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Economic experts: 2012 to be a solid year for Colorado

Denver Business Journal by Heather Draper, Reporter

Date: Tuesday, January 10, 2012, 3:58pm MST

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While 2012 won't be a boom year in Colorado, economic experts said they're seeing "a light at the end of the tunnel" and they expect slow but steady growth this year.

Some signs of the state's recovery include strong retail sales, a slight increase in building permits, stabilizing home prices and a rise in business leaders' confidence in the fourth quarter of 2011, said [Rich Wobbekind](#), executive director of the Business Research Division at the **University of Colorado Boulder's** Leeds School of Business.

"The Leeds Business Confidence Index jumped a lot from the last quarter," Wobbekind said. "Business leaders are seeing a light at the end of the tunnel, especially considering they expect growth in the construction sector."

He expects Colorado's economic growth to continue to outpace the nation's this year, with steady job growth and the unemployment rate remaining below the national rate.

Wobbekind spoke Tuesday at the NAIOP Commercial Real Estate Development Association's 2012 economic forecast breakfast at the Ritz-Carlton, Denver.

The other speakers at the breakfast were [Tom Clark](#), CEO of the Metro Denver Economic Development Corp.; [Ken Lund](#), executive director of the Colorado Office for Economic

Development and International Trade; and [Glenn Mueller](#), professor at the **University of Denver's** Franklin L. Burns School of Real Estate and Construction Management.

Lund, former managing partner of Denver-based law firm **Holme Roberts & Owen** (now **Bryan Cave HRO**), outlined the state's "bottom-up economic development initiative" at the forecast.

"Our goal is to create a business-friendly environment in Colorado, and make the state government more responsive," Lund said.

The state wants to build its business brand, he said. "People know we're a great place to live. We need to get the message out that Colorado is a great place to do business."

The state also wants to increase capital investment here, foster innovation and technology, as well as make sure it is educating and training the workforce of the future, Lund said.

Colorado is focusing on primary industry "clusters" as it works to bring business here. Some of the key industry clusters include aerospace, agriculture, tourism, bioscience, energy, financial services, information services, defense, health and wellness, and manufacturing.

"We want to focus on the key industries we can leverage to get the most bang for our buck [in economic development]," Lund said.

Clark said the year ahead for Colorado will be "solid, maybe even exciting," based on the record number of prospects that Metro Denver EDC worked with 2011, and is continuing to work with.

The EDC's prospects for businesses wanting to operate in Colorado were up 20 percent in 2011 from the year before, and actual closings on deals for businesses to locate here were up 30 percent from 2010, Clark said.

Some of the high-profile businesses that announced last year that they were locating in Colorado include **Arrow Electronics**, **General Electric's** solar panel plant, **Intrawest**, **Bridgepoint Education**, **Coleman** and **DaVita**.

"There has been an incredible sea-change in the conversations we're having [with prospects]," Clark said. "It's going to be a very solid year."

The panelists expressed some concern about getting a nonstop flight to Asia from **Denver International Airport**, handling increased costs of infrastructure projects such as RTD's FasTracks, paying for the rising cost of higher education and dealing with the struggling housing market.

"If you can't get a nonstop flight to the world's largest market, you're at a disadvantage," Clark said.

"We've way overbuilt in the housing market," said Mueller. "I don't think we burn off the excess supply until 2016. We're certainly not as bad as states like Arizona, California or Nevada, but we have a large overhang."

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