

REGION 7 OVERVIEW

Planning Region 7 is comprised solely of Pueblo County. It accounts for 2.3% of Colorado's total land area.

The total population for the region is 144,955, or approximately 3.3% of the state's total population. Per capita income for Region 7 is below the state average.

The city of Pueblo is the region's largest city and the only MSA. The region includes several military bases and a municipal airport. There is a university and a community college in the region, which provide a broad array of degree and technical training programs.

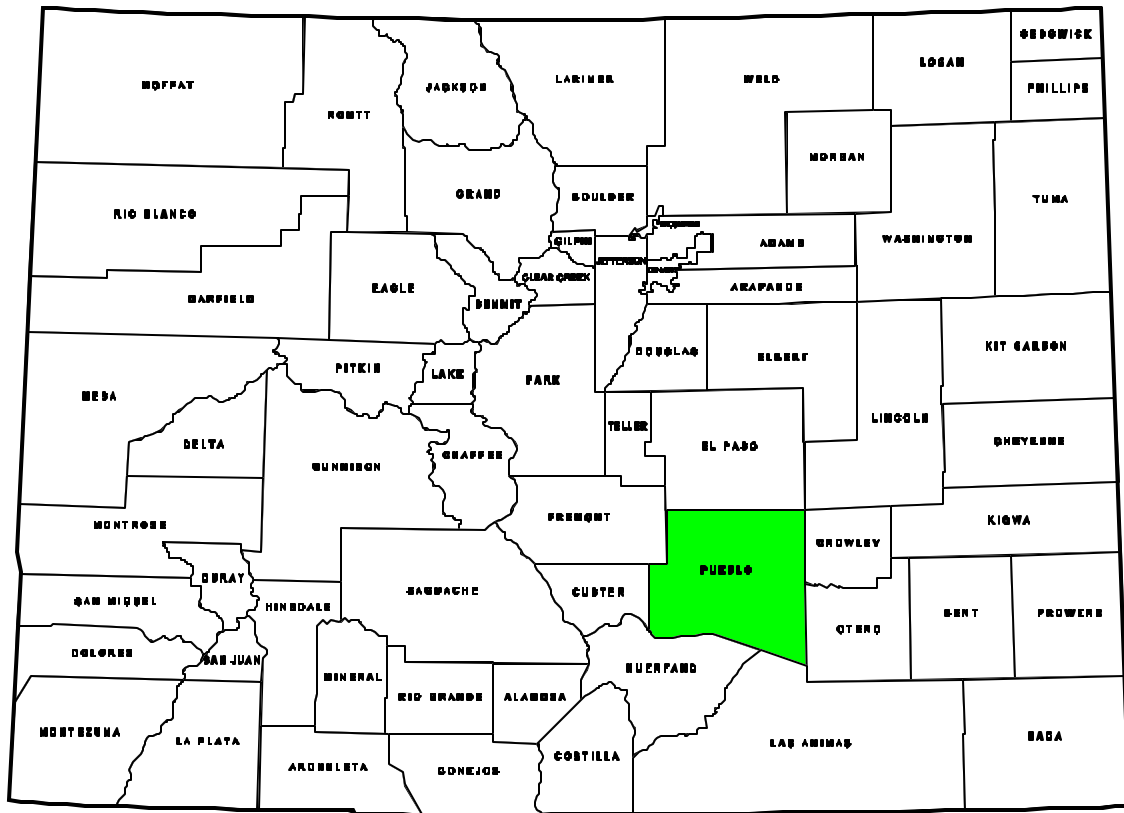
The city of Pueblo lies at the intersection of Interstate 25 and Highway 50, making the region an important transportation center for the state.

The regional economy is fairly diverse. Agriculture, manufacturing, transportation, and tourism all play important roles in Pueblo County. Steel mills have long been an important part of the area's economy; however, the industry as a whole is declining in the United States, and Pueblo is no exception. The strong military presence has attracted a number of large aerospace and defense companies to the Pueblo region. Additionally, environmental industries, centered on waste collection, treatment, disposal, and remediation, have a strong presence in the county.

Portions of Pueblo County are designated federal HubZones providing preferences in selling to the government. This advantage could generate economic growth for companies offering products and services purchased by Department of Defense and other federal agencies, or by federal prime contractors. The HubZone could also be used to attract companies already doing business with the government to relocate to eligible areas of the region.

The area has good potential for growth in the aerospace and defense industries. Additionally, relatively low wage rates and an ample labor supply offer good potential for growth in the call-center industry.

