



# Colorado Economic Chronicle

*A Research Newsletter*

Legislative Council  
Denver, Colorado

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## National Economy

The U.S. economy showed signs of a slowdown after more than nine years of sustained economic growth. While **gross domestic product** (GDP) in the first quarter of 1999 eclipsed the growth in all of 1998, the second quarter GDP grew at a comparatively modest 2.3% annual rate. Labor costs sharply increased in the second quarter and the inflation rate shot up in April. As a precautionary measure, the Federal Reserve announced a quarter-point increase in the federal funds rate in late June. This set off a reversal in the stock market, particularly among volatile technology stocks, and a slight squeeze in bank lending as average mortgage rates edged above 8.0%. Meanwhile, **net exports** continued to produce record high trade deficits. The May trade report revealed a deficit of \$21.3 billion, a 14.8% increase over the previous month. U.S. exports fell 0.8% and imports increased 2.2% over April's figures.

**Consumer spending**, credited with propelling the economic expansion, increased 0.3% in June. This was the smallest monthly increase since November 1998, when spending rose 0.1%. Meanwhile, **personal income** shot up 0.7% in June following months of steady but smaller growth. This was the largest monthly increase since November 1998, when income rose 0.9%. The saving rate continued to register less than zero as the June rate was minus 1.0%, suggesting that Americans spent more than they earned. It is important to note, however, that after-tax earnings exclude perceived wealth such as stock market gains. There were signs of a consumption

slowdown as the consumer confidence index, which measures the consumer outlook on future spending, slipped from 139.0 to 135.6 after eight consecutive months of increases.

The **unemployment rate** held steady at 4.3% in June and July, after hovering around a 29-year record low figure of 4.2% for the past few months. The unemployment rate has been at or below 4.5% since April 1998 and at or below 5.0% since April 1997. Meanwhile, July payroll jobs increased by 310,000 over June as temporary help agencies saw their strongest demand for workers in a year and a half. Average hourly earnings increased 3.8% in July from a year ago. This was the largest 12-month wage gain in six months. As another indication that the tight labor market created wage pressure, the employment cost index – a measure of U.S. wages, salaries, and benefits – shot up 1.1% in the second quarter of 1999, the largest quarterly jump in eight years. In the first quarter of 1999, the index grew by a very low 0.4%.

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The number of **manufacturing** jobs increased by 31,000 in July after shrinking by 35,000 in June, providing some relief to the sector that began suffering at the outset of the Asian economic crisis. Manufacturing has been the hardest hit sector as the global eco-

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conomic crisis created inexpensive imports and a weak export market. Total job loss since March 1998 settled to 457,000. On another positive note, factory orders rose a larger-than-expected 0.7% in June, following a 1.0% increase in May and a relatively erratic early part of the year. Meanwhile, durable goods orders increased 0.3% in June, boosted by demand for transportation equipment, particularly automobile parts. The National Association of Purchasing Management reported a sixth consecutive month of expansion even though its index of business activity dipped from 57.0 in June to 53.4 in July. Because the index was still above 50, the July figure suggested an expanding industrial economy. For the second quarter of 1999, industrial output grew at a 3.9% annual rate, up from a revised 1.3% growth rate in the first quarter of 1999.

The **construction** sector posted signs of a cool-down as overall spending rose 0.5%, following strong increases of 1.4% in both May and June. Spending on commercial and governmental projects remained healthy. However, supply shortages of labor and materials finally caught up to the residential construction sector as residential spending decreased 0.3% after months of a breakneck pace. Following a jump in May, the number of housing starts also felt the supply strain and decreased 5.6% in June. However, the number of home sales in June increased as new home sales climbed 3.1% and existing home sales jumped 10.6%. Existing home sales, accounting for over three-fourths of all homes for sale, hit a record high annual rate of 5.53 million. The value of homes remained strong in June as the median price of a new home rose 4.7% over the previous month to \$157,000. The average 30-year mortgage rate tipped

up to 7.63% in July, up from 7.55% in June and 7.15% in May. By early August, mortgage rates exceeded 8.0%.

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**Inflation** remained relatively calm through the last two months. After a 0.7% increase in April, consumer prices did not change in May or June. Energy prices decreased 1.2% and food prices were unchanged in June. The core index, which excludes the volatile energy and food prices, rose only 0.1% in June, the same rate as in May. Meanwhile, the producer price index slipped 0.1% in June after increasing 0.2% the previous month. The core producer price index, also excluding the food and energy sectors, decreased slightly more than all prices by sinking 0.2% in June after rising 0.1% the previous month.

