

# Looking Forward 2017

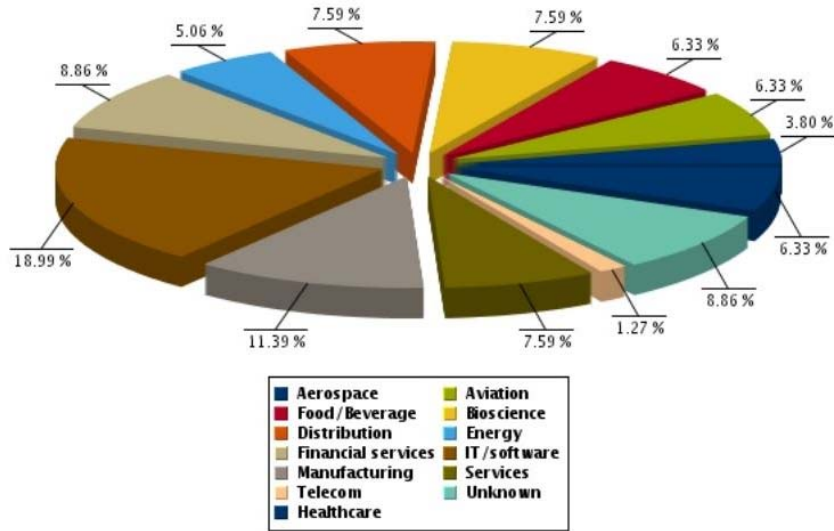


## Types of Jobs Underway

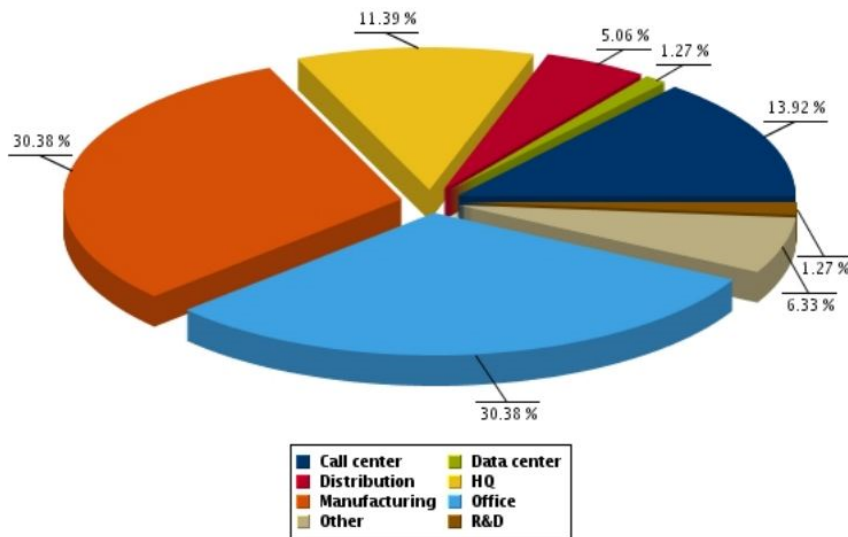
- Types and Size of Projects are Similar from 2016, but in cost and square feet.
- Highly diverse
- New on the horizon Food manufacturing, e.g.



