



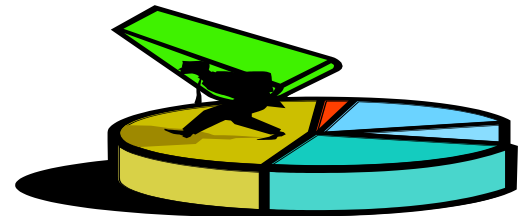
2nd Quarter 2011
Volume 2, Issue 2

Economic Recovery in Yampa Valley is Taking Root

The economy in the first quarter chugged along like one of our trains carrying a half million dollars' worth of coal. The gross retail sales second quarter forecast is showing an optimistic 4 to almost 7% increase over last year. Last fall in both counties our gross retail sales slightly surpassed the national average. Consumer daily spending trends are forecasted to be on par with last year at this time ranging in \$60 for April and May and climbing in the low \$70 range for June. As we predicted in the last newsletter the month of March dropped to spending levels in the low \$60 range per day.

Unemployment and the availability of jobs continue to put stress on our economy. Thankfully, our economic stress indicator shows improvement in the current situation. The workforce relationship between Routt and Moffat counties is complicated by the fact that there is so much integration between the two. When almost 50% of the workforce is employed outside the county, unemployment claims, where tax returns are filed and other factors complicate employment statistics and the stress unemployment puts on our economy. By focusing on the stress indicator introduced by Yampa Valley Partners at the beginning of 2010, we can better understand the true nature of the pressure on our local economy. Good news! We see improvement. There is still stress and we are not where we need to be, but our stress indicator is showing improvement.

As the median housing listing price decreases in each county, the affordability increases as a result of lower prices and interest rates at historic lows. The 30 year mortgage rate forecast is included as well as the 30 year mortgage rate trends. The foreclosure rates continue to be high in Routt County compared to state and national rates.



There is not much happening in new residential construction and in fact, there were no new residential building permits issued in February in Routt County. Existing inventory being sold is hovering around 1.5 to 1.7%. Yampa Valley Partners continues to maintain that we will need to see a 2 to 2.5% sell through of existing inventory for 12 to 15 months in order for new residential construction to pick up.

Our coal mine efficiency chart once again shows a high level of efficiency in Northwest Colorado mines. Increased efficiency means higher production with fewer people.

Our special spotlight this quarter is on the healthcare industry sector. Healthcare is a significant economic driver in our valley. A special thank you to Scott L. Ford for his contribution to his article. We have more healthcare information on the Yampa Valley Partners web site.

Newsletter Advisory Board

Terry Carwile, Yampa Valley Partners Board President

Scott L. Ford, Director/Routt County Economic Development Cooperative

Randy Rudasics, Small Business Development Center, CMC

Inside this issue:

Retail Sales	2-3
Employment	4-5
Real Estate	6-7
Construction	8
Energy	9
Spotlight on Healthcare	10-11
Yampa Valley Partners Info	12

Gross Retail Sales

The national gross retail sales forecast is increasing in the 2nd quarter from 4 to almost 7 percent. Both Moffat and Routt counties closely correlate to national sales so we can expect between 4 and 6.7 percent increase in gross retail sales in the second quarter 2011 over last year.

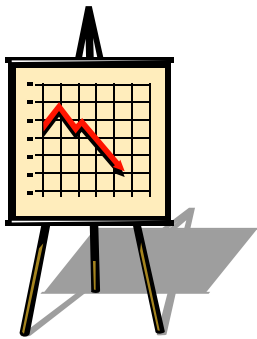
In comparing 2010 vs. 2009 numbers, gross retail sales in July and August 2010 were lower than the same months in the prior year. However, both September and October 2010 surpassed gross retail sales from the same months in 2009.

regulated to \$61 per day as of the middle of March reflecting the same trend as March last year. Within a dollar or two, our spending this March is almost identical to the spending trends of March 2010. If the daily consumer spending continues to trend to last year, we can expect April to be in the mid \$60s, May to be climbing to the high \$60s and June to enter into the \$70 range.

