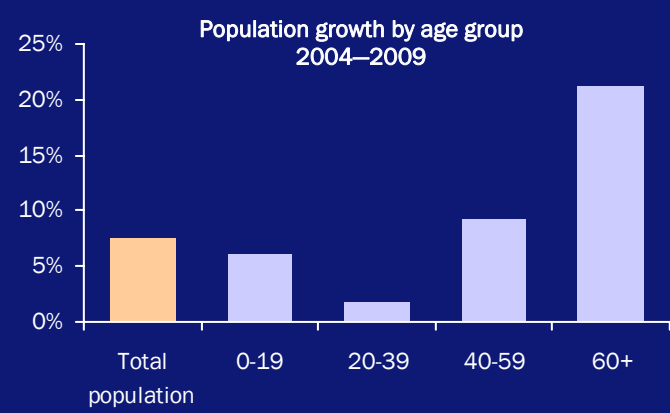
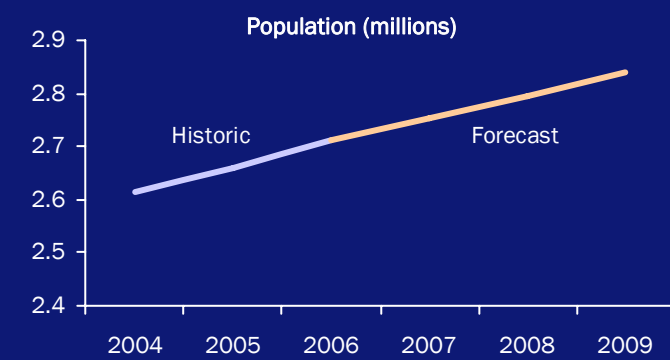
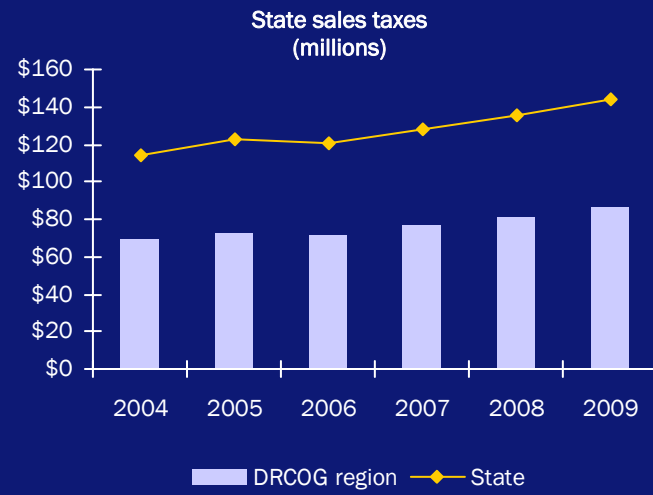
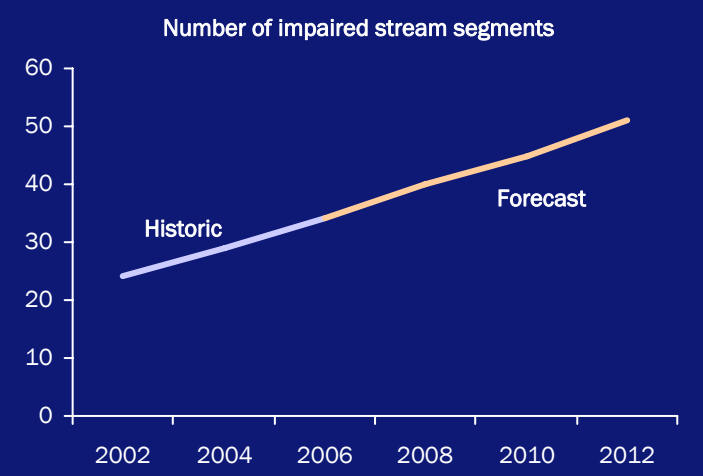
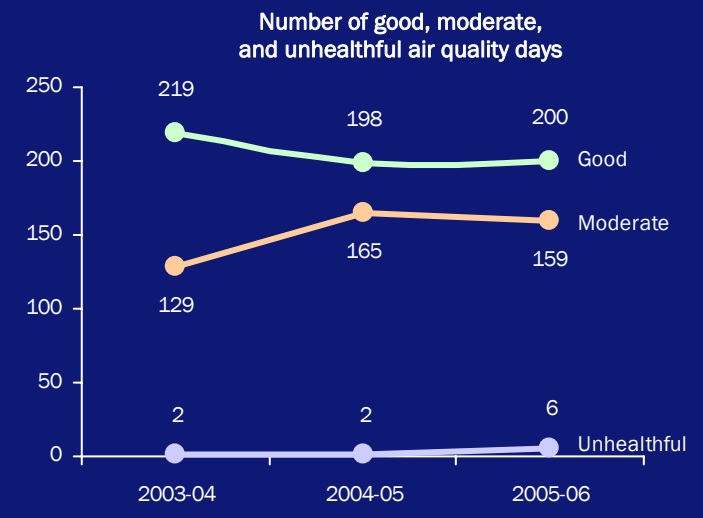
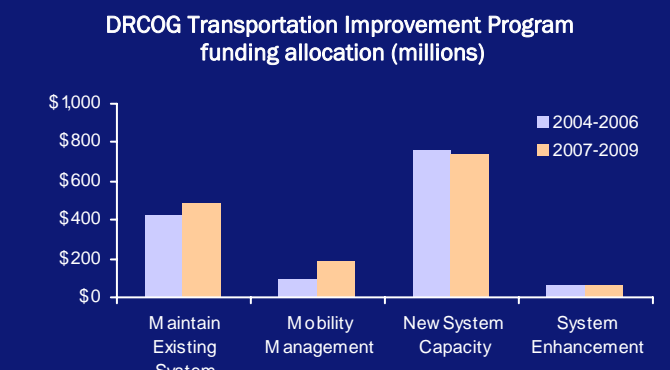
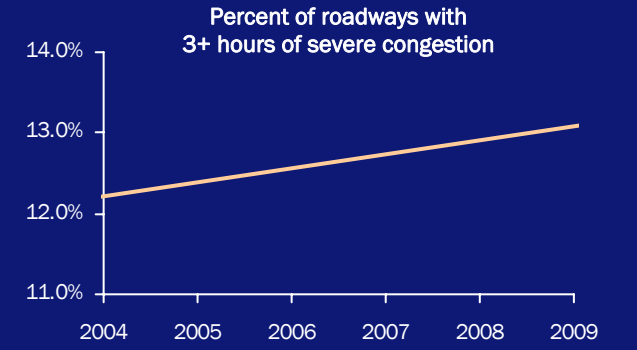