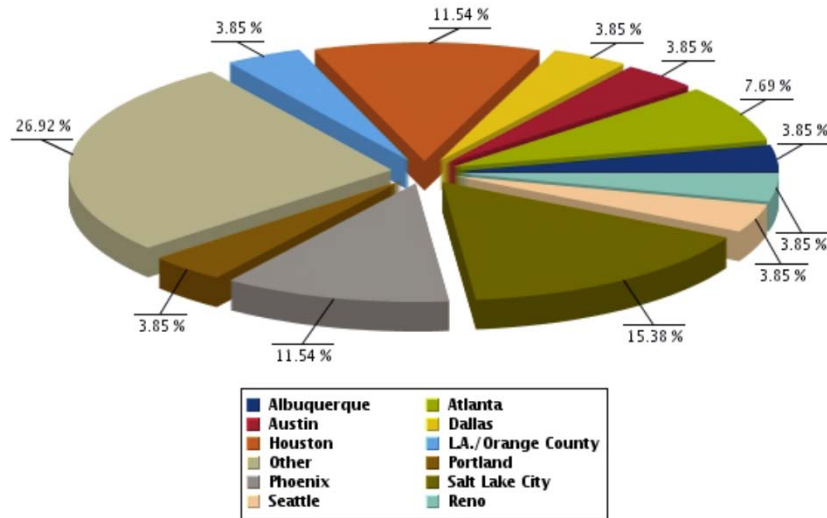
### 2016 Prospects by Type



### 2016 Prospects by Function



## 2016 Competing Metros



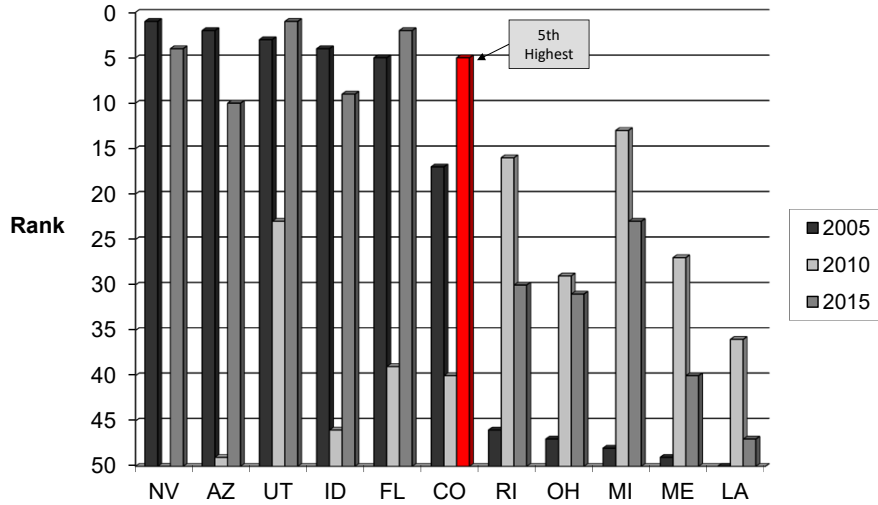
## 2016 Prospect Activity

- 81 new prospect companies
- 33 successful located or expanded in Metro Denver
- 17 new = 3,100 jobs
- 16 existing = 3,025 jobs
- Investment expected = more than \$728.3M
- Incentives awarded = \$55.8M
- **10 HQ**
- Locations include:
  - 8 Denver, 6 Broomfield, 5 Aurora



## Employment Growth Rate

U.S. Department of Labor, Bureau of Labor Statistics

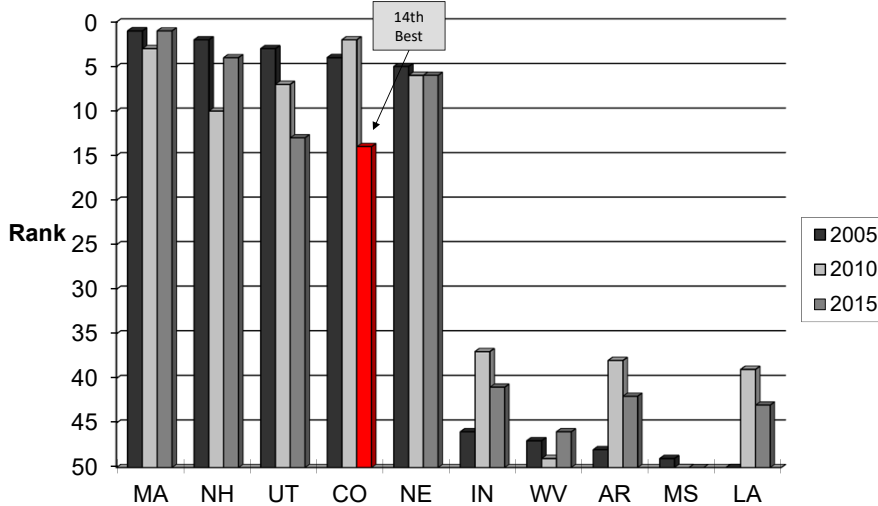


Nevada, Florida, and Utah were among the fastest growing states prior to the last recession, suffered some of the worst declines during it, and are once again among the top job growth states. Colorado has ranked in the top 10 since 2011. North Dakota (-1.7 percent) went from first in 2009-2014 to 50th in 2015 and was one of three states where employment contracted.

