth in the economy. Investment spending declined by 0.3%. Most of the economic growth occurred during the beginning of the third quarter. Combined with statistics that indicate a weaker economy during the fourth quarter, the expansion is very fragile.

The jobless recovery continues. **Employment** declined by 101,000 in December, following an 88,000 job loss in November. The job losses over the past two months were largely attributable to retail businesses that did not staff up to the extent they have in

previous years. The bland outlook for holiday spending contributed to the weak retail hiring. The manufacturing workweek increased by 0.3 hours in December and temporary help businesses added jobs. Both factors are harbingers of better things to come. The average employment level in 2002 declined by 0.9% from the previous year, or by 1,146,000 jobs. Meanwhile, the **unemployment rate** of 6.0% in December was unchanged from the prior month. The unemployment rate averaged 5.8% in 2002, compared with 4.8% in 2001.

The **construction industry** has been one of the bright spots in the economy. *Construction spending* increased 0.3% in November, the third consecutive monthly gain. Residential construction spending in-

**Figure 1. A Jobless Recovery: Change in Employment**  
(thousands of jobs)



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creased, while nonresidential spending fell slightly. The outlook for continued strong construction spending is uncertain. Nonresidential construction is unlikely to provide strength because of high vacancy rates and the residential sector has been increasing above expected levels because of low mortgage rates. Many analysts do not expect the residential strength to continue, particularly if interest rates rise later this year. However, the continuing strength of the construction sector has outlasted prior predictions for a weakening. *Existing home sales* dropped 3.5% in November, but remained at a high level. The average sales price of an existing single-family home in November was 9.8% higher than a year earlier. Meanwhile, *new home sales* hit a record high in November thanks to low mortgage rates and housing investment as an alternative to stock investments.

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***“The continuing strength of the construction sector has outlasted prior predictions for a weakening. . .”***

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**Inflation** remained tame in November. The *consumer price index* advanced only 0.1%. Over the 12-month period ending in November, consumer prices were 1.5% higher than the previous 12 months. Inflation is expected to remain at low levels, although recent oil price increases from Middle East tensions and a halt of oil shipments from Venezuela will likely kick up inflation a few notches. Meanwhile, the *producer price index* fell 0.4% in November, following a stiff 1.1% increase in October. A rise in producer prices would bode well for the economy because it would signal a strengthening manufacturing economy.

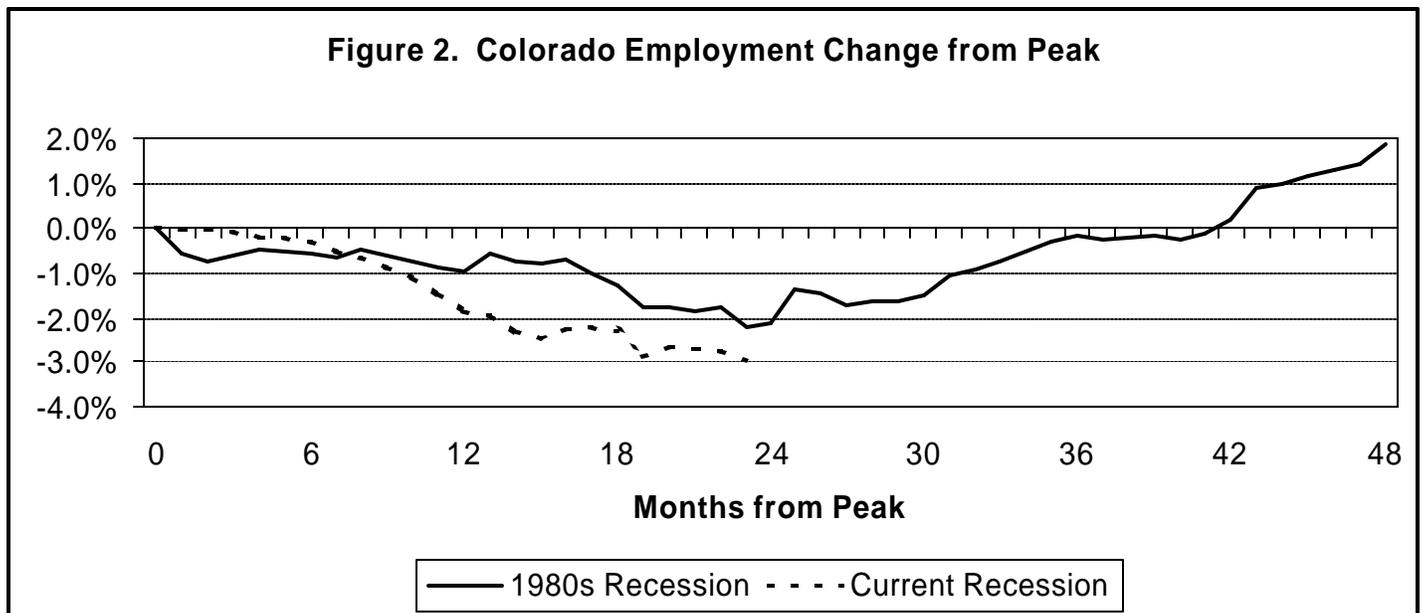
The ailing economy is still in the recovery room. Employment has yet to rebound as businesses face consumer uncertainty that is made worse by the prospects of conflict in Iraq and uneasiness over North Korea's position on nuclear material. The data on manufacturing is mixed and will need to be positive for several months before the economic recovery is on more solid footing.