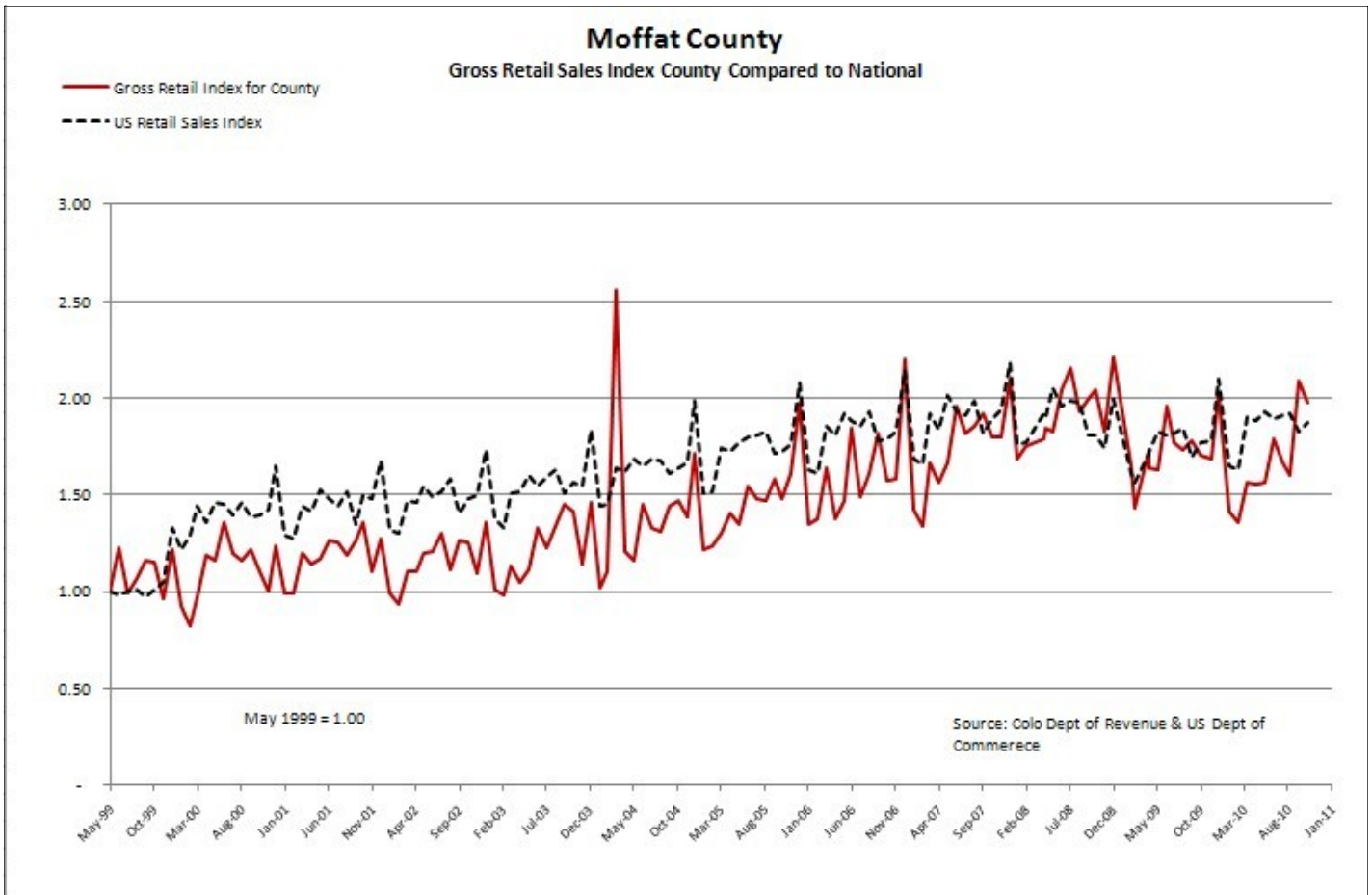
Although the economy is recovering, consumers are reluctant to spend. We expect very little change in consumer spending patterns from the previous year.

Gallup Poll is reporting that daily consumer spending has

Moffat County Gross Retail Sales Forecast



Date	Gross Retail Sales	Forecast Value	50%	80%
			Correct +/-	Correct +/-
Apr-11	\$29,045,000	6.7%	2.3	5.1
May-11	28,855,000	5.4%	2.6	5.8
Jun-11	32,568,000	4.3%	2.8	6.4

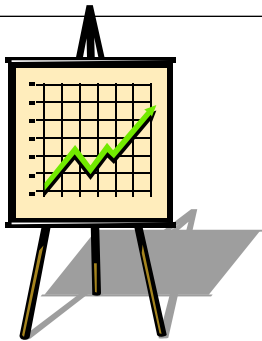


Gross Retail Sales

Gross retail sales in Routt County typically follow the tourist season with strong spending in December through March and July through September. Hence, on the graph below you can see the rolling sales of our seasons. The forecast for gross retail sales will see a strong first month of the second quarter diminishing as we head into mud season.