PUEBLO COUNTY



PUEBLO COUNTY RESOURCES

Transportation

Commercial Service Airports: Pueblo Municipal Airport

General Aviation Airports: none

Reliever Airports: none

Interstate Highway Miles: 48.2

Military Bases, Federal Facilities, and Prisons

Military Base: Pueblo Army Depot Activity -USA

Federal Facilities: FRA-Transportation Test Center

State Prisons: Pueblo Minimum Center, San Carlos Correctional Facility, Youthful Offendor System

Higher Education (Main Campus)

Four Year: CSU – South

Two Year: Pueblo Community College

Private Acc.: none

Ski Areas, Casinos, and National Parks

Ski Areas: none

Casinos/Gaming: Greyhound track in Pueblo

National Parks/Sites: none

Natural Resources

Oil Production (Barrels of Oil): 0

Gas Production (Million Cubic Feet): 0

Coal Production (Short Tons): 0

CO2 Production (Million Cubic Feet): 0

Wind Level Rating (5=Outstanding, 4=Good): <4

Biomass Energy Potential: <2,500,001 mmbtu

| PUEBLO COUNTY OVERVIEW | | | |
|--|----------------------|-----------------|-----------|
| | Pueblo County | Colorado | US |
| People | | | |
| Population, 2001 estimate | 144,955 | 4,417,714 | 284.8 M |
| Population percent change, April 1, 2000-July 1, 2001 | 2.5% | 2.7% | 1.2% |
| Population, percent change, 1990 to 2000 | 15.0% | 30.6% | 13.1% |
| Persons under 18 years old, percent, 2000 | 25.8% | 25.6% | 25.7% |
| Persons 65 years old and over, percent, 2000 | 15.2% | 9.7% | 12.4% |
| White persons, percent, 2000 | 79.5% | 82.8% | 75.1% |
| Persons of Hispanic or Latino origin, percent, 2000* | 38.0% | 17.1% | 12.5% |
| Black or African American persons, percent, 2000 | 1.9% | 3.8% | 12.3% |
| American Indian and Alaska Native persons, percent, 2000 | 1.6% | 1.0% | 0.9% |
| Asian persons, percent, 2000 | 0.7% | 2.2% | 3.6% |
| Persons reporting some other race, percent, 2000 | 12.9% | 7.2% | 5.5% |
| High school graduates, percent of persons age 25+, 2000 | 81.3% | 86.9% | 80.4% |
| Bachelor's degree or higher, pct of persons age 25+, 2000 | 18.3% | 32.7% | 24.4% |
| Mean travel time to work, workers age 16+ (minutes), 2000 | 20.7 | 24.3 | 25.5 |
| Homeownership rate, 2000 | 70.4% | 67.3% | 66.2% |
| Median value of owner-occupied housing units, 2000 | \$95,200 | \$166,600 | \$119,600 |
| Median household money income, 1999 | \$32,775 | \$47,203 | \$41,994 |
| Per capita money income, 1999 | \$17,163 | \$24,049 | \$21,587 |
| Persons below poverty, percent, 1999 | 14.9% | 9.3% | 12.4% |
| Business | | | |
| Federal funds and grants, 2001 (\$1,000) | 822,542 | 24,344,658 | 1.8 B |
| Geography | | | |
| Land area, 2000 (square miles) | 2,389 | 103,718 | 3.5 M |
| Persons per square mile, 2000 | 59.2 | 41.5 | 79.6 |
| Note: *Hispanics may be of any race, so also are included in applicable race categories. | | | |

| ESTABLISHMENTS BY SIZE CLASS | | |
|-------------------------------------|---------------|----------------|
| Size Class | Number | Percent |
| 1-4 Employees | 1,650 | 51.7% |
| 5-9 Employees | 691 | 21.6% |
| 10-19 Employees | 442 | 13.8% |
| 20-49 Employees | 272 | 8.5% |
| 50-99 Employees | 68 | 2.1% |
| 100-249 Employees | 55 | 1.7% |
| 250-499 Employees | 9 | 0.3% |
| 500-999 Employees | 4 | 0.1% |
| 1,000+ Employees | 3 | 0.1% |
| Total | 3,194 | 99.9% |