Fig. 5

## State Competitiveness Index

Beacon Hill Institute



Competitive states have the ability to generate and maintain per-capita personal income growth. The *State Competitiveness Index* utilizes 45 indicators in 8 subindexes to identify which states are poised for long-term prosperity. While the set of indicators may vary by year, Colorado's highest rankings were in the infrastructure, human resources, and technology subindexes.

Fig. 1

## Trivia

- Which state never got above 49<sup>th</sup> with “State Competitiveness” in 14 years of data?
  - **Mississippi**
- Which state ranked in the Top10 from 2001 to 2014? And then dropped in 2015?
  - **Colorado**



## What the World Sees about Colorado

Swiss National Television Network quote:

“20 years ago no one in the world knew (metro) Denver. Today, everyone in the world knows Denver, Colorado.”



What the world sees ... here are some national headlines from recent months, for more see our website <http://www.metrodenver.org/news/metro-denver-in-the-news/>



### Denver's Gritty Back Door Could Become Its New Gateway

*The NYTs featured the multimillions in investment pouring into Denver's River North (RiNo).*



### The Best Places For Business And Careers 2016

**Best Places: 1. Denver, Colo.**  
Metro population: 2,820,200  
Gross Metro Production: \$178 billion



### Ask Colorado Whether Infrastructure Spending Works

*As the Denver population booms, the city's and state's unemployment rates remain among the lowest at 3.8 percent.*



### Colorado ranks 3rd for Top States

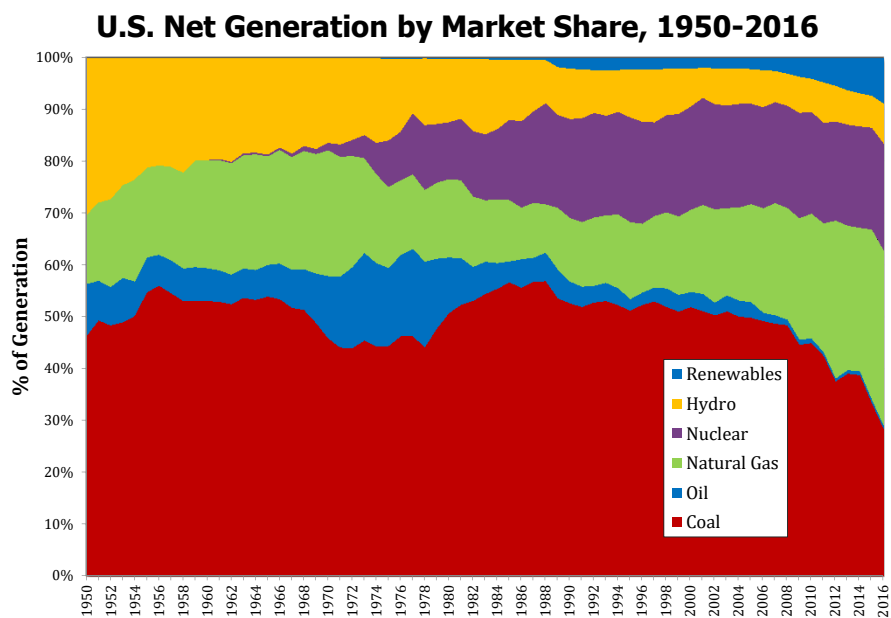
*Colorado comes in third on this year's list for America's Top States for Business, up from a fourth-place finish last year. Workforce #1*