### Colorado Economy

The tenuousness of the Colorado economic recovery was indicated by employment losses in November and the largest decline in retail trade this year in

October. The economy remains weak and will likely not show significant signs of a turnaround until mid-2003.

**Figure 2. Colorado Employment Change from Peak**



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## Colorado's Economy at a Glance

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

### Employment

Colorado employment on a seasonally adjusted basis fell by 5,500 in November. Only the government sector had a jobs gain. Construction and services had the largest losses — 2,500 and 2,100, respectively. The transportation and public utilities sector lost 1,200 jobs. Employment in November reached a new low during the current downturn, falling 1,800 jobs below the previous low in July. Employment was 67,100, or 3.0%, below the peak level of 2,246,000 in December 2000. The unemployment rate in November was 5.2%, the third consecutive month at this level. Figure 2 shows a comparison of the percentage change in employment from the previous peak level in the 1980s recession and the current recession. The patterns are relatively similar through the first 23 months after the previous peaks. If the pattern during the current downturn continues as the 1980s recession did, we may be only a few months away from seeing an upturn in employment levels.

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*“Employment in November reached a new low during the current downturn . . .”*

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Announced job gains exceeded announced job losses for the first time in two years. However, the greatest portion of the announced gains are well into the future, while the job losses are more immediate. During the past two months, losses totaled 2,230, while gains totaled 3,714. Details on the job gains and losses can be found in the regional sections of the *Colorado Economic Chronicle*.

### Residential Construction

Based on figures from the U.S. Census Bureau, total residential units permitted dropped 14.3% through November 2002, compared with the same period a year ago. Single-family home permits saw a 4.3% decline, while there was a 34.4% decrease in multi-family permits.

According to a survey compiled by the Colorado Multi-Family Housing Rental and Vacancy Survey, the average apartment vacancy rate in metro-Denver was 9.4% in the third quarter, up from 9.3% in the second quarter. Meanwhile, the average third-quarter rental rate was \$807.71, down from \$810.35 in the second quarter. Outside Denver, the average monthly rent for an apartment in Colorado fell for the first time since 1995 from \$781 to \$767, as rising vacancy rates created downward pricing pressures.

Trimark Communities has proposed a 55-acre, 598-home subdivision in Fort Collins, consisting mostly of condominiums and townhomes. Mansion Park will include 380 "mansion" condominiums, 142 townhomes, and 76 single-family homes. Condos will cost about \$120,000, townhomes will be priced closer to \$200,000, and single-family homes will cost near \$300,000.

According to Coldwell Banker Residential Brokerage, the average sales price of an existing home in the metro-Denver area during 2002 was \$268,926, a 4.5% rise from 2001. 47,919 homes sold in 2002, a 0.2% increase from 2001. Lower interest rates enabled greater affordability for many households despite the economic troubles in Colorado last year. However, 25.4% more homes were unsold at the end of 2002, compared with the end of the previous year.