| HOUSEHOLDS BY INCOME LEVELS | | |
|------------------------------------|---------------|----------------|
| Income Bracket | Number | Percent |
| <\$10,000 | 6,569 | 12.0% |
| \$10,000 to \$19,999 | 9,329 | 17.1% |
| \$20,000 to \$29,999 | 8,724 | 16.0% |
| \$30,000 to \$39,999 | 7,622 | 14.0% |
| \$40,000 to \$49,999 | 6,052 | 11.1% |
| \$50,000 to \$59,999 | 4,692 | 8.6% |
| \$60,000 to \$74,999 | 4,537 | 8.3% |
| \$75,000 to \$99,999 | 3,931 | 7.2% |
| \$100,000 to \$124,999 | 1,394 | 2.6% |
| \$125,000 to \$149,999 | 630 | 1.2% |
| \$150,000 to \$199,000 | 492 | 0.9% |
| \$200,000+ | 646 | 1.2% |
| Total | 54,618 | 100.2% |

| OCCUPATIONS BY TYPE | | |
|---|---------------|----------------|
| Occupation type | Number | Percent |
| Management, Professional, and Related | 16,856 | 28.2% |
| Service | 10,860 | 18.2% |
| Sales and Office | 16,814 | 28.2% |
| Farming, Fishing, and Forestry | 264 | 0.4% |
| Construction, Extraction, and Maintenance | 6,958 | 11.7% |
| Production, Trans., and Material Moving | 7,963 | 13.3% |

| WORKERS BY CLASS | | |
|-------------------------|---------------|----------------|
| Worker Class | Number | Percent |
| Private | 44,933 | 75.2% |
| Government | 10,926 | 18.3% |
| Self Employed Non-Inc. | 3,550 | 5.9% |
| Unpaid Family | 306 | 0.5% |

Source: U.S. Census Bureau - County Quickfacts, 2001 County Business Patterns, and 2000 Census Summary File 3.

| COUNTY ASSETS | |
|---|--------|
| | Pueblo |
| Commercial Airport | x |
| General Aviation Airport | |
| Reliever Airport | |
| Interstate Highway | x |
| State Prison | x |
| Federal Facility | x |
| Military Facility | x |
| Two-year College/University | x |
| Four-year College/University | x |
| Private College/University | |
| >25% of Population with Bachelor Degree | |
| >10,000 employees | x |
| Companies w/ 500+ employees | x |
| Manufacturing Shipments (1997) | x |
| Ski Resorts | |
| Casinos/Gaming | x |
| National Parks/Sites | |
| Oil, Gas, CO ₂ Production | |
| Coal Production | |
| Wind Energy | |
| Biomass Potential | |

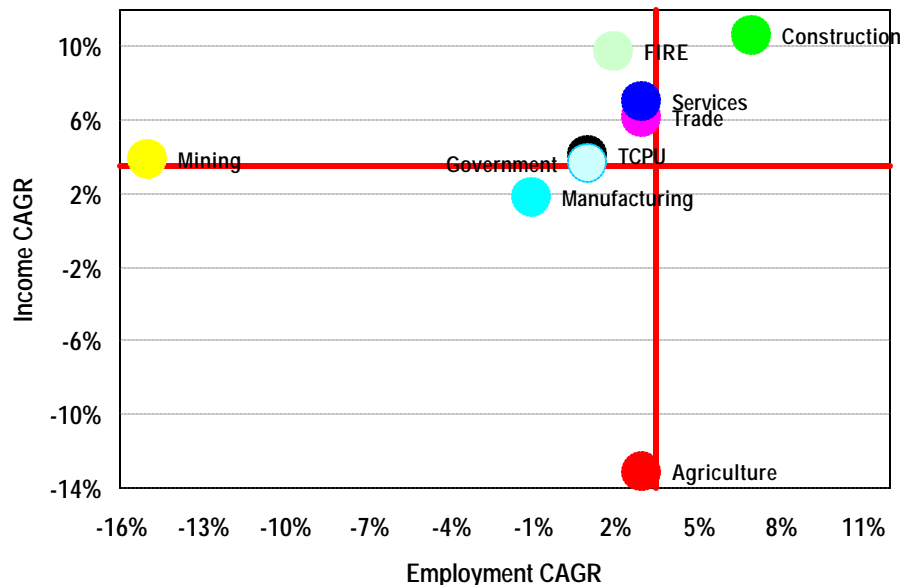
| Pueblo County Highlights | |
|---|---|
| Population | <ul style="list-style-type: none"> Pueblo County has about 150,000 residents, most of whom live in the city of Pueblo. Population has been growing twice as fast as the U.S. average and in-line with the state average. Pueblo has a strong Latino influence, with 38% of the population claiming some Latin heritage. |
| Income and Housing | <ul style="list-style-type: none"> Incomes are low relative to the rest of the Front Range, but similar to other counties in southwest Colorado. Median household incomes were \$32,700 in Pueblo versus the \$41,000 U.S. average. Housing costs have remained low despite population growth, roughly 60% lower than the state median. |
| Occupation, Class of Work, Establishment Size | <ul style="list-style-type: none"> There are 55 businesses with 100+ workers. Steel facilities and defense contract work are among the largest employers. State-funded education and local hospitals also contribute to a large share of employment. |
| Transportation Infrastructure | <ul style="list-style-type: none"> Interstate 25 passes through Pueblo, and there is a regional commercial airport in the city of Pueblo. |
| State, Federal, or Military Facilities | <ul style="list-style-type: none"> Several federal facilities are located in Pueblo: the FRA-Transportation test-center, an army base, three correctional facilities, the Federal Citizen Information Center, and a planned weapons-destruction site. |
| Education | <ul style="list-style-type: none"> There are two universities, Colorado State University – South (formerly the University of Southern Colorado) and Pueblo Community College. However, only 18% of the population has a bachelor's compared with the state average of 32%. |
| Attractions | <ul style="list-style-type: none"> Pueblo West offers nearby recreational activities for residents. Golf and other leisure activities are abundant. |
| Natural Resources | <ul style="list-style-type: none"> Farmland is abundant, but fossil and mineral resources do not exist in Pueblo County. |