Overall the national economy remained healthy through the second quarter of 1999. Despite this, there were some signs of a cooling period around the corner. The trade deficit continued to swell to record levels. Although consumption still moved the economy forward, consumer confidence showed signs of decelerated spending in the near future. Although existing home sales broke records, home starts and residential construction figures began to taper due to rising mortgage rates and shortages in labor and materials. After inflation rose sharply in April, interest rates have been increasing. However, unemployment has remained at near-record lows and inflation did not grow in May or June.

## Colorado Economy

### Employment

Colorado's nonfarm employment increased 2.6% through June 1999 compared with the first half of 1998. This growth, although healthy, has slowed slightly; the growth rate was 3.1% through March and averaged 3.6% in 1998. The seasonally adjusted unemployment rate rose slightly to 3.1% in June, up from 2.9% in May. Through June, the unemployment rate averaged 2.9%.

Several announcements of job gains and losses were made in the last two months. In Fort Collins, Advanced Energy will hire 43 people for its semiconductor power

delivery system plant and Celestica Colorado will hire 500 people within the next year to staff its new circuit-board manufacturing plant. Two new call centers will open in Pueblo: CountryWide Telecommunications will hire 550 people within three years to staff its new call center, and Innotrac Corp. hired 70 people and will hire an additional 330 over the next seven years to staff its new call center. Meanwhile, Colorado's public schools will hire 339 new elementary teachers with an additional \$13.2 million received from the federal government under the Clinton administration's class-size reduction initiative.

Meanwhile, tape drive manufacturer Exabyte Corp. initially announced that it will lay off 80 people in Boulder. Exabyte indicated more recently that additional 'significant' layoffs will be forthcoming. Satellite manufacturer Ball Aerospace laid off between 100 and 125 people in Broomfield, respiratory equipment manufacturer Respironics Inc. will close its Westminster plant and lay off 98 people by the end of the year, and electrical supplies manufacturer Katy Industries will lay off 125 people in Englewood. Five Builders Square stores will close, eliminating 200 jobs, and Little Caesars Pizza laid off an estimated 150 people when it temporarily closed 28 of its 33 Colorado stores. Meanwhile, the Black Cloud molybdenum mine in Leadville closed permanently, laying off 15 people. These job gains and losses are discussed later in the *Chronicle*.

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***“Colorado’s nonfarm employment grew faster between 1993 and 1999 than every state in the nation except Nevada, Arizona, and Utah.”***

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According to a study by the American City Business Journal, Colorado’s nonfarm employment grew faster between 1993 and 1999 than every state in the nation except Nevada, Arizona, and Utah. Nonfarm employment in Colorado grew 27% between 1993 and 1999.

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### Colorado's Economy at a Glance

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<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	Unchanged	Good
Overall Rating	↑	Good

**Note:** An inflation rate is not calculated for the state. The Denver-Boulder inflation rate is often used as a proxy for Colorado’s inflation rate. The Denver-Boulder inflation rate was 2.4% in 1998, following a 3.3% rate in 1997.

The Vectra Bank Colorado Small Business Index, a measurement of the economic climate for small businesses in Colorado, dropped 2.6% between May and June, primarily because small businesses are facing a substantial shortage of labor. According to Vectra Bank, many small businesses have been unable to expand as a result.

### Residential Construction

The residential real estate market in metro Denver is maintaining its robust health. According to Perry and Butler Realty, Inc., the average resale price of a single-family home set a record for the third month in a row in July, up 11.8% from a year ago to \$213,942. Furthermore, the year-to-date average price of a metro-Denver home increased 10.8% through July and the number of metro-Denver properties closed this year increased 3.8% compared to the same time period a year ago. Meanwhile, the average monthly rental price for an apartment in the metro-Denver area hit a record \$712.50 in the second quarter of 1999, up 11.7% from a year ago, while the overall vacancy rate was a low 4.5%, compared with last year’s second quarter vacancy rate of 5.1%. Douglas County had the highest average monthly rental price in the metro-Denver area, at \$967.45, while Denver County had the lowest, at \$659.22.