THE STATE OF THE REGION 2007



	Where are we now?	Where are we heading?
Economy	<ul style="list-style-type: none"> In 2006, the region had 1.3 million wage and salary jobs, an increase of 30,000 from 2005. The increasing role of Denver as a regional trade and service center has stimulated growth in service industries, which accounted for over half of the job growth between 2005 and 2006. Local and non-local business expansion contributed to growth in the professional and business services sectors. Regional population growth contributed to growth in the personal services sectors, which include private educational and health-care and social assistance services. 	<ul style="list-style-type: none"> Continued growth in the professional, business, and service sectors is expected for the near future. The five-year TABOR hiatus will allow more state spending on infrastructure projects, stimulating growth in several sectors. Federal government spending will stimulate growth in the engineering sectors. Growth in the construction sector is expected to slow as the housing market adjusts to excess inventories and steady foreclosure rates. Slower growth is also expected in the manufacturing sector, in part due to the transfer of traditional manufacturing jobs overseas.
Population and housing	<ul style="list-style-type: none"> The residential housing market that aided the DRCOG region's economic recovery showed signs of slowing in 2006. Foreclosures in the DRCOG region reached record numbers in 2006. Apartment vacancy rates fell as foreclosed homeowners turned to the rental market and rising interest rates kept potential buyers from purchasing homes. Despite the high number of foreclosures, population in the metro area continued to increase 1.8 percent since 2005. 	<ul style="list-style-type: none"> The number of new housing permits will decline in 2007 as residential developers continue to correct for a decreasing number of potential homeowners. Home values will remain stable and consumer confidence in the metro area will rise. The number of new multifamily housing permits will remain high as the market responds to the housing demands of the baby boomer generation and new opportunities associated with FasTracks. Population will continue to increase at rate of 1.6 to 2 percent annually.
Transportation	<ul style="list-style-type: none"> The five-year, \$1.7 billion T-Rex project was completed in 2006, adding 19 miles of light rail and improving 17 miles of highway in the southeast I-25 and I-225 corridors. Congestion remains pervasive throughout the region – the average commuter loses 51 hours each year to traffic delays. Increasing construction costs and stagnant gas tax revenues reduced funding available for transportation improvements. Increasing gas prices boosted demand for alternative transportation modes. 	<ul style="list-style-type: none"> FasTracks is in the preliminary engineering phase—the first major components are scheduled for completion in 2012. Many years will be required to retire the bonds that paid for T-Rex and other priority projects, leaving less money for additional new capacity. Allocation of transportation funds will continue to shift from new capacity to system preservation. Municipal and private transportation funding sources are also expected to decline.
Environment	<ul style="list-style-type: none"> The region has not violated federal air quality standards for several years, and many air pollutants are trending downward. However, the number of “good” air quality days decreased to 200 in 2006, while the number of “moderate” and “unhealthful” days increased to 159 and 6, respectively. The number of ozone alert days increased to 49 in 2006—the most ever recorded—due to record-breaking heat. The number of streams and lakes in the Denver region impacted by pollutants increased to 34 in 2006. 	<ul style="list-style-type: none"> The region must comply with new, more stringent federal regulations of ground-level ozone by December 2007. State, regional, and local agencies have entered into an “Early Action Compact for Ozone” that includes an aggressive plan to cut precursor emissions from oil and gas wells that contribute to ozone formation. 2006 emissions were higher than anticipated, however, and further reductions are needed to curb emissions from the growing oil and gas industry. If current trends continue, the number of polluted stream segments in the region will increase to 51 by 2012.
Aging	<ul style="list-style-type: none"> The first of the baby boomer cohort, which represents 30 percent of the region's total population, turned 60 in 2006. The region's senior population represents almost 52 percent of the state's total. The region is also home to 52 percent of the state's low-income and minority seniors. The region receives only 47 percent of all state and federal funding spent across the state on aging services. An estimated \$3.2 million is needed annually just to clear existing waiting lists for key services, including in-home help and home-delivered meals. 	<ul style="list-style-type: none"> The population age 60 and over is expected to increase 21 percent between 2004 and 2009, compared to 7.6 percent for the total regional population. During this same time period, an estimated 97,000 people COULD retire from the workforce—the equivalent of nearly the entire population of the city of Boulder. Providing these retirees with the resources they need to age in our communities will be a continuing challenge for the region. Federal funding for aging services is expected to remain level or decline in the near future.

