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For Denver's next mayor, it's jobs, jobs, jobs

By **Jeremy P. Meyer**
The Denver Post

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Denver decides 2011: *In May, Denver will vote to elect a new mayor, new council members and other leaders in Denver's government. It will be the largest change in city government in years. This is the first in a series of occasional reports exploring issues facing the city's leadership. First up: the economy and jobs.*

At no other time in Denver's recent history have the challenges been greater for an incoming mayor.

The city's budget is structurally out of whack, the economy hasn't seen a net gain in jobs in years and the school system graduates just over half of the students who entered as freshmen.

Add in the PR nightmare that blew up last year when police beatings aired on TV and a jail inmate died

at the hands of sheriff's deputies, and it's a wonder why at least 15 people are battling for the seat.

"The next mayor will not be in for a fun ride," said Norman Provizer, a political science professor at Metropolitan State College of Denver. "No one believes that major-city mayors are going to have an easy road ahead."

The economic situation is perhaps the most glaring problem for the candidates seeking the job via a May 3 election and, if no one exceeds 50 percent of the vote, a June runoff between the top two vote-getters.

This is going to be one of the toughest challenges that we have ever faced," Claude Pumilia, the city's chief financial officer, said in a City Council committee meeting last month.

Pumilia said revenue from the occupational privilege tax that collects money based on the number of workers in Denver has remained unchanged for 20 years — revealing a decades-long problem.

"That's incredible," said Councilman Charlie Brown.

The Denver area's unemployment figures have been pegged at about 8.6 percent, up from a year ago. Home prices are starting to dip, and sales-tax revenues remain flat.

In recent candidate forums, Denver's mayoral hopefuls are saying that adding jobs is a key solution to the city's woes.

Denver isn't alone in wishing for job growth. It's on the lips of every politician in the country.

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"The problem is so many of the issues are so structural at this point, that I am not sure the growth response, while it sounds good, maybe it's a bit too glib," Provizer said.

The question is how can Denver compete and what can the new mayor do to help?

The city has lost major corporate headquarters over the past few years — saying goodbye to Qwest, Frontier, First Data, ProLogis and MillerCoors.

The Denver area has never been a hotbed for Fortune 500 companies, but many economists believe the city should be able to compete against cities such as



Carol Boigon and 11 other candidates for Denver Mayor are in the meeting for The Park People at Denver Botanic Garden on Wednesday, January 26, 2011. (Hyoung Chang / The Denver Post)

Dallas and Atlanta for those major headquarters.

There have been recent successes, including luring kidney-care provider DaVita to downtown Denver and ski-resort operator Intrawest from its home in Vancouver, British Columbia.

The city has some advantages and disadvantages for corporations looking to relocate, said Patty Silverstein, chief economist for the Metro Denver

Economic Development Corporation.

Companies will look at education spending, the performance of public schools and the state of health care in the city.

"Do we have the workforce that they are looking for? Are we also providing for the workforce for tomorrow?" she asked.

Denver is a high-wage area and cost of living is slightly above



Michael Hancock and 11 other candidates for Denver Mayor are in the meeting for The Park People at Denver Botanic Garden on Wednesday, January 26, 2011. (Hyoung Chang / The Denver Post)

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the national average, she said.

Low taxes are a draw but not if the city amenities are not there, she said.

Denver International Airport is the nation's fifth-largest airport, with relatively inexpensive flights, she said. And Centennial Airport is also seen as a plus for executive travel.

"The challenge is we don't have direct access to Asia," she said. "For some companies, the Asian market is the growing market across the globe, and we don't have direct access."

Silverstein said that despite economic troubles, Denver's population continues to grow. That is leading more sole proprietors to set up businesses.

"They have taken their bright ideas and are trying to create businesses around them," she



Kenneth Simpson and 11 other candidates for Denver Mayor are in the meeting for The Park People at Denver Botanic Garden on Wednesday, January 26, 2011. (Hyoung Chang / The Denver Post)

said. "One of the opportunities for Denver is to embrace programs to help those entrepreneurs."

With venture capital drying up and "angel capital" challenged, the trick is to get entrepreneurs together with investors.

"We know there is a lot of money sitting on the sidelines," she said. "But our traditional mechanisms to bring people together are broken."

Lobbyist David Cole, president and owner of David J. Cole & Associates, said the next mayor must put more attention on the city's Office of Economic Development to help build up existing businesses and lure new ones.

"There is virtually no office now," he said. "It needs to have be completely revamped and revitalized. The past administration did not put a sustained focus on that office."

The new Denver mayor may want to look to Kent Thiry, chief executive of DaVita, for advice. The Fortune 500 company recently moved its corporate headquarters to Lower Downtown from El Segundo, Calif.

To attract more Fortune 500 companies, the new mayor should re-read "Goldilocks and the Three Bears," Thiry said.

"It's the theory of 'too hot and too cold,' " he said. "You want to offer incentives, but not too many. We looked for a community that offered a reasonable number of incentives to know they were serious . . . but not a community that offers

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excessive incentives that puts the community at risk."

Denver rates solidly as having a strong business environment and a great place to live, but outside Colorado, few know about those attributes, he said.

"The brand of Denver, once you get out of Colorado, is it's too narrow," Thiry said. "It relates too much to mountains and skiing."

DaVita chose Denver because of the quality of the city's workforce and population, the depth and breadth of its sports and arts, and the accessibility to nature.

"It was also the strength of the universities, the breadth and depth of the entrepreneurial community," he said. "But these are the themes that represent way too small of the perception of Denver outside of Colorado."

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