According to F.W. Dodge, the number of residential units under construction in Colorado increased 17.2% through June compared with the same time period a year ago. This boom was a result of a 38.9% increase in the construction of apartment buildings, an 11.8% increase in the construction of single-family homes, and a 5.5% increase in the construction of dual-family homes during this period.

Plans were announced to build the Denver Tech Center’s first condominium complex. The VillaRosso Residences, a seven-story, 65-unit condominium complex will open in September 2000. Meanwhile, construction on “The Prado”, an 18-story, 120-unit condominium complex in the Golden Triangle neighborhood, is scheduled to begin in January.

A plan to build 306 luxury homes on 200 acres in Castle Rock was approved by the Douglas County Board of Commissioners. The development would include a \$1 million recreation center.

## Nonresidential Construction

According to F.W. Dodge, the value of nonresidential construction increased 29.8% through June compared with the same time period a year ago. During this time period, the value of construction increased by more than 100% in four of the nine primary sectors: the education and science sector (127.0% increase), the public buildings sector (221.0% increase), the amusement sector (117.4% increase), and the miscellaneous sector (138.9% increase). Meanwhile, the value of construction increased 94.1% in the manufacturing industry and 28.9% in the hospital and health treatment sector. These large increases were tempered by declines in the value of construction in the commercial sector (6.7% decrease), the dormitories sector (27.9% decrease), and the religious sector (10.7% decrease).

Plans were announced to build a three-building, 150,000-square-foot health-care complex in the Inverness Office Park. The Dry Creek Medical Campus will include medical offices and an ambulatory surgery center.

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New development will add 1.5 million square feet to the Meridian International Business Center in the next 18 months, bringing the total size of the office park to 3.5 million square feet. Plans include campuses for First Data Corp. and American Family Insurance, retail space, and residential apartment units. The developer expects that the number of jobs at the office park will increase from 7,500 jobs to 11,000 jobs.

## Advanced Technology

According to a study by the Progressive Policy Institute, Colorado ranks third overall among the 50 states in its ability to participate in a fast growth, high-tech economy, after Massachusetts and California. States were ranked in 17 areas, including the education of the workforce, the amount of foreign investment, the digital climate, and the capacity for innovation. Colorado ranked first for the educational level of the workforce, second for the percentage of adults with Internet access

(47%), and second for the percent of jobs in high-tech industries (8%).

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Exabyte Corp. will eliminate a ‘significant’ number of the 900 jobs at its computer tape drive manufacturing plant in Boulder by August. Exabyte initially announced that only 80 jobs would be lost; the company has not yet released the total number of layoffs under the new plan. The layoffs are a result of low earnings and a consolidation of Exabyte’s tape drive and automated library operations. Meanwhile, satellite-manufacturer Ball Aerospace laid off between 100 and 125 people from its Broomfield location during July, a result of delayed contracts. Ball employs 2,500 people, 2,100 of which are located in Broomfield.

Advanced Energy, a manufacturer of power delivery systems for semiconductors and compact discs, is hiring 43 people at its plant in Fort Collins. Advanced Energy currently employs 680 people in Fort Collins. Also in Fort Collins, circuit-board manufacturer Celestica Colorado opened a \$32 million plant in July, and will hire 500 people within the next 12 months. Celestica employs 15,000 people in 26 locations worldwide.

## Agriculture

The number of cattle and calves on feed for the slaughter market in Colorado as of July 1, 1999, was 16% higher than a year earlier, but 6% lower than a month earlier. Meanwhile, steer and heifer, cow, and calf prices increased in July compared to a year ago. Mid-July steer and heifer, cow, and calf prices were 6%, 7%, and 22% higher than mid-July 1999 levels.

Wheat, corn, and barley prices continued to fall through July, while potato prices increased. Mid-July wheat, corn, and barley prices were 21%, 40%, and 50% lower, respectively, than mid-July 1998 levels, while mid-July potato prices were 64% higher than one year ago.

As a result of late freezes this spring, Colorado's crop of cherries, peaches, pears, and apples will be much smaller this year than last year. For example, the 1999 peach crop is expected to be only about a quarter as large as the 1998 crop. Consequently, fruit prices are expected to rise and exports to other states may be reduced.

## Health Care

Hospitals and other health care facilities in Colorado are facing a shortage in nurses; there are 500 staff nursing positions currently unfilled in metro Denver, and many facilities are offering bonuses as large as \$3,000 to recruit registered nurses.