| HISTORICAL ANALYSIS OF EMPLOYMENT AND INCOME PUEBLO COUNTY | | | | | | | | | | | | | |
|--|--------|-------|----------|-----------|-------------------|----------|--------|----------|--------------------------|----------|--------|----------|------|
| Employment and Income (2001) | | | | | CAGR 1991 to 2001 | | | | Location Quotient (2001) | | | | |
| Employment | | | Income | | Employment | | Income | | Employment | | Income | | |
| | | Share | | Share | | | | | | | | | |
| Services | 22,064 | 32.0% | Services | \$522,231 | 27.1% | Con. | 6.6% | Con. | 10.6% | Gov. | 1.23 | Gov. | 1.62 |
| Trade | 16,279 | 23.6 | Gov. | 461,323 | 24.0 | Ag. | 2.7 | FIRE | 9.7 | Trade | 1.10 | Trade | 1.18 |
| Gov. | 12,037 | 17.5 | Trade | 325,987 | 16.9 | Services | 2.7 | Services | 6.8 | Mfg. | 1.01 | Mfg. | 1.09 |
| Con. | 5,227 | 7.6 | Mfg. | 198,702 | 10.3 | Trade | 2.7 | Trade | 6.7 | Services | 1.01 | Con. | 1.09 |
| Mfg. | 5,198 | 7.5 | Con. | 178,527 | 9.3 | FIRE | 1.6 | Gov. | 3.9 | Con. | 0.94 | Services | 0.89 |
| FIRE | 3,651 | 5.3 | TCPU | 124,585 | 6.5 | Gov. | 0.7 | OGM | 3.9 | Ag. | 0.73 | TCPU | 0.65 |
| TCPU | 2,867 | 4.2 | FIRE | 109,094 | 5.7 | TCPU | 0.7 | TCPU | 3.9 | TCPU | 0.72 | FIRE | 0.60 |
| Ag. | 1,478 | 2.1 | OGM | 2,244 | 0.1 | Mfg. | -1.3 | Mfg. | 1.8 | FIRE | 0.71 | Ag. | 0.08 |
| OGM | 67 | 0.1 | Ag. | 2,161 | 0.1 | OGM | -15.3 | Ag. | -13.1 | OGM | 0.16 | OGM | 0.07 |

Source: DOLA – Colorado Employment by Sector.