# Major Changes In Energy



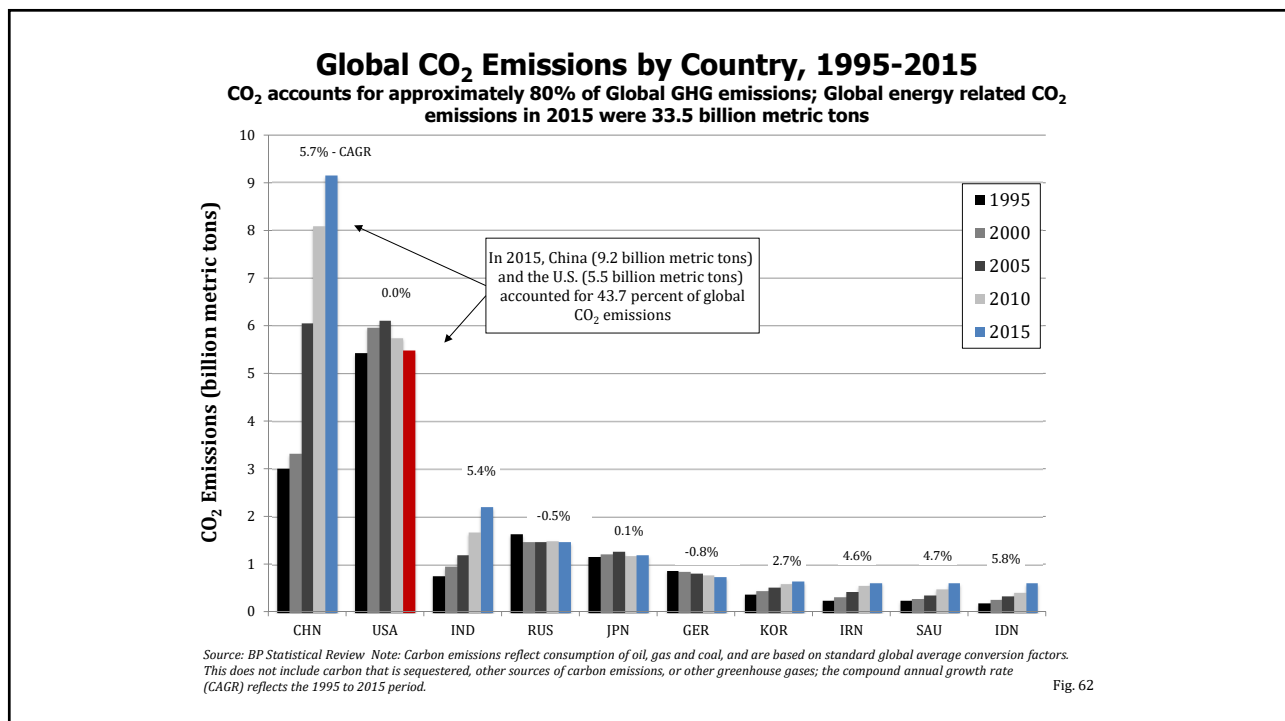
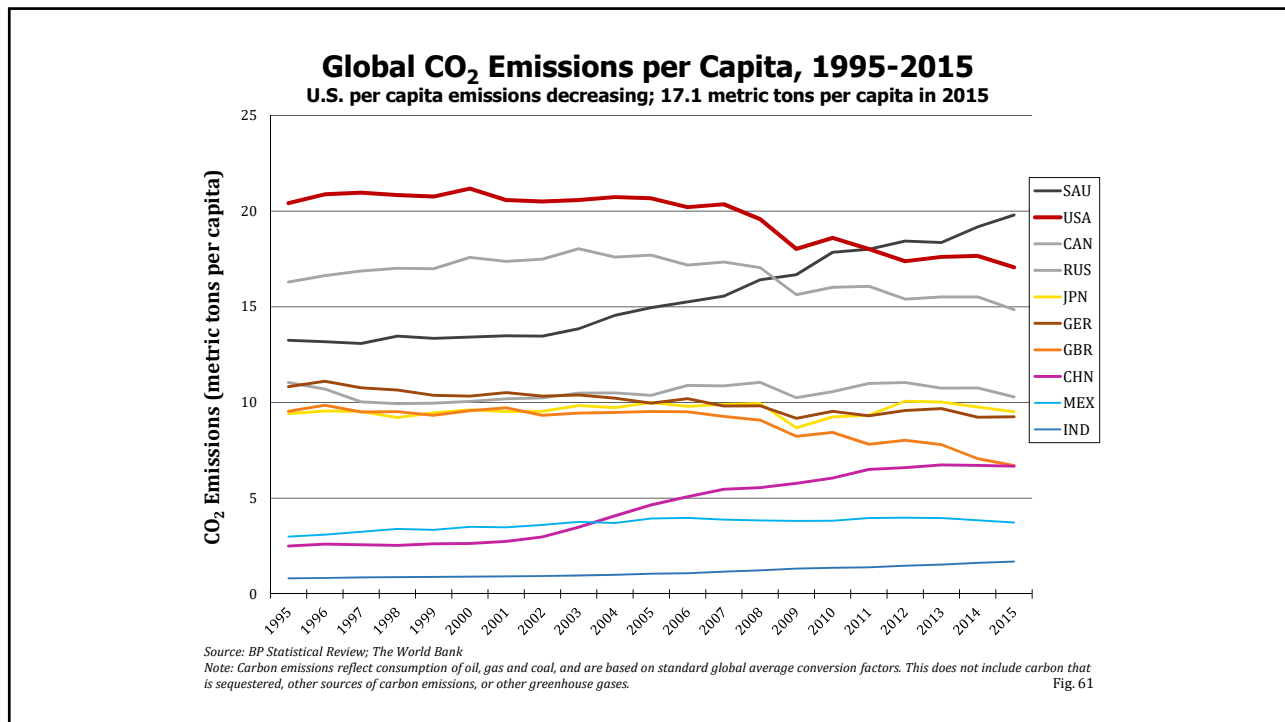
## U.S. Becomes gas exporter?