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Pittsburgh-based Respironics, Inc. will close down the LifeCare International Manufacturing plant in Westminster by the end of the year, laying off 98 people. The LifeCare plant manufactured respiratory equipment.

## Retail Trade

Statewide retail trade sales increased 6.9% and metro-Denver retail trade sales grew 8.3% through May compared with the same time period a year ago. The highest growth rates occurred in the general merchandise and auto dealers/service sectors, while the largest declines occurred in the clothing and furniture/appliances sectors.

Five metro Denver and one Fort Collins Builders Square home improvement stores will close by fall, leaving more than 200 people without jobs. The closures come as a result of the bankruptcy filing of Hechinger Co., Builders Square's parent company.

Little Caesars Pizza unexpectedly closed down 28 of its 33 stores in Colorado in July, leaving an estimated 150 people without a job. Little Caesars plans to remodel the stores and open them within a year.

## Manufacturing

The Colorado Purchasing Managers Index, a measurement of the health of the Front Range manufacturing industry, hit a record 67.0% in July, up from 62.9% in June. The manufacturing climate was bolstered by high levels of production and new orders, and hindered by a low availability of skilled labor. The city-level index was at 70.5% for Denver, at 66.2% for Colorado Springs, and at 49.2% for Boulder. An index value above 50% indicates a growing manufacturing sector, while an index value below 50% indicates a shrinking manufacturing sector. The national index came in at 53.4% in July, down from 57% in June.

Katy Industries, Inc., an electrical supplies manufacturer based in **Englewood**, will lay off 122 people as a result of weak sales. The layoffs include 22 management positions and 100 manufacturing positions, in addition to the elimination of 24 unfilled administrative positions.

## Education

Colorado will receive an additional \$13.2 million from the federal government to hire 339 new elementary school teachers under the Clinton administration's class-size reduction initiative. Jefferson County, which has the largest average class size in the state (27 students), will receive 18 of the new teachers. Denver will receive 42, Aurora will receive 17, and Mesa County Valley in Grand Junction will receive 12 of the new teachers. There are 883 public elementary schools in Colorado.

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## International Trade

Colorado's manufacturing exports increased 12% through March compared with the same time period last year. Exports to Japan were up 21%, primarily due to a recovering economy in Japan. Exports to 12 of Colorado's 15 top export markets increased, with the exception of Australia, Malaysia, and the Netherlands.

## Tourism

The tourism industry boomed in Denver during 1998, with the number of overnight tourists growing at a 9% clip in 1998, compared to the national average of 4%, to a record 7 million. The previous record of 6.4 million was set in 1997. The state of Colorado attracted 21.6 million overnight tourists in 1998, up 4% from 1997 levels.

According to a study done by researchers at Colorado State University, Colorado's seven welcome centers generated between an estimated \$22 million and \$25 million for the state's economy in 1998. The study found that visitors stayed an average of two nights longer in Colorado because of the information provided in the centers. Visitors to the centers spent an average \$162 a day in Colorado.

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Skier visits to Colorado's ski resorts fell 4.2% last season compared to the 1997-98 season. In addition to low levels of snowfall, Colorado's ski resorts were hurt by a 7% decline in out-of-state skiers. Meanwhile, Colorado's market share fell below California's for the first time since the mid-1980s. A study commissioned by Colorado Ski Country USA concluded that tourists prefer California over Colorado because Colorado skiing is considered to be crowded and unaffordable.

Colorado's casinos generated a record \$47.2 million in adjusted gross proceeds in May, and a slightly lower \$45.2 million in June. Total adjusted gross proceeds for fiscal year 1998-99 were 14.5% higher than for fiscal year 1997-98.

## Mining

The Black Cloud molybdenum mine, Leadville's last operating mine, will close by the end of the summer. Of the current 23 employees, 15 will lose their jobs. The remaining eight will remain to begin reclamation. The Black Cloud mine partially closed in January, when 100 miners were laid off. The closure comes after unsuccessful attempts to find new ore veins.

## Denver-Metro Region

A report by the American City Business Journal ranks the metro-Denver area 11<sup>th</sup> nationally for the fastest growth rate of personal income, at 16% between 1995 and 1997. Furthermore, the average annual salary among metro-Denver residents was the 9<sup>th</sup> highest in the nation, at \$30,099 in 1997.