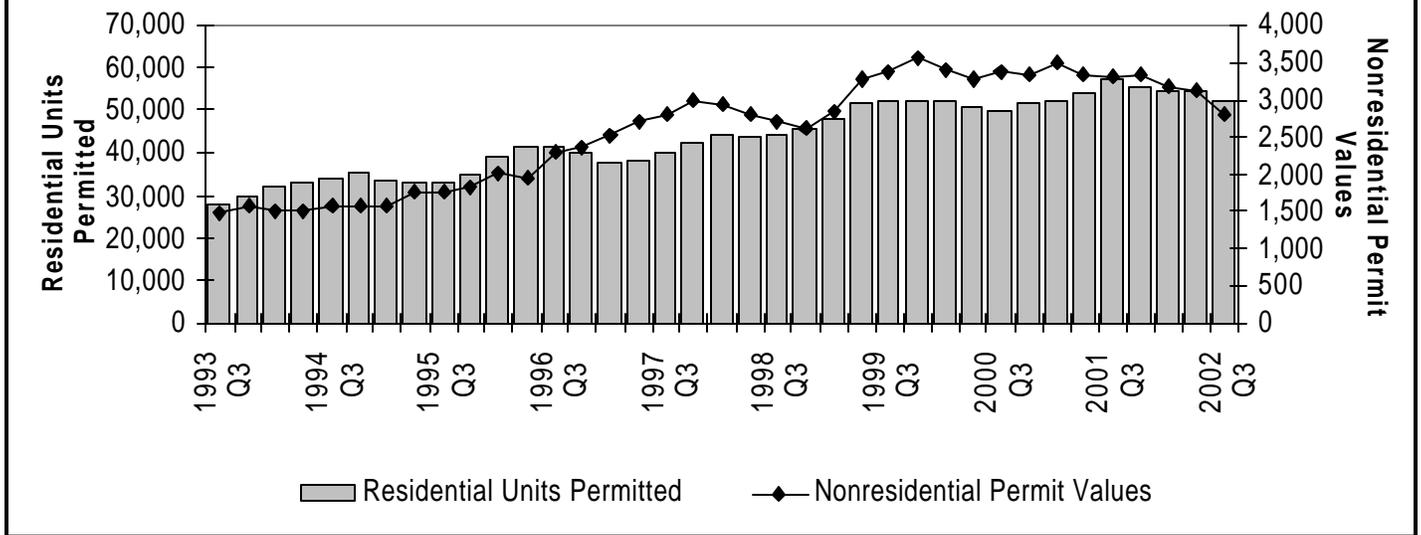
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*“ . . . the average sales price of an existing home in the metro-Denver area during 2002 was \$268,926, a 4.5% rise from 2001.”*

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Home foreclosures in the metro area skyrocketed by nearly 55% in 2002 from 2001, reaching the highest level since 1991. Preliminary numbers show that more than 6,530 foreclosures were filed

**Figure 3. Residential Permits and Nonresidential Permit Values**



in Adams, Arapahoe, Boulder, Broomfield, Denver, Douglas, and Jefferson counties, compared with 4,226 in 2001. This number of foreclosures was still well below the record of 17,122 set in 1988.

**Nonresidential Construction**

Based on figures from F.W. Dodge, year-to-date nonresidential construction fell 18.1% through November 2002, compared with the same period a year ago. The decline was led by a 29.7% decrease in commercial construction, as office and bank buildings — the largest subsector — saw a decline of 45.8%.

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*“... nonresidential construction fell 18.1% through November 2002 ...”*

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Denver's nonresidential market continued to flounder through the third quarter of 2002. According to Frederick Ross Company, the office vacancy rate rose slightly from 21.6% to 21.9%, as most of the 1.4 million square feet that entered the market in 2002 remained vacant. Meanwhile, the industrial and retail sectors, while not booming, have stabilized. Roughly 8.9% of industrial space was vacant in the third quarter of 2002, equaling the rate seen during the second quarter. Finally, vacancy rates in the retail sector edged down slightly in the third quarter to 9.1%.

Eight buildings will house about 25 retailers on 10 acres at The Village at Castle Pines in Douglas County. The 127,000-square-foot retail center, which broke ground in November, will be on the southeast side of Happy Canyon Road and U.S. 85. The retail center is nearly 50% leased and is scheduled to open next summer.

**Population**

According to the U.S. Census Bureau, Colorado's population increased 1.7%, or by 75,500, between July 2001 and July 2002 to just over 4.5 million.

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*“Colorado was the sixth-fastest growing state in the country ...”*

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Colorado was the sixth-fastest growing state in the country, following Nevada, Arizona, Florida, Texas, and Georgia. Colorado's growth ranked high despite its economic difficulties. The economic recession and weak recovery during the period was nationwide. Thus, not as many residents left the state as left during the 1980s recession that was more regional in nature. Meanwhile, the population growth estimate for the previous year was revised from 2.2% to 2.5%. The state's population growth is one factor in determining how much revenue the state of Colorado may spend.

## Bankruptcy Filings

The number of bankruptcy filings in Colorado set a new annual record in late November, surpassing the 1997 record of 19,075. The number of bankruptcy filings in Colorado reached 19,186 through November 25th, 2.5% higher than the total for all of 2001, which was 20% higher than the total number filed in 2000. Individuals, rather than corporations, filed more than 97% of all bankruptcies. The large number of bankruptcies are a result of the record number of layoffs that occurred during the last two years in Colorado. Bankruptcies will most likely continue at high levels in 2003 since they are a lagging indicator of the economy.