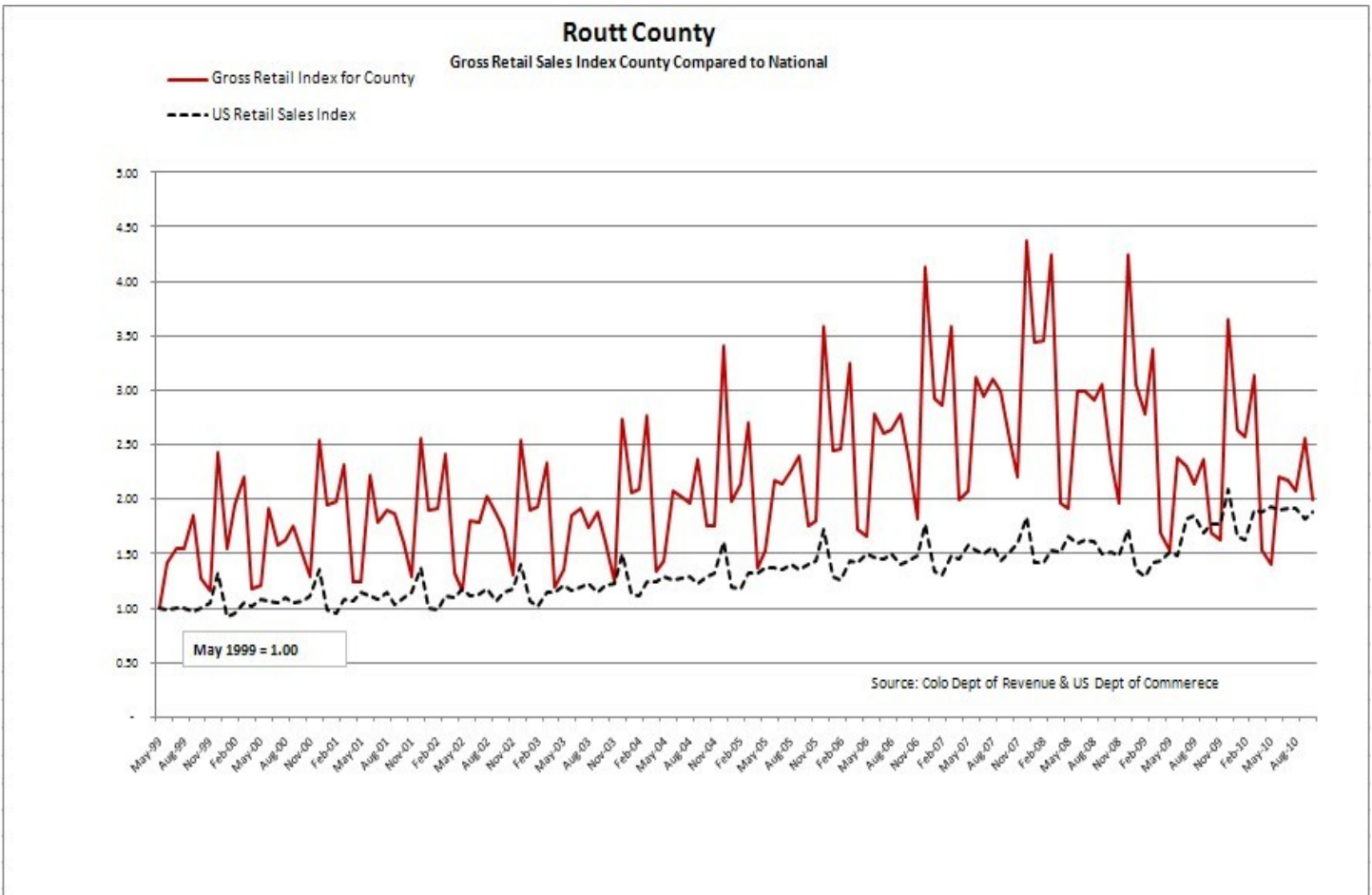


The retail sales prediction for 2nd quarter 2011: 4 to almost 7 percent increase over last year's sales.



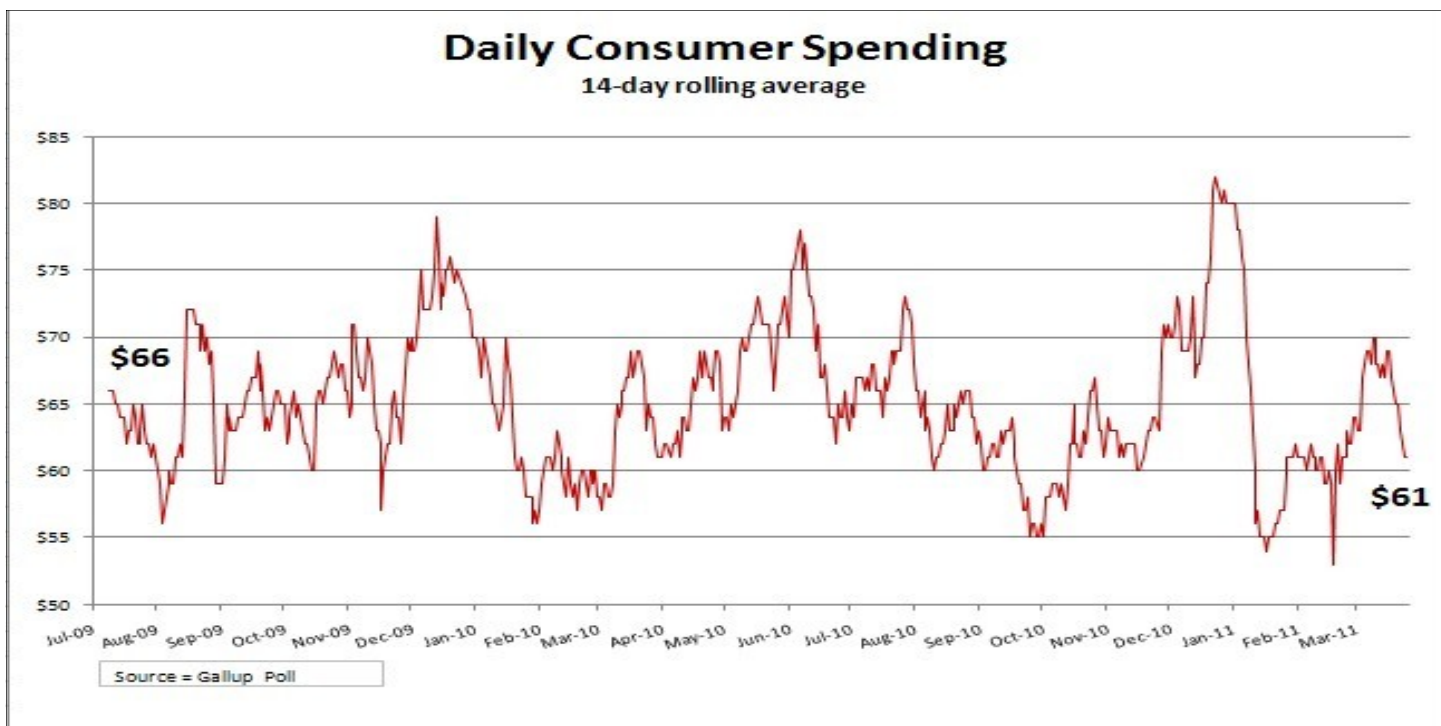
Routt County Gross Retail Sales Forecast

Date	Gross Retail Sales	Forecast Value	50% Correct +/-	80% Correct +/-
Apr-11	\$50,101,000	6.7%	2.3	5.1
May-11	45,257,000	5.4%	2.6	5.8
Jun-11	33,968,000	4.3%	2.8	6.4



Consumer Spending

Daily Consumer Spending is trending similar to last year's spending. Our forecast for spending is a slight increase in April and May climbing to low \$70s in June.