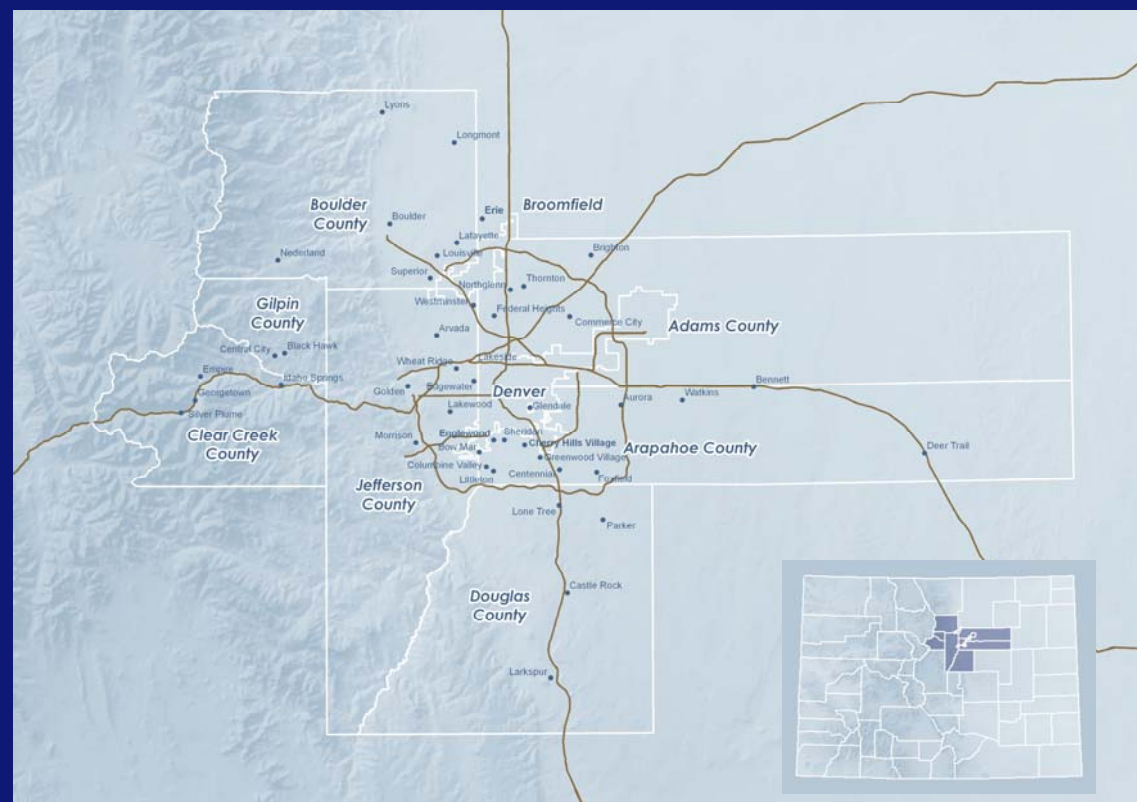




Rick Garcia, Chair
Denver Regional Council of Governments

About DRCOG

The Denver Regional Council of Governments (DRCOG) is thinking "SMART," by emphasizing Sustainability in the region's vision for growth and development, acting as a Model for regional cooperation, Advocating for the needs of seniors, establishing Regionalism as the best approach to problem solving, and partnering with business and industry to meet Transportation needs.