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A study by Florida-based Policom Corp. ranks the Boulder-Longmont area economy 8<sup>th</sup> and the Denver-area economy 19<sup>th</sup> among 315 metropolitan areas in the United States. The rankings are based upon per capita personal income, general employment levels, earnings per worker, and employment in high-paying sectors. Meanwhile, a study by the National Foundation for Women Business Owners and Wells Fargo ranked Denver 19<sup>th</sup> among 50 cities in a list of the best cities for women to own a business. The study found that 41% of all current metro-Denver firms are owned by women and that employment at women-owned businesses grew 149% between 1992 and 1999.

The Regional Transportation District (RTD) and the city of Denver are planning several developments for the northern end of the 16<sup>th</sup> Street Mall and the Central Platte Valley. RTD will expand its shuttle service three blocks past Market Street to Wewatta Street and build a \$40 million, 1.5-mile light rail line connecting many of the Central Platte Valley's entertainment venues and the Auraria campus by early 2001. Meanwhile, the city of Denver is expected to complete "Commons Park", a \$10 million, 30-acre park along the South Platte River by the end of this year. Park development will include a pedestrian bridge over the South Platte River and a new road.

Denver voters will be asked in November for an increase in taxes on hotel rooms and rental cars to finance a \$268 million expansion of the Colorado Convention Center. Meanwhile, Marriott International announced plans to build a 1,100-room hotel across the street from the Colorado Convention Center at 15<sup>th</sup> Street and

California. The hotel will be comprised of two towers, one 27 stories high and the other 39 stories high. It will include covered parking for 950 cars and retail shops along 15<sup>th</sup> Street. In addition, the Executive Tower Inn at Curtis Street and 14<sup>th</sup> Street will undergo a \$108 million renovation that will add 302 rooms to the hotel, bringing its total capacity to 639 rooms.

Plans were announced to build a six-story, 190,000-square-foot luxury office building on the northern edge of the Denver Tech Center. Construction is expected to begin in September, and the building is expected to open in January 2001. Meanwhile, a 20-acre medical campus is planned for the southern edge of the Denver Tech Center. It will include a 23,000-square-foot surgery center and an 85,000-square-foot medical office building. Both facilities are expected to open in February 2000.

A plan to develop 2,674 single-family homes in Happy Canyon along I-25 north of **Castle Rock** has been submitted to Douglas County's planning division. Nearly 60% of the 5,676-acre development would be open space, with fifty miles of trails, two golf courses, and two parks. Meanwhile, a plan to build 900 new homes on 540 acres, a \$1 million recreation facility, a new elementary school, a park, and a fire station was approved by the Castle Rock Town Council in June. The first phase includes 400 single-family homes and 100 townhomes. The remaining 500 homes will be built during the second phase of the plan. The Council also approved the issuance of \$12.4 million in bonds to help finance the development.

Plans were announced to develop 500 single-family homes and apartments and 8.7 million square feet of commercial, office, and industrial space in **Arvada**, between Indiana Street and Colorado Highway 93 along Colorado Highway 72.

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*“City of Brighton officials have temporarily stopped accepting applications for new residential building permits in order to allow the city to adjust to record levels of residential construction and growth.”*

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City of **Brighton** officials have temporarily stopped accepting applications for new residential building permits in order to allow the city to adjust to record levels of residential construction and growth. Brighton issued

more residential building permits in the first six months of 1999 than in any year before. Brighton's population increased from about 14,000 people in 1990 to about 19,000 people in 1998. Meanwhile, construction will begin on a \$14.5 million King Soopers at Sable Blvd. and Bromley Lane in late August. The 66,000-square-foot grocery store will anchor an additional 30,000 square feet of shops.

According to the U.S. Census Bureau, the town of **Parker** ranks 12<sup>th</sup> on the list of the fastest-growing U.S. cities with 10,000 or more residents. Parker's population increased 180% between 1990 and 1998, from 5,450 residents to 15,248 residents.

## **Boulder County**

The **Boulder** city council is considering rezoning to allow for the construction of new homes in order to accommodate growing employment levels. According to the city planning office, there are 90,500 jobs in a city with a current population of 95,100 people. Furthermore, employment is expected to grow by an additional 24,000 jobs within the next twenty years. Approximately 45,000 people commute to Boulder every day. Meanwhile, renovation began on Boulder's Crossroads Mall. Plans for the mall include an outdoor pedestrian promenade with a playground, a 16-screen movie theater, and ten additional retail shops.