Place
your ad
Here

Contact kate@yampavalleypartners.com

or 970-819-0570



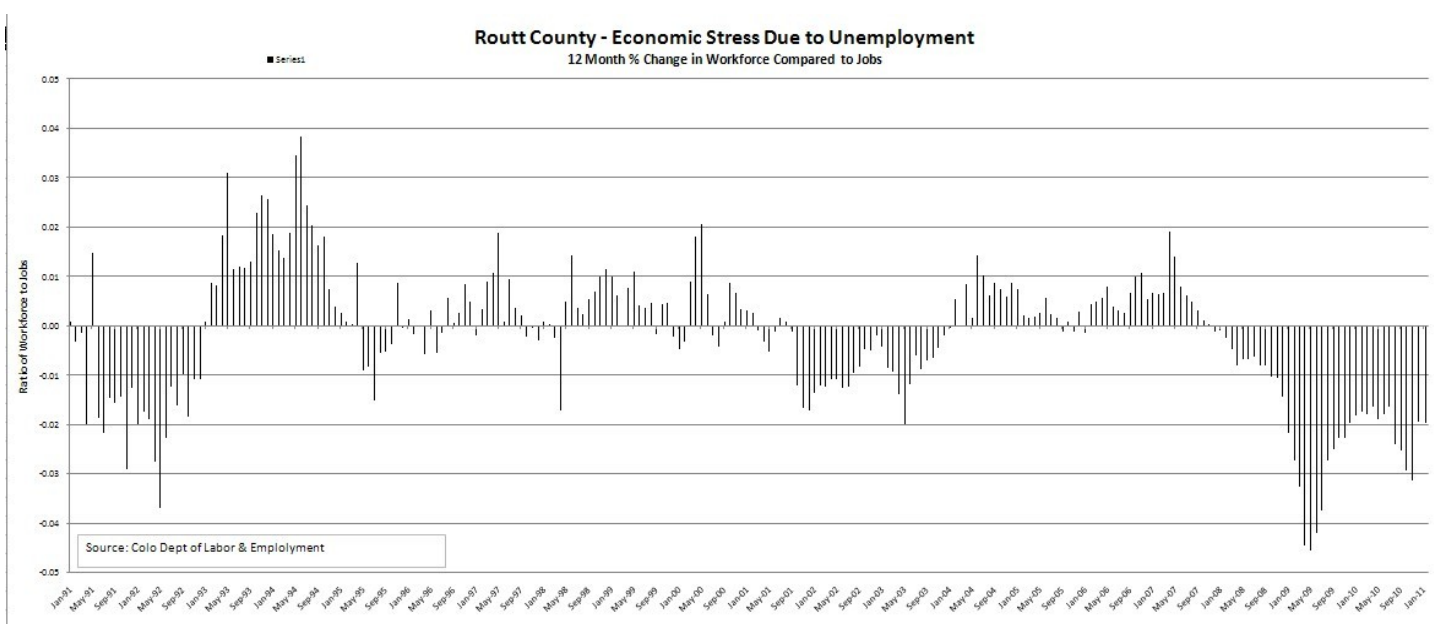
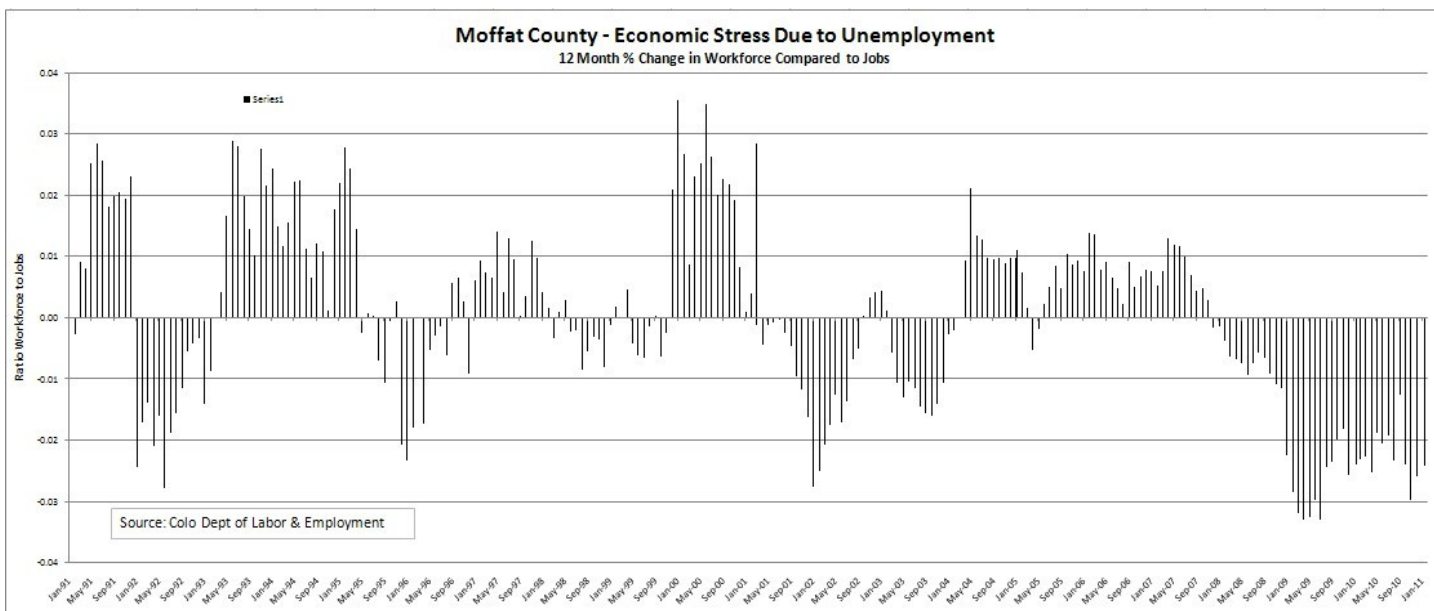
Employment & Economic Stress