## Business

According to The Beacon Hill Institute for Public Policy Research, a Massachusetts-based economic research group, Denver is the fourth "most competitive" city in America in helping business and boosting its residents income. Denver scored well, among other things, for the high number of scientists and engineers in its workforce and the high proportion of homes with computers. Meanwhile, the Corporation for Enterprise Development gave Colorado straight A's for the seventh year in a row for "business vitality", "development capacity", and "performance." Performance is defined as a state's ability to provide opportunities for jobs and building wealth.

## Exports

Reflecting the global economic slowdown, exports of Colorado goods decreased 12% through the first nine months of 2002. According to the Colorado Office of Economic Development, exports fell from \$4.7 billion in 2001 to \$4.1 billion in 2002. The state's top exports are computer and peripheral equipment.

## Transportation

Passenger traffic at Denver International Airport (DIA) increased 4.9% in November 2002, compared with the previous November. Traffic statistics are showing gradual improvement from the post-

September 2001 terrorist attack impacts. Passenger traffic through November decreased 3.3% compared with the same time period in 2001. Capital improvements are being made at several small airports around the state. The Eagle County Regional Airport will receive a new 120-foot, \$2 million control tower. Several improvements are underway at the Walker Field Airport in Grand Junction. The 14-acre general aviation area will be expanded by an additional 7 acres and the terminal will receive more than \$1.8 million in renovations. The Archuleta County Airport near Pagosa Springs, also known as Stevens Field, will receive \$16 million in improvements. Access roads around the airport will be improved and the airport will receive a new runway, hangars, aircraft parking areas, support facilities, and vehicle parking. Stevens Field primarily serves corporate jets. There is no commercial air service to the airport. Nearby, the Durango-La Plata County Airport will close for the month of May while its runway receives a \$5.5 million renovation. Approximately 5,500 passengers use the single-runway airport each month.

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*“Capital improvements are being made at several small airports around the state.”*

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## Agriculture

According to Colorado State University, an estimated 15% to 20% of the cows in Colorado, and up to 50% in some areas, had to be sold off when the drought caused hay prices to jump and baked pasture land. Also, an estimated 61% of pastures and ranges were in very poor condition, 25% in poor condition, another 11% in fair condition, leaving only 3% in good condition this year. Hay yields were down 14% and harvested acres down 6% for a total loss of 20% of hay in the state. In November, five counties in southeastern Colorado approved the creation of a new water conservancy district spanning Bent, Prowers, Otero, Crowley, and Pueblo counties. The new taxing entity will be responsible for managing and developing water for municipalities and farmers in the region.

## Gaming and Tourism

Colorado's three gaming towns netted \$56.6 million in adjusted gross proceeds (total amount wagered less payouts to winners) in November, after bringing in \$55.5 million in October. Adjusted gross proceeds increased 6.9% through November compared with the same time period in 2001.

Tourism was weak in Colorado and the Denver area during 2002 due to the drought, wildfires, and the economy. According to the Rocky Mountain Lodging Report, 62.7% of hotel rooms in the Denver area were occupied through October, down from 65.5% through October 2001. Over the same time period, the average room rental fell from \$88.43 per night to \$86.48. Statewide, the occupancy rate was 60.1% through October compared with 62.1% through October 2001. The average statewide rental rate fell from \$96.84 to \$95.05 during the same time period.

## Metro Denver

Employment in metro Denver through November 2002 was 2.3% lower than the previous year. The level of employment showed some stability during the last three months. The metro area's unemployment rate was 5.3% in November, compared with 4.9% a year earlier. Nonetheless, continuing job losses continued to dominate economic news in the metro-Denver area during the past two months. A decline in special district sales taxes led to a layoff of 11 employees at the Denver Museum of Nature and Science in November. While further cuts could occur in January, the museum also announced that it would hire 11 workers for the \$35 million Space Odyssey exhibit.

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***“Employment in metro Denver through November 2002 was 2.3% lower than the previous year.”***

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Autoliv Inc. will close its **Aurora** plant by the end of 2003. 500 workers will lose their jobs. The company makes air bag inflators and initiators. The work at the facility will be moved to two existing plants in Utah.

The merger of Lockheed Corp. and Martin Marietta Corp. several years ago is still causing impacts on job levels. The Denver area and California-based space units of Lockheed Martin will be merged at the cost of 100 jobs in Colorado. The cuts will be mostly through attrition.

Requisite Technology, a Westminster-based company, will lay off 42 workers in early January. The company has gone through three layoffs since April 2001 and will have 105 remaining workers locally after the latest round.

