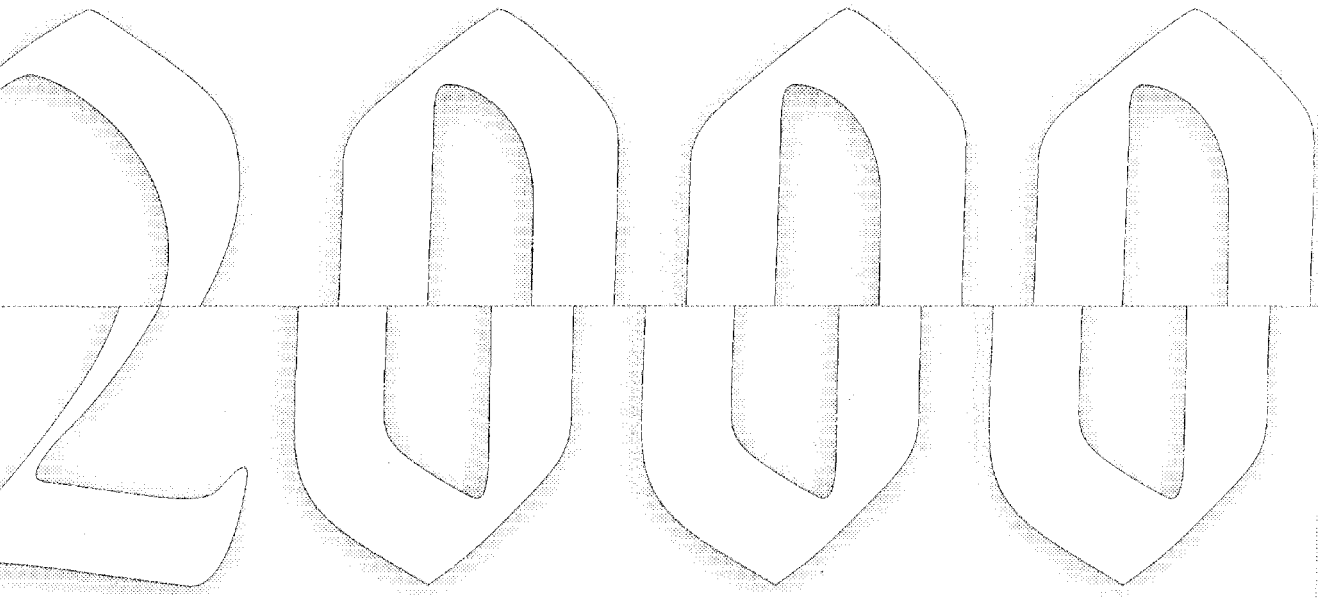


COLORADO FORECAST

ColoradoBiz surveyed the best minds of a generation, and their thoughts about 1999, 2000 and beyond. Then we added our own brain power and best efforts to fake it, and voila — this collection of probable and improbable economic scenarios, with a margin of error of +/- 100%.



WE'VE SEEN

THE FUTURE,

AND IT WORKS.

NOW WE TELL

YOU ABOUT IT.

BY ERIC PETERSON
AND DAVID LEWIS
ILLUSTRATIONS BY DAVID VEAL





EMPLOYMENT

Economists for the seventh straight year predict a job creation slowdown in Colorado in 2000. While hiring growth rates increased the past five years, growth will slow to about 2.5% in 1999 from 3.6% in 1998. Tucker Hart Adams, US Bank Rocky Mountain region chief economist, expects job growth of 2.2% to 2.3% in 2000. Tom Dunn, Colorado Legislative Council chief economist, cites three underlying factors: "We have a relative lack of labor. Second, Colorado is no longer a low-cost state. Third, much of the country is doing well."

With the rest of the country booming, particularly California, migration to Colorado has slowed and will continue to slow. "California is still the 900-pound gorilla and what happens there impacts the rest of the Western states," says Salt Lake City-based economist Jeff Thredgold.

Labor shortages will grow. "The labor crunch is one of the most constraining factors" slowing Colorado's growth, notes Patricia Silverstein, consultant and Denver Metro Chamber of Commerce chief economist.

ColoradoBiz Prediction

Secretary of Technology of the Governor's Office of Innovation & Technology Marc Holtzman, at a World Trade Center Denver luncheon, receives the e-mail address of a programmer in Mumbai (formerly Bombay) named Rajiv, who fixes him up with all the high-tech staffing the state needs. End of problem.