- December, 2016 U.S. becomes a gas exporter again....
- First time since in 61 years
- Japan and Australia applaud another competitor in the Asia Pacific
- Western Europe will feel Putin's foot come off their necks. Increases in global oil prices will drive employment in Colorado in the foreseeable future.



Source: U.S. Department of Energy, Energy Information Administration; \*2016 data is an estimate

Fig. 51

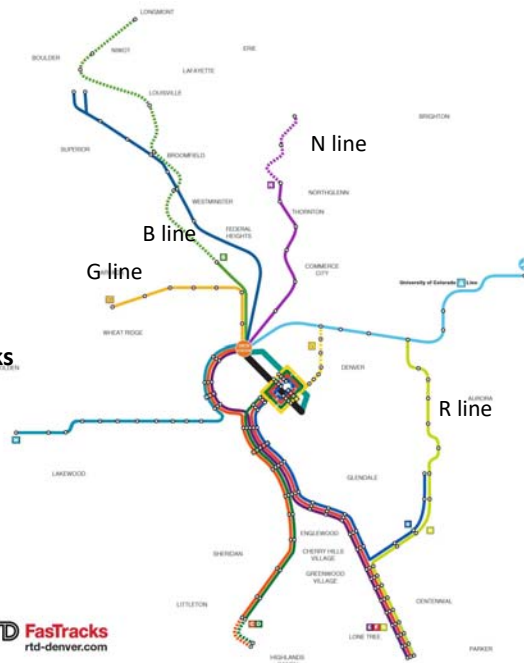




# Infrastructure



2016 FasTracks map



## Infrastructure Still Arriving

- 2016 did not bring on two new lines as expected G (Arvada/Wheat Ridge) and R (Aurora Civic Center to Stapleton)
- Should be delivered in late 2017
- BRT on US 36 completed and working well.
- First leg of Northwest Line opened to Westminster 2016, but struggling with same technology problem for Gold,
- AND the great news...construction of the VA Hospital will go on forever.....



## Other Infrastructure

- 2019 - first section of North Line delayed from original 2018 date.
- No new FasTracks construction until 2040 for any other transit projects listed above.
- National Western. You won't see much "above ground" work while it begins infrastructure work on-site. First vertical will be 2017. CSU, Denver and others will create major ag/exhibition center along Brighton Blvd.
- World Trade Center will open in RINO.