The good news is that the economic stress indicators for both counties has improved. In Moffat County, the number of civilian workforce and the number of jobs has increased slightly over the last quarter even though the number of unemployment claims have increased. Thus our economic stress is still negative. In Routt County the number of civilian workforce and the number of jobs have increased as well. Unemployment claims have varied over the last 3 months ending in February to be quite high.

The economic stress indicator in Moffat County is similar to what it was in September 2010. In Routt, the economic stress indicator has been trending better than last fall. The

forecast for the economic stress indicator is continued improvement albeit at a very slow pace. It appears we have left the worst of 2009 behind.

The published monthly unemployment percentages released by the state are likely overstating the true unemployment situation in both Moffat and Routt counties. This is because of the way the state calculates the unemployment percentage based on active unemployment claims by county. The Economic Stress Indicator focuses on the year-over-year change in ratio between workforce and the number of jobs and is a better way to understand unemployment in our region.



Real Estate

Moffat County median listing price is at \$185,000 which is where the listing price was last summer in July and August.

Routt County's listing has dipped to \$460,000. Some counties comparable to us such as Eagle and Garfield, have seen a slight increase in listing prices. However, nationally and statewide as well as our own counties, median housing list prices continue to decrease.

Median listing prices in comparable Colorado Counties are as follows:

Eagle = \$715,000 Garfield = \$295,000
 La Plata = \$329,900 Summit = \$429,000
 Pitkin 1,499,000