Worst Case

Following the lead of KN Energy, TCI, MediaOne, Jones Intercable and others, the state's merger-acquisition trend accelerates. New Colorado corporate giants WhereItAt (the merger of AT&T, ITT Industries and Warehouse Music stores) and AmJohnAm (a conglomeration of Amoco, Amway and Johns Manville Corp.) decide to move their workers out of Colorado to where the action is, Mumbai (formerly Bombay).

Meantime, a generation of entrepreneurs emerges: 10% of Colorado graduating seniors join the same garage band; 15% sell mousepads over the Internet; 5% become forest rangers; the remaining 70% live with their parents.

INCOME

Wages in Colorado will rise about 4% this year. "Wages are going up now faster than the rate of inflation," says Silverstein. Inflation, roughly 3% in Colorado in 1999, is expected to rise slightly in 2000. Personal income growth in 2000, she predicts, will likely be buffered by rising unemployment. Unemployment "has to go up," Silverstein says. "You just can't squeeze any more out of it."

ColoradoBiz Prediction

The state's standard of living rises again in 2000 and keeps rising. Few high-technology companies actually do business anymore, having programmed themselves to run themselves. Many Coloradans set up virtual worksites, where they virtually work, preferring to fax themselves to the Caribbean. (See Telecom.)

When visiting Colorado, techies usually live in their SUVs, now the size of double-wide semi-trailers. Employment continues to climb, largely on the strength of the burgeoning Cyber-Container industry, which uses new digital compression software developed by Louisville's StorageTek (now RamTekUpJohn) to miniaturize SUVs, allowing owners ease of storage winter-long.

Worst Case

By the year 2003, SUVs are too large to take right turns. When a convoy of SUV-driving real estate agents tries turning right to avoid light-rail construction at I-25 and Arapahoe Road, the traffic jam halts business along the Front Range until winter 2005. However, the resulting recession continues until 2007.

CONSTRUCTION

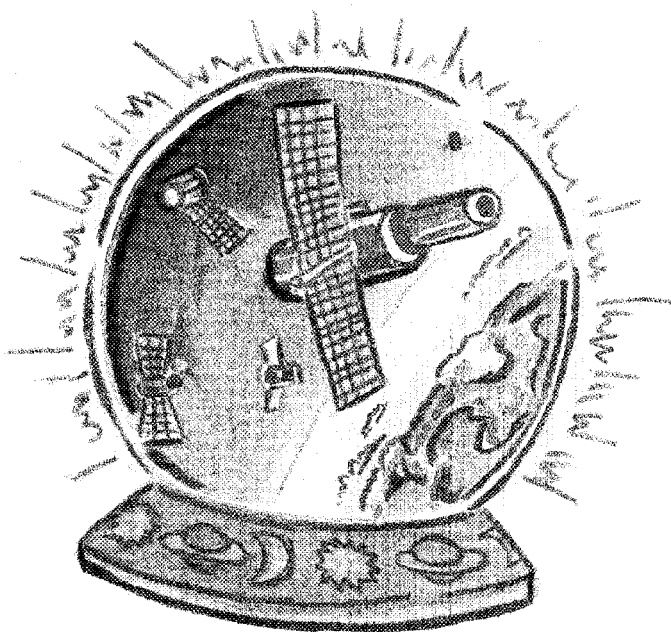
David Osborne, Marcus & Millichap Real Estate Investment Brokerage Co. regional manager in Denver, predicts a "moderate to high level of construction," although apartment construction boomed this year. "Retail is the one that might be overbuilt," Osborne said. "I can't believe there's going to be a lot more building of strip center retail."

ColoradoBiz Prediction

Flush with cash, Coloradans continue to spend at a record pace, buoying retail construction. In 2010, Cherry Creek Shopping Center, famed for its gold-plated bathroom faucets, gold-plates the rest of the mall.

Worst Case

E-commerce takes over with a vengeance, stressing the social fabric. By 2005, swelling ranks of e-commerce entrepreneurs never leave their homes. Boredom becomes the deepest social ill, with chronic depression striking one in two. Ensuing online sales of St. John's Wort make billionaires of several Boulder e-trepreneurs.



TELECOM

"I think there continues to be continued growth potential (for Colorado's telecommunications industry)," says Beth Gage, director of consulting for Denver at Tele-choice Inc., a Boston-based telecommunications consultancy. She points to the Colorado presence of the big boys — US West, Qwest, AT&T, Level 3, Lucent — as well as "startups that spring up like mushrooms."