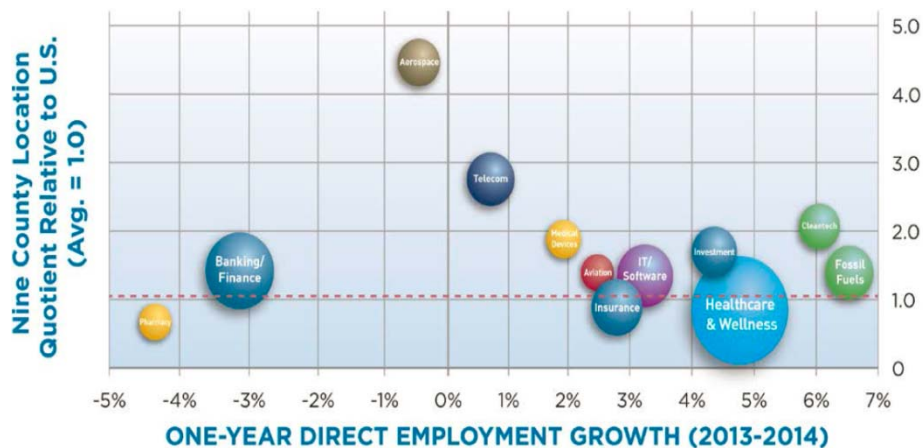


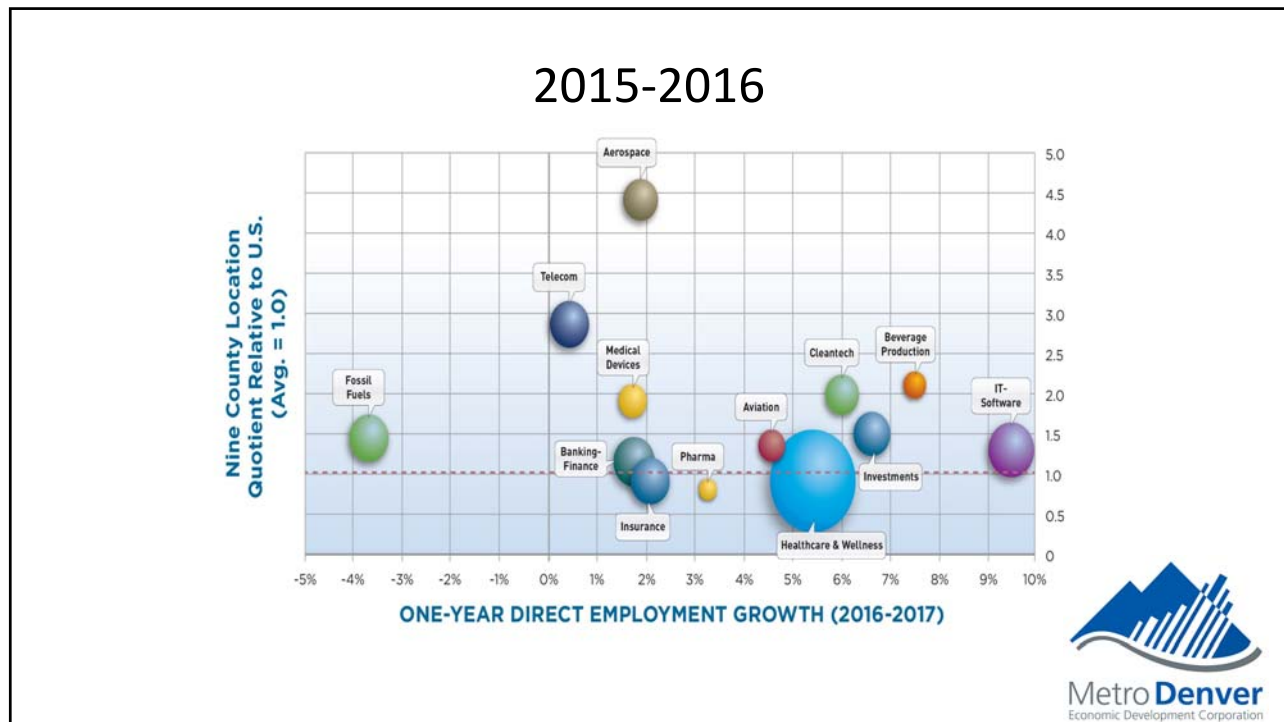
## The Next Big Challenges

- Housing costs – median housing cost \$378,000. Adams County 2-bedroom \$1,300. (Palo Alto - \$2.3 million)
- Next challenge: Progress on highways and how we ride on them.
- Mobility Choice preparing the technology map for ROADS and driverless cars, buses and airplanes. A tax increase?