Longmont-based Seagate Technology, Inc. announced plans to build a 450,000-square-foot office campus on 40 acres in **Longmont's** Clover Basin Farm industrial subdivision. Seagate, a producer of disk drives and tape drives, currently employs 815 people in Longmont.

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*“Development at the Interlocken Business Park and the FlatIron Crossing shopping mall in Broomfield is booming.”*

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Development at the Interlocken Business Park and the FlatIron Crossing shopping mall in **Broomfield** is booming. Construction began on a \$38 million, 10 story, 250,000-square-foot luxury office building at Interlocken, and is scheduled to open in July 2000. A twin building is in the planning stages. The \$84.5 million, 390 room Omni Hotel opened in the Interlocken Business Park in July. The 11 story hotel includes a 27

hole golf course, four restaurants, a health club and spa, and a 34,000-square-foot business center. Plans were announced to build an \$80 million, 360,000-square-foot retail and entertainment center and three hotels near FlatIron Crossing. The center is expected to open in August 2000. Also near FlatIron Crossing, construction began on a Marriott extended-stay hotel and is expected to open by the end of 1999.

## Southern Region

Plans were announced to develop 292 homes on 1,395 acres in Black Forest, north of Colorado Springs in unincorporated El Paso County. The development includes an 18-hole public golf course with a clubhouse. Construction is expected to begin by early 2000.

Ford Credit will open a service center in **Colorado Springs**, and expects to employ 500 people by early 2000, most of whom are currently employed by Ford Credit. The center is one of eight new regional centers into which Ford is consolidating its loan-servicing operations. The annual salary for most of the 500 jobs will be between \$15,000 and \$30,000.

Plans were announced to build the Ridgeview Commercial Center, a major shopping center with 345,000 square feet of retail space at Powers and Stetson Hills Boulevards in Colorado Springs. Construction is expected to begin in late 2000 or early 2001.

Several office buildings are planned or under construction in Colorado Springs. Construction began on a \$5 million, 56,000-square-foot office building at Colorado Avenue and Weber Street. The four-story building is expected to open in fall 2000. Construction will begin in March 2000 on an eight-story building at Cascade Avenue and Bijou Street, of which the bottom three stories will be a parking garage. Construction is expected to be complete by late 2000 on a second Plaza of the Rockies office tower at Colorado and Tejon. The Christian Booksellers Association expects to complete its 41,930-square-foot headquarters building in the Briargate Business Campus in February 2000. Finally, a three-building, 54,000-square-foot office complex is under construction near Interstate-25 and Circle Drive.

CountryWide Telecommunications will open a center at **Pueblo** Airport Industrial Park and create 550 jobs within three years. Although most of the new jobs will be for telecommunications workers, 50 will be management and supervisory positions, and 20 will be marketing positions. The provider of telephone messaging services expects to fill 175 of these positions before the end of 1999.

Atlanta-based Innotrac Corp. opened a call and distribution center at Pueblo Airport Industrial Park. Innotrac will hire 400 people within the next seven years, including 70 that have already been hired and another 130 that will be hired by fall. Innotrac distributes Caller ID boxes for regional phone companies.

Boeing Co. announced that it will hire 150 people and build a new 36,000-square-foot building at its Delta rocket assembly plant in Pueblo. The building will open in March 2000. Boeing currently employs 350 people in Pueblo.

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

Indicator	June 1999	April 1999	1998 Annual Average
Nonfarm Employment *			
Growth	2.6%	2.8%	3.6%
Unemployment Rate * (Seasonally Adjusted)	3.1	2.9	3.8
Housing Permit Growth †			
Single-Family	17.2	12.8	-0.5
Apartments	11.8	11.3	26.6
Growth in Value of			
Nonresidential Construction †	38.9	21.2	-42.5
Retail	29.8	25.4	-22.0
Offices	-17.3	-21.6	-15.3
Factories	-4.7	-23.0	9.5
	-55.1	-73.3	-70.5

Actual level, not growth rate.

† F.W. Dodge data.

\* Colorado Department of Labor and Employment data.

## Western and Mountain Region

North Face Inc., will lay off 9% of its workforce, including five people from its headquarters in **Carbondale**. The layoffs are an attempt to reduce operating expenses. North Face currently employs 85 people in Carbondale.