Nationwide \$186,500 Colorado \$249,000

Source: Zillow.com as of 3/28/2011

Routt Homes that Received Foreclosure Notice

Dec-10 1 in 476
 Jan -11 1 in 346
 Feb -11 1 in 476

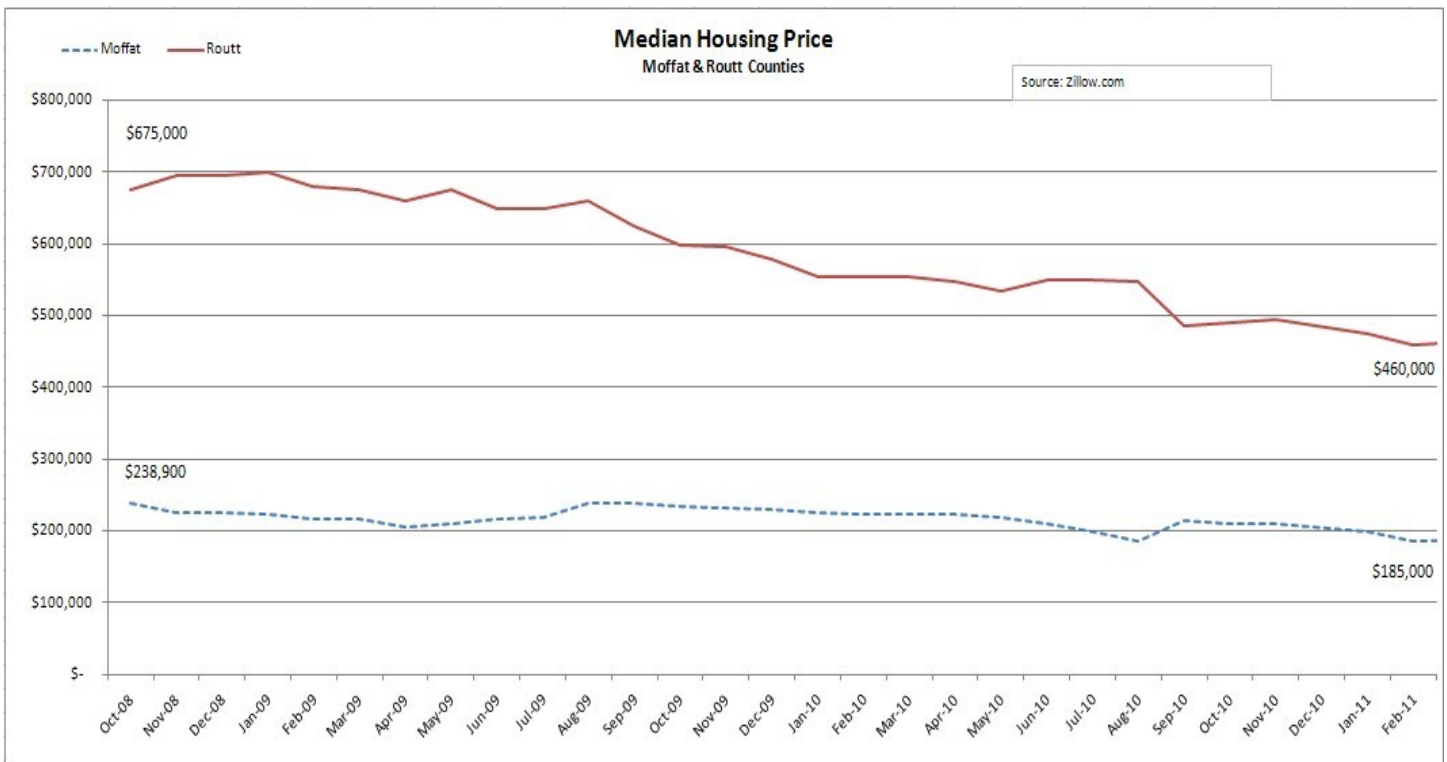
Colorado in Feb 2011 - 1 in 515

Nationwide Feb 2011 - 1 in 577

Source = Realtytrac

Here are the changes in median housing price in Moffat and Routt counties as of 2/28/2011. For your convenience, it is possible to obtain this data monthly on the Yampa Valley Partners website Fast Facts link. *source: Zillow.com*

County	Month over Month	Quarter over Quarter	Year over Year	Median Listing Price
Routt	-3.2%	-6.1%	-14.0%	\$460,000
Moffat	-7.5%	-14.3%	-15.1%	\$185,000



Real Estate



Home affordability is increasing in Routt County and has been running under \$500K since last August. In Moffat County the median listing price matches the August 2010 numbers. Based on our affordability indices, you can see the homes in Moffat and Routt are becoming more affordable.

The affordability index used in this newsletter is modeled after the national index developed by the National Association of Realtors. It provides a means of comparing both Moffat and Routt counties on a comparable basis. It meas-

ures whether or not a typical family could qualify for a mortgage loan on a typical home. To interpret the indices, a value of 1.00 means that a family with the median income for the county has exactly enough income to qualify for a mortgage on a median-priced home.

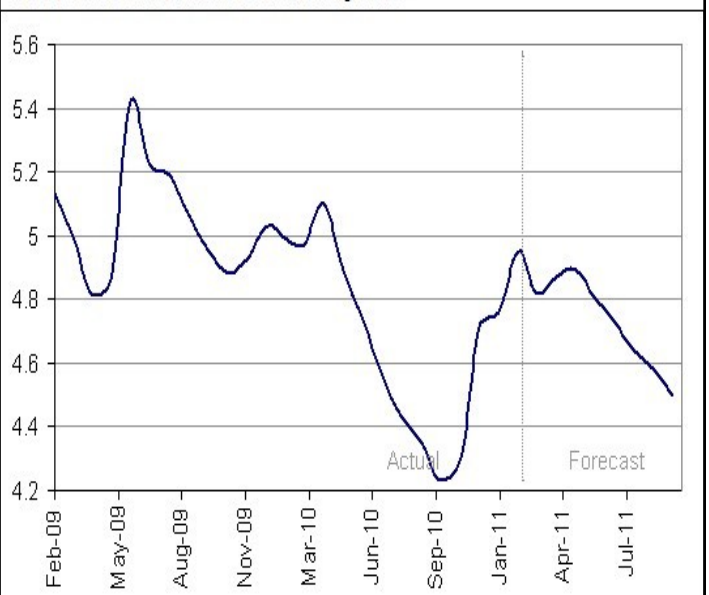
Note: A typical home for the purposes of this newsletter is defined as the median-priced home in Moffat or Routt County. The typical family is defined as one earning the median family income as reported by the U.S. Department of Housing and Urban Development. The prevailing mortgage interest rate is the effective rate on 30-year loans as reported by the Federal Reserve.

30 Year Mortgage Interest Rate Forecast
30 Yr Conventional Mortgage FHLMC Contract Rate. Percent Average of Month.

Month	Date	Forecast Value	50% Correct +/-	80% Correct +/-
0	Feb 2011	4.950	0.00	0.00
1	Mar 2011	4.82	0.05	0.11
2	Apr 2011	4.87	0.06	0.14
3	May 2011	4.89	0.07	0.16
4	Jun 2011	4.80	0.08	0.18
5	Jul 2011	4.73	0.09	0.19
6	Aug 2011	4.64	0.09	0.20
7	Sep 2011	4.58	0.10	0.21
8	Oct 2011	4.50	0.10	0.22

Updated Monday, March 21, 2011

30 Year Conventional Mortgage Interest Rate
Past Trend Present Value & Future Projection



Construction - Routt

The numbers of permits for new residential housing remain low. When we checked Routt county assessor's website for February numbers at the end of March, the report had no new residential building permits for new construction.

In the last quarter, the level of sales ranged 1.5 to 1.7% of existing sales inventory. The construction predictor developed by Yampa Valley Partners needs to see a sustainable level of sales in the 2 to 2.5% of existing inventory for 12 to 15 months before construction activity will begin to increase.