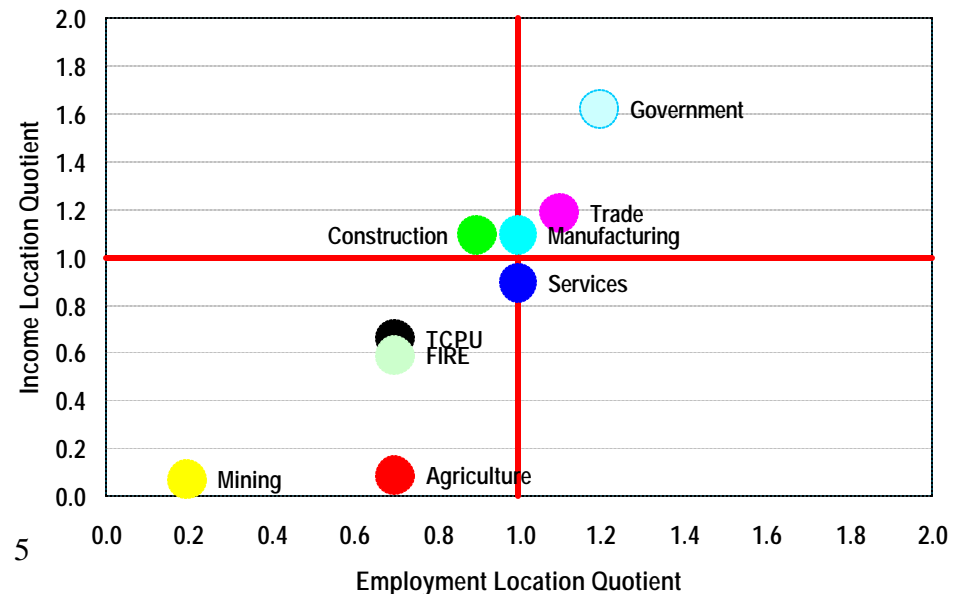
Pueblo County Industry Growth 1991-2001

The chart below illustrates growth of the nine major industry sectors from 1991-2001. Compound annual growth rates (CAGR) are used. From 1991-2001 total state employment grew at a CAGR of 3.6%, and the Denver/Boulder CPI grew at a CAGR of 3.5%. The chart is divided into quadrants based on these values. The upper right-hand quadrant includes industries in the county that had employment growth greater than the state average and income growth greater than the CPI.



Pueblo County Industry Concentration 2001

The chart below illustrates concentration of the nine major industry sectors in 2001. Location quotients (LQ) are used to measure the concentration of an industry in the county relative to the state. An LQ greater than 1 means the county has a high concentration in that industry. The chart is divided into quadrants. The upper right-hand quadrant includes industries with high employment concentration and income concentration.



| PUEBLO COUNTY SECTOR BREAKDOWN | | | | |
|--|--------------------------|-----------------------------|---------------------------------|-----------------------------|
| Sector | Number of Workers | Total Production (M) | % of Production Exported | Value of Exports (M) |
| Top 10 Sectors by Employment | | | | |
| State & Local Government - Education | 6,932 | \$253.9 | 0% | \$0.0 |
| Eating & Drinking | 5,106 | 168.4 | 24 | 40.4 |
| Hospitals | 3,449 | 259.8 | 38 | 98.7 |
| General Merchandise Stores | 3,163 | 127.2 | 62 | 78.9 |
| State & Local Government - Non-Education | 3,011 | 154.4 | 0 | 0.0 |
| Miscellaneous Retail | 2,860 | 80.9 | 0 | 0.0 |
| Doctors and Dentists | 2,442 | 225.3 | 37 | 83.4 |
| Other Business Services | 2,257 | 162.1 | 72 | 116.7 |
| Personnel Supply Services | 2,088 | 39.2 | 18 | 7.1 |
| New Residential Structures | 1,733 | 269.0 | 0 | 0.0 |
| Top Sectors by Production | | | | |
| Blast Furnaces and Steel Mills | 1,014 | 335.1 | 96 | 321.7 |
| Real Estate | 1,523 | 293.3 | 30 | 88.0 |
| New Residential Structures | 1,733 | 269.0 | 0 | 0.0 |
| Hospitals | 3,449 | 259.8 | 38 | 98.7 |
| State & Local Government - Education | 6,932 | 253.9 | 0 | 0.0 |
| Doctors and Dentists | 2,442 | 225.3 | 37 | 83.4 |
| Banking | 1,147 | 190.0 | 25 | 47.5 |
| Refrigeration and Heating Equipment | 844 | 174.1 | 71 | 123.6 |
| Top Primary Sectors | | | | |
| Blast Furnaces and Steel Mills | 1,014 | \$335.1 | 96% | \$321.7 |
| Complete Guided Missiles | 1,108 | 128.6 | 100 | 128.6 |
| Refrigeration and Heating Equipment | 844 | 174.1 | 71 | 123.6 |
| Other Business Services | 2,257 | 162.1 | 72 | 116.7 |
| Food Preparations, N.E.C | 482 | 77.1 | 90 | 69.4 |
| Aircraft and Missile Equipment, N.E.C. | 315 | 59.1 | 100 | 59.1 |
| Dog, Cat and Other Pet Food | 66 | 25.9 | 100 | 25.9 |
| Iron and Steel Forgings | 168 | 24.4 | 98 | 23.9 |
| Concrete Block and Brick | 93 | 18.6 | 99 | 18.4 |
| Miscellaneous Plastics Products | 93 | 16.9 | 100 | 16.9 |