The **Crested Butte** ski resort announced plans to develop up to 3,000 residential units and an \$80 million town center that will include an ice rink and approximately 100,000 square feet of retail, restaurant, and convention space.

Vail Resorts will spend \$60 million on capital improvements to its four ski resorts this year. The improvements include a 37,500-square-foot conference center in Keystone, an additional private club at Beaver Creek, a \$7 million six-seat ski lift at Breckenridge, and 885 acres of new terrain at the Vail ski area. Meanwhile, a recent survey found that businesses in **Eagle County** have been unable to attract workers because of a lack of affordable housing. The survey found that an average of four workers per business quit or were not hired as a result, adding up to about 1,680 unfilled jobs in March 1999 alone. The average price of a townhome or condominium in Eagle County was almost \$500,000 in 1998.

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According to the U.S. Census Bureau, communities on the western slope grew at a rapid pace between 1990 and 1998. Of the 24 largest cities in Mesa, Delta, Garfield, Rio Blanco, Montrose, and Ouray counties, 17 communities grew at rates ranging between 15.4% and 35.1%. Three communities grew slower than 15.4%, and three grew faster than 35.1%. Only one community shrank: Meeker lost 0.2% of its population.

A \$100 million renovation is underway on the 106-year-old Colorado Hotel in **Glenwood Springs**. Construction on the 128-room hotel is expected to be completed in the spring of 2000.

The city of **Montrose** was awarded a \$455,700 grant from the U.S. Economic Development Administration to help fund the construction of a fire protection system at the city's Aerospace Research Park. The \$759,000 fire protection system includes a 400,000 gallon water tank and is necessary to make insurance costs marketable to companies that may be interested in establishing aerospace plants at the city's Aerospace Research Park.

State Farm Insurance Co. announced plans to develop “The Promontory”, a 670 acre campus on U.S. 34 west of **Greeley**. In addition to 800 single-family homes, 500 multi-family homes, and 5 million square feet of office and retail space, the development will include a community center, a lake, and a park with a trail system. State Farm will build its new regional offices on the site, and expects to begin moving 1,300 of its current employees there by August 2001.

Construction began on the Fall River Visitor Center at Rocky Mountain National Park in **Estes Park**. The \$1.8 million, 5,000-square-foot center will serve an estimated 1 million people each year. Expected to open in summer 2000, it is being financed by private donations from individuals and nonprofit organizations.

Plans were announced to build 89 single-family homes on 144 acres between Colorado Highway 340 and Broadway near **Grand Junction**. The project must be approved by the Mesa County Planning Commission and Mesa County Commissioners.

Construction began on amenities in the new \$4 million Fruita State Park. The 81-acre park will include fishing lakes with boat launches, campgrounds, biking paths, and an outdoor amphitheatre. The park is expected to open summer 2000.

## 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 ♦ (through June 1999)	2.0	3.1	2.4	2.9	2.4	3.1	2.3	0.1	4.3	4.0	1.5	1.5	1.1	0.4
Unemployment Rate ☒ ♦ (not seasonally adjusted (in June 1999)	6.0	3.4	4.4	3.1	5.4	3.9	4.8	4.8	4.1	6.1	5.8	4.1	3.7	4.3
Retail Trade Sales Growth ▼ (through May 1999)	-1.7	11.0	6.4	8.3	9.9	6.6	6.7	-0.2	8.0	.3.8	5.3	-0.6	9.3	-7.5
Housing Permit Growth * (through June 1999)	37.8	-29.6	40.7	11.7	40.9	55.0	94.5	19.1	46.2	56.2	15.7	31.5	21.2	①
Growth in Value of Non-residential Construction * (through June 1999)	②	48.6	15.8	35.3	③	25.7	16.6	75.7	④	-91.4	-14.3	10.1	-86.5	46.7

♦ Nonfarm employment growth

☒ Actual level, not growth rate.

♦ Colorado Department of Labor and Employment data.

\* F.W. Dodge data.

▼ Colorado Department of Revenue data.

① 177 units were permitted through June 1999, while 72 units were permitted through June 1998.

② \$5.0 million was contracted through June 1999, while \$1.6 million was contracted through June 1998.

③ \$13.9 million was contracted through June 1999, while \$2.9 million was contracted through June 1998.

④ Nothing was contracted through June 1999, while \$4.5 million was contracted through June 1998.