The Denver Regional Council of Governments (DRCOG) is a nonprofit association of 52 local governments, dedicated to making the nine-county Denver region a great place to live, work and play.

For more than 50 years, DRCOG has championed a regional perspective on key issues facing the metropolitan area, and sought solutions through cooperative local government action. At DRCOG, local governments resolve areawide problems through dialogue and consensus in ways that respect the unique nature and aspirations of each member government.

The past decade has brought considerable change to the Denver region. Today, we face new challenges as we attempt to enhance our economic competitiveness while also maintaining our world-renowned quality of life. Effective regional decision-making requires accurate and timely information about where we stand as a region and where we are heading.

The DRCOG State of the Region Report provides such guidance. New for 2007, this report offers a comprehensive snapshot of conditions across the entire metropolitan area, reviewing our current trajectory on key regional metrics: our economy, population and housing, transportation, the environment, and changing demographics. The report explores a six-year window, from 2004 to 2009. The look back helps us understand the current state of the region, while the forecasts offer strategic insight into how current trends are likely to unfold over the coming years.

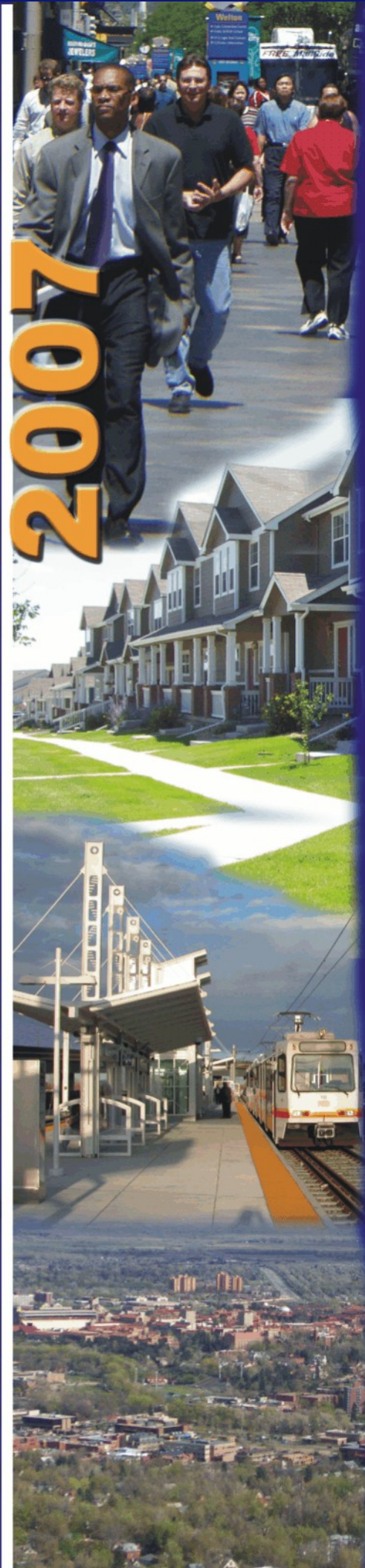
I am very pleased to offer this reading of the "pulse" of our region. This document provides important insights into the dynamics of the region, helping decision-makers at all levels and in all sectors understand the current State of our Region.

Participating governments

<u>Counties</u>	<u>Municipalities</u>		
Adams County	City of Arvada	City of Edgewater	City of Lone Tree
Arapahoe County	City of Aurora	Town of Empire	City of Longmont
Boulder County	Town of Bennett	City of Englewood	City of Louisville
City and County of Broomfield	City of Black Hawk	Town of Erie	Town of Lyons
Clear Creek County	City of Boulder	City of Federal Heights	Town of Morrison
City and County of Denver	Town of Bow Mar	Town of Foxfield	Town of Nederland
Douglas County	City of Brighton	Town of Georgetown	City of Northglenn
Gilpin County	Town of Castle Rock	City of Glendale	City of Parker
Jefferson County	City of Centennial	City of Golden	City of Sheridan
	City of Central City	City of Greenwood Village	Town of Silver Plume
	City of Cherry Hills Village	City of Idaho Springs	Town of Superior
	Town of Columbine Valley	City of Lafayette	City of Thornton
	City of Commerce City	City of Lakewood	City of Westminster
	Town of Deer Trail	Town of Larkspur	City of Wheat Ridge
		City of Littleton	

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THE STATE OF THE REGION



2007