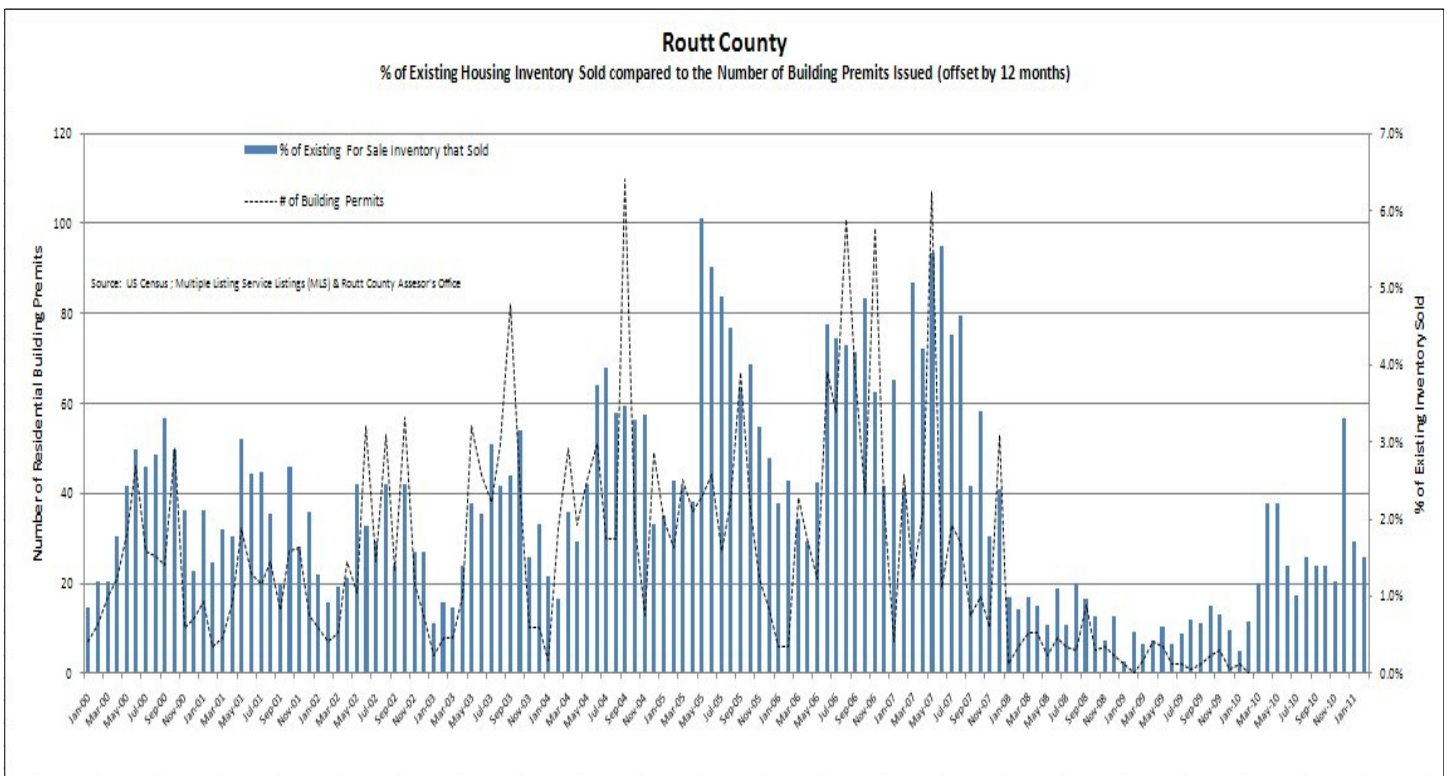
We predict some positive movement in new construction for the second quarter of 2011. Remodels and renovations will continue to be the main emphasis for the construction trade. Two significant commercial construction projects are planned to begin in 2011 at CMC and Casey's Pond. This is indeed good news. Also, managers for both projects have a commitment to use local contractors when practical and feasible.