ColoradoBiz Prediction

Colorado Springs' Ramtron Corp. decides to bail out of the cutthroat semiconductor memory industry, takes a new strategic tack and is acquired by StorageTek, which is acquired by Ball Corp., which is purchased by RMI.net, which is bought by Ascent Entertainment Group, which is acquired by John Malone, who is acquired by Philip Anschutz. The new company, called RamTekUpJohn.net, launches new software that enables the user to fax him- or herself. Dubbed Fax You, it sweeps the nation and revolutionizes telecom.

Worst Case

AT&T squares off against Qwest, each offering universal wrist-Internet phone-fax-palmtop-skateboard-virtual reality units. The Dick Tracy era of global high-technology development begins in earnest.

FINANCE

Colorado companies outperformed 1999's still-bullish market, gaining 34.3% on the Bloomberg Colorado Index (based on the stock prices of 90 Colorado-based companies with market capitalization of more than \$15 million) through October. Several Denver analysts say they expect the trend to continue into the 21st century. "That would be my guess," says Fritz Meyer, vice president, portfolio manager at Denver's Invesco Funds branch.

ColoradoBiz Prediction

By 2002, Alan Greenspan has lowered interest rates six consecutive quarters. The IPO market goes gaga, but is overshadowed by the \$40 billion secondary offering of the newly merged Ascent-Descente, the Denver-based golf-cable-TV-programming-pay-per-view conglomerate now called UpDown.net. Colorado venture capitalists run out of deals and begin investing in each other. Small businesses benefit from President Jesse Ventura's new corporate welfare program, which subsidizes non-virtual entrepreneurs.

Worst Case

Determined to spread the wealth, Fortune 500 CEOs meet and agree to lavish generous wage increases and stock option packages on all salaried employees, triggering inflation, leading to rounds of interest rate hikes. Recession ensues.

TRANSPORTATION

Overall mileage traveled by vehicles in Colorado increased 2.1% in 1999, to more than 105 million miles. CDOT expects mileage to hit nearly 160 million miles by 2018. RTD expects light-rail riders to save 15 minutes on a round trip between Downtown Denver and Mineral Avenue in Littleton after the extension opens in summer 2000.

ColoradoBiz Prediction

Light rail and well-thought-out statewide planning results in rush hour being the most keenly anticipated time of day for Colorado commuters.

Worst Case

Gridlock from Walsenburg to Cheyenne, and Glenwood Springs to Burlington on weekends.

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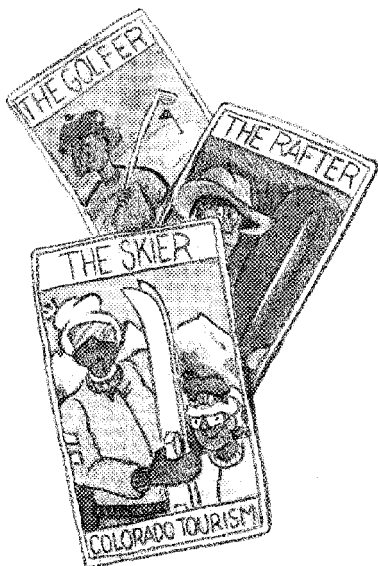
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TOURISM

After bottoming in the mid-'90s, Colorado tourism has bounced back, with pleasure trips to the state increasing from 17.2 million in 1994 to 21.6 million in 1998. Michael Erdman, vice president of the Toronto-based tourism research firm Longwoods International, predicts the upswing will continue into 2000.

ColoradoBiz Prediction

Fear of hurricanes and earthquakes drives tourists to Colorado in record numbers starting in 2000.

Worst Case

Tourists opt for Branson, Mo., over Colorado in record numbers. Polls reveal the reason is Internet-induced altitude phobia. Consumers unaccustomed to leaving the den now view mountains as "scary and dirty," 70% of survey respondents say, whereas Wayne Newton is not. E-commerce sales of St. John's Wort soar. ☹

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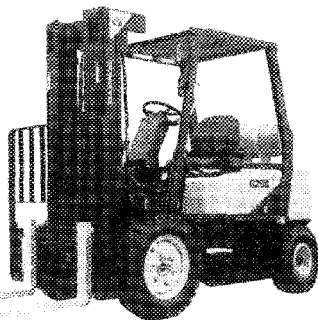


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