Qwest Communications is also going through another round of layoffs. Faced by falling demand and fewer phone lines, the company will lay off 150 Colorado workers. The layoffs are scheduled for March and the company hopes to avoid some of them through attrition in the interim.

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***“The retention of the Gates jobs is an important signal that headquarter companies value Denver for its access to global markets.”***

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In more positive news, General Motors will open a new regional parts distribution warehouse in Aurora. The warehouse will employ 112 workers. Construction plans for the 400,000-square-foot facility will begin in early 2003. Additionally, Gates Rubber Company announced that it will remain in Denver. The company will move 850 employees from its current location near Interstate-25 and Broadway to the Legacy Plaza building in the Central Platte Valley. Legacy Plaza is a 285,000-square-foot speculative office building that is still under construction. The retention of the Gates jobs is an important signal that headquarters companies value Denver for its access to global markets.

Finally, an undetermined number of jobs will be created when Ball Corp. moves its plastic container research operations from Georgia to **Westminster**. Most of the Georgia workers will be offered an opportunity to relocate. The bulk of jobs will be in engineering, but administrative and information technology jobs are also involved. Ball will expand its Westminster facility by 28,000 square feet to accommodate the move.

Nonresidential construction dropped 25.5% through November in the metro-Denver area. Construction of commercial buildings is the largest category and fell 35.4%. Construction of education and science facilities dropped 39.1%. Somewhat offsetting these significant declines was a 142.7% gain in construction of amusement facilities.

A King Soopers grocery store will be built in the downtown area near Coors Field. The 53,000-square-foot store will be on three acres, about one-half of the space devoted to the typical suburban grocery store. As a result, a three-story parking garage will service the supermarket. The development will also be accompanied by 212 market-rate apartments and 108 senior housing units. The developer hopes to open the store by 2004.

Building permits for residential housing construction in the metro-Denver area dropped 22.5% through November 2002, compared with the same period in 2001. Single-family home permits were still relatively healthy as they fell only 3.1%. Permits for multi-family housing fell 44.1%.

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*“The buildout of the former Lowry Air Force Base continues.”*

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The buildout of the former Lowry Air Force Base continues. Construction of the fourth residential neighborhood is underway. A mix of townhomes, condominiums, and rehabilitated military housing with market rate prices starting at \$150,000 will add a more affordable housing opportunity. At full buildout, Lowry will have about 2,000 homes and 2,000 apartments. The area currently provides a relatively even ratio of 6,000 residents and 7,000 workers.

## **Boulder Region**

Nonagricultural employment in the Boulder area declined 2.3% year-to-date through November, while the area's unemployment rate increased from 4.8% in October to 5.1% in November. Much of the job losses has occurred in the advanced technology sector. Computer-server manufacturer Sun Microsystems cut approximately 350 jobs in **Broomfield**,

Denver, and Colorado Springs in late 2002. Sun employed 3,200 in Colorado prior to the layoffs. The company announced that it would lay off 4,400 people worldwide, or 11% of its work force, to return the company to profitability. Meanwhile, software-developer Phoenix Technologies Ltd. will close its **Louisville** operation and eliminate 31 jobs. The Louisville location was formerly known as Storage Soft Inc. prior to its purchase by Phoenix Technologies a year ago.

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*“Sears Roebuck and Co. will close its 77,000-square-foot store in Boulder's Crossroads Mall . . .”*

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Sears Roebuck and Co. will close its 77,000-square-foot store in **Boulder's** Crossroads Mall on January 25, eliminating 91 positions. Four other stores in the mall confirmed that they would also be closing. Payless Shoesource, Suncoast Motion Picture Co., and FYE will close by the end of January. Nature's Own will close this spring. Crossroads Mall, which was already two-thirds empty prior to Sears' announcement, generated a weak \$1 million in sales taxes in October, less than the Basemar strip mall at Baseline Road and Broadway.

Positive job news was announced in the services sector. Dallas-based bank services firm TransFirst will hire 40 people at its **Superior** location, where the company currently employs 117 workers.

According to F.W. Dodge, the value of nonresidential construction in Boulder County decreased 12.6% through November compared with the first eleven months of 2001. The value of construction in the commercial sector decreased 52.8%. However, the value of construction in the hospital and health treatment increased 94.3%. Healthy activity in the hospital sector will continue into 2003 and 2004. Kaiser Permanente and Exempla Healthcare announced plans to build a 143-bed, \$170 million hospital and a \$75 million, four-story medical office building on the corner of U.S. 287 and Colorado 42 in **Lafayette**. The campus will employ 70 doctors and 150 staff and is expected to open on January 1, 2005.