Source: Minnesota IMPLAN Group, Inc. (2000)

Industry Summary

- The state and federal government, along with government contractors like Bechtel, are now major employers in Pueblo. Pueblo was once considered the steel-smelting capital of the world. Its mills remain an integral component of the economy, but global competition presents a continuing threat.
- Construction and new real estate expanded as a result of a growing population, and manufacturing appears to be diversifying from steel into other areas, such as concrete blocks and plastic products. These new industries related to steel-smelting are potential growth areas for Pueblo.
- Although agricultural employment grew over the last decade, wages in this sector have fallen compared to the state average.
- Service industries such as hospitals, retail and merchandise stores account for more than half of the jobs in Pueblo. These industries traditionally have lower wages than professional services and manufacturing.
- Pueblo did not participate in the high-technology boom that contributed to substantial economic growth along the I-25 corridor to the north. If technology expands, Pueblo may be able to capture some of the future growth, especially related to military technology.

PUEBLO COUNTY - CURRENT, TARGET, AND EMERGING GROWTH INDUSTRIES*

| | Current | Target | Growth | Comments |
|----------------------------------|---------|--------|--------|--|
| Agriculture | | | | Pueblo County produces barley, corn, dry beans, hay, sorghum and winter wheat, and cattle. Market value of crops sold in 1997 was \$14,247,000; the value of livestock and products sold was \$19,395. The area has developed four farmers' markets providing specialty crop growers with higher revenues by selling direct to urban consumers. One market offers certified organic products to meet increasing consumer demand. According to the DOLA base industry study, 5.1% of the county's basic jobs are related to agribusiness. |
| Animals | X | X | | |
| Crops | X | X | | |
| Dairy | | | | |
| Manufacturing | | | | General manufacturing has a strong presence in the county. Steel fabrication and other metal manufacturing, along with food manufacturing, are large parts of the county's economy. However, with the overall downturn in manufacturing nationwide, growth in these areas is not expected. |
| General | X | X | | |
| Computer Hardware/Storage | | | | |
| Photonics | | | | |
| Energy and Environmental | | | | Waste collection, treatment, disposal, and remediation industries all have a strong presence in Pueblo County. The trucking industry is fairly large in Pueblo County. The city of Pueblo lies at the intersection of I-25 and Highway 50, making it an important transportation center. |
| Minerals, Gas/Petroleum | | | | |
| Renewable Energy | | | | |
| Environmental Industries | X | | | |
| Transportation | | | | The aerospace and defense industries are very large sectors of the county's economy. Several major aerospace companies are located in Pueblo, and there is a strong military presence in this region. |
| Air | | | | |
| Trucking | X | | | |
| Rail | | | | |
| General | | | | There are several call centers located in Pueblo County, providing significant employment. With relatively low wages, the area could see growth in the call center industry. |
| Aerospace/Space | X | X | X | Pueblo serves as a regional center for health-care services. Pueblo County is also becoming a regional retirement center. |
| Defense/Homeland Security | X | X | X | |
| Telecommunications | | | | |
| Biotechnology | | | | Some R&D is occurring in Pueblo County. This could result in future growth to the extent that it is commercialized in local industries. |
| Nanotechnology | | | | |
| Services | | | | |
| Call Centers | X | X | X | The 26-acre Historic Arkansas Riverwalk of Pueblo and the Sangre de Cristo Arts Center offer recreational/arts/cultural activities in the city of Pueblo. The county's parks and reservoirs provide additional opportunities for recreational pursuits. Colorado State Fair is held annually in Pueblo. The DOLA base industry study indicates that 6.2% of the county's basic jobs are related to tourism. |
| Financial | | | | |
| Healthcare | X | X | | |
| Research and Development | X | | | |
| Software | | | | Three film projects were completed in the county during 2002. |
| Tourism | X | X | | |
| Film | X | X | | |

*Note: Definition of current target and emerging growth industry included in introduction to this section.