## 2014 - 2015





## Aviation

- Improving the air traffic control system
- Continuing efforts for non-stop service to Middle East, China, Western Europe.
- SpacePort at Front Range Airport.
- “Dog Park” in Alamosa for UAS testing and possibly manufacturing.

## Bio

- Devices – Continues to be a strong growth part of Life Sciences industry.
- Pharma: Changes in federal regulations to speed promising drug protocols to the market will have some impact on Colorado companies, but its impact on the State's economy is minimal.
- Advanced Industry funding continues to help new and small funds with early research.



## Beverage Production

- The beverage production cluster in the region is one of the region's fastest growing clusters. In last five years, employment in the region's beverage production cluster rose 28.1 percent, compared with 28.8 percent nationally. In 2016, the beverage production industry was the region's second-fastest growing industry by employment, rising 7.5 percent.
- Finding water – cost and quality issues.



## Broadcast/Telecom

- Consolidations, mergers, acquisitions
- Price challenges everywhere
- Speed, speed, speed
- Our geographical advantage – biggest metro between LA and Chicago.



## Financial Services

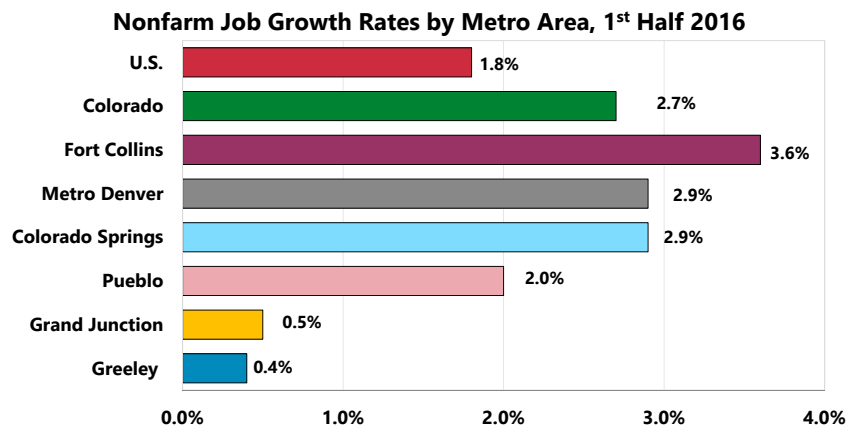
- Banking – Dodd Frank changes highly probable. The return of “community banks” in rural areas?
- Insurance: Chaos in the health care system.
- Investments: FISC – Housing is the biggest challenge for booming labor pool.



To see our Annual Cluster Study for 2016....

metrodenver.org January 26, 2017

Employment growth varies across the state



*Source: U.S. Bureau of Labor Statistics, Current Employment Statistics.*

## I Like Weed (in other states)

- |                         |                |
|-------------------------|----------------|
| • California,           | • Recreational |
| • District of Columbia, | • Recreational |
| • Massachusetts         | • Recreational |
| • Oregon                | • Recreational |
| • Washington            | • Recreational |
| • Alaska                | • Recreational |
| • Nevada                | • Recreational |
| • California            | • Recreational |
| • Maine                 | • Recreational |



## What can the major cities in these states expect

- Rapid consumption of Class industrial properties for grow houses.
- Increased electricity consumption.
- Reduction in young people's "sense of risk" for marijuana, but smaller increase in "use" that many feared.
- Concentration of illegal growers in smaller communities where tax burden can be avoided and police are in shorter supply.



## Threat to Job Growth

- Price of housing
- Income increase for average median worker: 2.9%
- Lack of condos (187 units built in 2015 while 11,500 existing condos are sold)
- Lack of action in Colorado General Assembly

## The “Trump” effect

- Focus on infrastructure
- Threats of trade war
- Reduced taxes
- Repatriating off-shore taxes



Immigration



Transpacific Trade Pact



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