According to the U.S. Census Bureau, the number of permits for residential construction in the Boulder

area decreased 25.4% through November, compared with the same time period in 2001. The number of multi-family permits was hardest hit, decreasing 43.6%. The number of permits for single-family homes decreased 12.2%. Meanwhile, two large high-end apartment complexes are under construction in **Broomfield**. The Stonegate Apartments, located near the Interlocken Business Park, will include 350 units when complete. Rents for finished units were between \$895 and \$1,550 per month in September. Nearby, another project will add 500 units near the FlatIron Crossing mall. Broomfield had 2,650 apartment units and an apartment vacancy rate of 7.3% in September.

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*“Two large high-end apartment complexes are under construction in Broomfield.”*

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## **El Paso County**

Nonagricultural employment in El Paso County decreased 0.7% through November. The region's unemployment rate increased from 5.7% in October to 5.8% in November. Colorado Springs companies have announced layoffs of over 8,100 jobs since January 1, 2001. According to David Bamberger & Associates, the losses represent over \$439 million in lost wages, or a 5% decrease in the city's annual wage and salary income.

Telecommunications firm WorldCom Inc. laid off 500 people in **Colorado Springs** in late 2002 from

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*“Agilent Technologies Inc. will eliminate between 100 and 150 high-paying positions in Colorado Springs and between 250 and 350 positions statewide.”*

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its software and call center operations. The company had already laid off 1,300 people within the last two years. After the layoffs, the company will employ 2,700 people in Colorado Springs. Meanwhile, Agilent Technologies Inc. will eliminate between 100 and 150 high-paying positions in Colorado Springs and between 250 and 350 positions statewide. Agilent employs more than 5,000 people in Fort Collins, Loveland, Greeley, and Englewood,

and 1,320 people in Colorado Springs. The layoffs will be focused in the information technology and finance areas.

The Colorado Springs economy continues to benefit from federal defense spending. The federal government awarded a \$5.8 million grant to Lockheed Martin Corp.'s information technology unit to pay for 36 technology support positions at the U.S. Northern Command's control center. Lockheed is using current personnel to fill the positions.

Construction was relatively healthy in El Paso County through November 2002 compared with the rest of the state. According to the U.S. Census Bureau, the number of permits for residential construction increased 0.8%, buoyed by a 25.5% increase in multi-family permits. The number of permits for single-family construction decreased 6.6%.

According to F.W. Dodge, the value of nonresident

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*“Progressive Casualty Insurance will build a three-building, 300,000-square-foot office campus . . .”*

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tial construction increased 19.4% through November compared with the same time period in 2001. Progressive Casualty Insurance will build a three-building, 300,000-square-foot office campus on 31 acres in the Northgate Corporate Village in north Colorado Springs. According to the City of Colorado Springs, the campus is expected to bring between 750 and 1,200 jobs to the area over the next few years. Construction is expected to be completed in 2004.

## **Northern Region**

The economy in the northern region is more robust than most of the Front Range. Employment is increasing rather than decreasing. Employment in Larimer County was 3.4% higher through November, while jobs in Weld County were 5.3% higher. Consumer spending in the region, as measured by retail trade, also runs counter to the statewide 1.4% decline through October. Retail trade sales increased 1.9% in Larimer County and 7.4% in Weld County. New home permits, though lower than a year ago,

were also better than statewide statistics. Still, there was negative news regarding jobs in the region, particularly in the advanced technology sector. Agilent Technologies firmed up previously announced plans to reduce its work force. Between 150 and 200 workers were laid off at the **Loveland** and **Fort Collins** facilities. The reductions started in October 2002 and will continue through mid-2003. Company workers were also laid off at the Arapahoe County and Colorado Springs locations. Veeco Instruments will move its ion beam manufacturing work to New York, effectively closing its Fort Collins location. The company did not disclose how many workers will be affected by the move.

Additionally, Kodak will lay off up to 20 workers

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*“The economy in the northern region is more robust than most of the Front Range.”*

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at its **Windsor** plant as part of a worldwide reduction of 1,300 to 1,700 workers. Kodak is suffering from weak film sales. The Windsor facility hopes to accomplish the needed reductions through an early retirement program rather than layoffs. Call center operator Center Partners combined its Loveland and Fort Collins offices, laying off 22 workers as a result. The Loveland office closed in December 2002.

According to the U.S. Census Bureau, new home permits through November declined by 2.5% in Weld County and 11.8% in Larimer County. Fort Collins expected to set a record for single-family permits in 2002.

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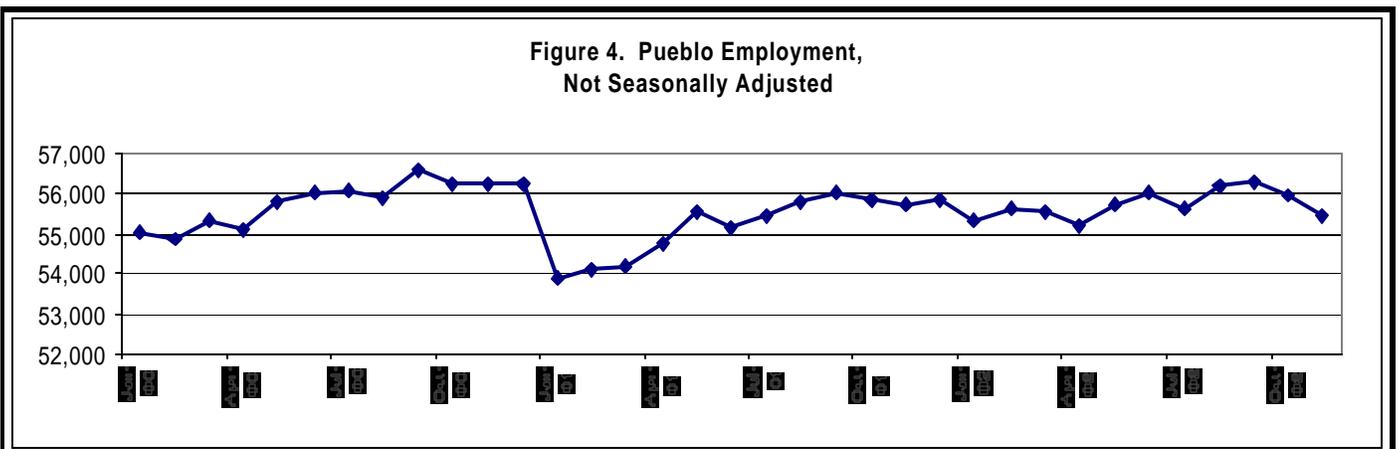
*“A \$200 million regional hospital facility is planned for Loveland.”*

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Nonresidential construction increased 6.6% in Larimer County and decreased 34.0% in Weld County. A \$200 million regional hospital facility is planned for Loveland. Scheduled to open in 2006, it will take 400 to 500 workers to staff the hospital. Up to 200 workers are expected to be hired away from the Poudre Valley Hospital in Fort Collins. The 100,000-square-foot facility will specialize in cardiac care, including heart surgery, as well as neurosurgery and severe trauma cases. An adjacent 90,000-square-foot medical office building will be included as part of the complex. Health officials also announced an expansion for the Poudre Valley Hospital. Outpatient facilities at the hospital's Harmony campus will be expanded. The plans call for a 90,000-square-foot medical office building and a Healthy Living Center. The expansion could provide up to 2,000 additional jobs.

A battle for a large mall is taking shape in Windsor and Loveland. A lifestyle center similar to the one at the Aspen Grove shopping area in Littleton is planned in Loveland at the intersection of Interstate-25 and U.S. Highway 34. The new mall would encompass from 500,000 to 700,000 square feet. Meanwhile, officials in nearby Windsor announced plans for a similar lifestyle center mall at the intersection of Interstate-25 and Highway 392. It is unlikely that the demographics of the region could support both malls. Thus, issues such as available infrastructure and transportation access improvements will determine which mall is built.

Figure 4. Pueblo Employment, Not Seasonally Adjusted



## Southern Region

Employment in **Pueblo** was 1.0% higher through November 2002, compared with the previous year. However, the jobs situation in Pueblo has become weaker throughout the year. In fact, on a monthly basis, employment in November was below year-ago levels for the first time in 2002. Pueblo's unemployment rate was 6.6% in November, compared with 6.4% in November 2001. Meanwhile, the job market in **Alamosa** is robust with 4.4% growth through November. The unemployment rate in Alamosa was lower in November 2002 compared with the previous year — 5.1% versus 5.4%.

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*“...the jobs situation in Pueblo has become weaker throughout the year.”*

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Flexible Foam Products started up business again in Pueblo after shutting down in February 2001. The carpet pad manufacturer hired 18 workers. Las Animas County has witnessed a significant increase in coal-bed methane production in recent years. Halliburton Energy Services Co. located an office in **Trinidad** in 2001 and currently has a work force of 51. The company expects to add from 8 to 10 workers this year.

Hot and dry weather conditions in the **San Luis Val-**

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*“Hot and dry weather conditions in the San Luis Valley contributed to a record per-acre yield of potatoes.”*

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**ley** contributed to a record per-acre yield of potatoes. The final fall potato crop estimate from the U.S. Department of Agriculture was for 27.9 million hundredweight (CWT) from 71,500 acres. Total production was up nearly 31% from 2001 and was the third-highest ever yield. The per-acre yield was 390 CWT. The estimated value of the crop was \$170 million at November's prices.

## Eastern Plains

Gibson's Discount Center in **Fort Morgan** went out of business in December, forcing 21 local workers

out of jobs. In Colorado, Gibson's Discount Centers in Fort Morgan, Lamar, Cañon City, Montrose, Delta, Orchard Mesa, and Clifton have closed or will close by mid-2003.

Heartland Town & Country, an agricultural supply store, will open its doors in early 2003. The store will create close to 25 new jobs in Fort Morgan. The same area will also see a Wal-Mart store opening by the end of the year.

## Mountain and Western Regions

Developers have already begun selling townhomes on the 235-unit Prospectors Run development in **Central City**, planned for 30 acres near the city's main street. Units at Prospectors Run will range from \$197,500 for 1,380 square feet to \$272,000 for 2,400 square feet. Construction on the \$60 million project is expected to begin in January. The project hopes to attract the area's work force to live closer to their jobs.

Acirca Inc. closed its Mountain Sun organic-juice plant in **Dolores** in December. The plant's 32 employees were laid off, as the New York-based company cited its decision two months ago to switch from glass to plastic bottles and its desire to move production closer to West Coast markets as reasons for the closure.

Construction began on a \$10 million, 66,000-square-foot, 88-room hotel and convention center at the Ute Mountain Ute Tribe Casino in **Towaoc** in Montezuma County. The casino will also be renovated. The new hotel and convention center, which includes 6,000 square feet of office space, will provide 30 new jobs for tribal members.

Columbine Market in **Rifle** closed its doors in December, displacing the approximately 60 local store officials and employees. Wal-Mart plans to build a super store south of Rifle, which will include the sale of groceries. Ground-breaking is scheduled for early 2003, with the store open before the end of the year.

## 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 2002)	4.4	-2.4	-0.7	-2.3	3.6	3.4	4.3	5.3	0.4	3.5	1.1	1.5	4.8	5.0
Unemployment Rate ◇◆ (not seasonally adjusted) (in November 2002)	5.1	5.2	5.8	5.3	3.9	4.7	4.4	5.6	4.3	5.0	6.5	5.2	4.1	2.9
Retail Trade Sales Growth ▼△ (through October 2002)	4.8	-16.5	1.5	-2.2	-1.1	1.9	4.4	7.4	-12.8	-0.1	1.2	-5.5	-1.4	-1.5
Growth in Value of Non-residential Construction* (through November 2002)	-39.8	-12.6	19.4	-25.5	①	6.6	-20.0	-34.0	②	51.8	-31.3	-11.0	-64.8	③
Housing Permit Growth ° (through November 2002)	-7.0	-25.4	0.8	-22.5	24.5	-11.8	7.2	-2.5	-87.9	-2.9	-14.0	-1.8	26.3	-49.6

◇ Actual level not growth rate.

◆ Colorado Department of Labor and Employment data.

\* F.W. Dodge data.

° F.W. Dodge & U.S. Census Bureau

▼ Colorado Department of Revenue data.

△ Boulder retail trade excludes Broomfield City and County since November 2001.

① \$14.6 million was contracted in 2002, while \$2.3 million was contracted in 2001.

② Nothing was contracted in 2002, while \$994,000 was contracted in 2001.

③ \$13.7 million was contracted in 2002, while \$2.7 million was contracted in 2001.

## Colorado Indicators Year-to-Date Growth Rates

Indicator	November 2002	October 2002	2001 Annual Average
Nonfarm Employment Growth ¶	-2.0	-2.1	0.9%
Unemployment Rate ¶ ‡ (seasonally adjusted)	5.2	5.2	3.7
Housing Permit Growth ~			
Single family	-14.3	-16.0	1.5
Apartments	-4.3	-5.4	-3.2
	-34.4	-37.5	12.5
Growth in Value of			
Nonresidential Construction §	-18.1	-18.5	-0.6
Retail	-13.3	-12.7	12.8
Offices	-45.8	-50.1	-34.9
Factories	-78.0	-79.0	194.4

¶ Colorado Department of Labor and Employment data.

‡ Actual level, not growth rate.

~ U.S. Census Bureau data.

§ F.W. Dodge 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 2.2% through the first half of 2002, following a 4.7% rate in 2001.*