Check out our on-line community indicators

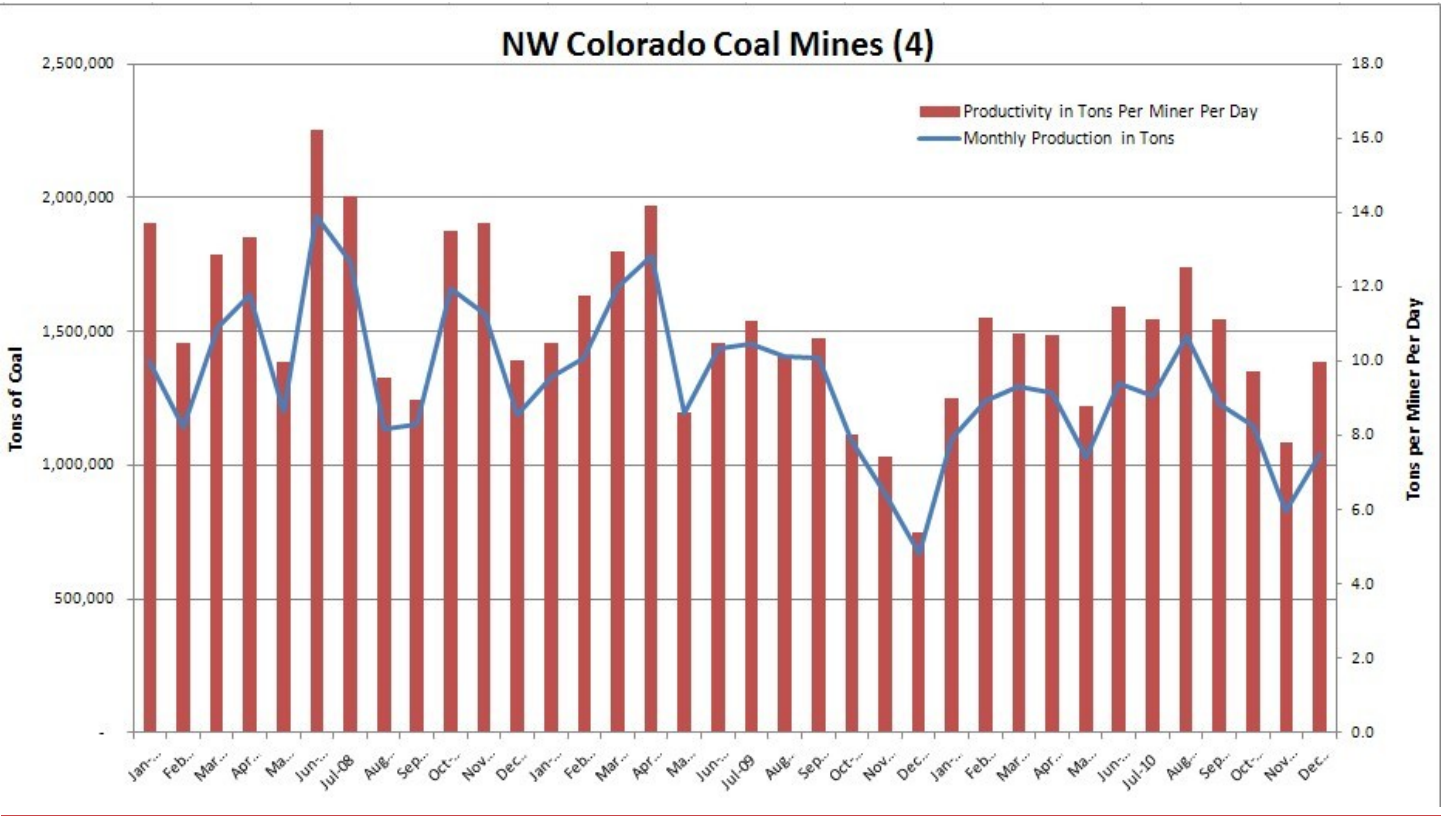
Strengthening our community
through data and collaboration.

yampavalleypartners.com





Energy—Coal Mine Efficiency



In last quarter’s newsletter we introduced a chart illustrating coal mine efficiency. The headlines about future regulatory environment have us asking if one of our main economic drivers (mining) is beginning to see cuts in employment. Although this is possible at some future date, it is not the case. The present month-to-month fluctuation in staffing levels at the three mines in NW Colorado are due to supply and demand cycles and special projects common in this industry sector.

Productivity per miner day is a more accurate and meaningful measurement of the mining sector than employment levels. This is why Yampa Valley Partners has looked at

the number of coal miners and the tons of production and figured in days worked. What we have discovered is what any of our mines will tell you — that our mines in north-west Colorado are extremely efficient. Like any good business, it looks at how much productivity you can get from all of your resources, including human resources, and counters it with a budget and tons of coal mined.

This spring Yampa Valley Partners will be working with productivity data to develop an economic impact model that will more accurately forecast the direct and secondary impacts of any reduction in mining workforce due to changes in

the regulatory environment. Stay tuned.



More data can be found at www.yampavalleypartners.com

Spotlight on Yampa Valley Healthcare Economics



Healthcare in the Yampa Valley is a strong economic driver. This article will look at healthcare in the following elements; number of jobs and income, healthcare expenses by population sector, quantity of physicians and doctors and an overview of healthcare outcomes. Due to space

limitations in this newsletter we have a full report summarizing key health care economic and Overall Health Outcome statistics in a white paper titled “Yampa Valley Healthcare Economic Details” that can be found at www.yampavalleypartners.com.

Healthcare is a big and booming business in the Yampa Valley. Based on employment and income statistics provided by the Bureau of Labor Statistics the Health Care/Social Assistance industry sector accounts for 8.6% of jobs and 9.6% of W2-wages. The Healthcare/Social Assistance industry sector in the Yampa Valley is amongst the fastest growing industry sectors over the past 10 years increasing at a rate faster than the balance of the economy.

Healthcare expenditures in the two counties are very different. For example in 2009 the Medicare expenditures viewed on a per capita basis for the population age 65 and over was 41% higher in Routt than in Moffat County. According to the Bureau of Economic Analysis the per capita Medicare amounts respectively are \$14,970 and \$10,595. The average statewide is \$12,013. Nationally this figure is approaching \$16,000 annually.

According to the National Health Expenditure Data, the national healthcare expenditure for age 65+ population is over 3 times the expenditure level of the population under age 65. This data tells us that personal annual medical expenditures increase as a person ages. Although there is a 2.5 difference in median age between Moffat County (35.9) and Routt (38.4), Moffat County has a higher percentage of its population over 65+ than does Routt.

Percentage of Population Age 65+:

Moffat = 9.7%

Routt = 6.7%

Source: Colorado Department of Local Affairs

The Colorado Institute of Health publishes a Healthcare Outcome Index annually. Overall, the Healthcare Outcome Index gives a comprehensive picture of healthcare that looks at the combination of services being delivered to the population being served and lifestyle choices. The 2011 report compared 57 Colorado counties that had a hospital located within the county’s borders. This index takes into account numerous health indicators in the following categories:

- Mortality
- Health Behaviors
- Clinical Care
- Demographics
- Physical Environment

It is important to note that this index does not address quality of care being provided. Many behavior and lifestyle issues influence this index ranking significantly beyond quality of care that is available. The citizens of the Yampa Valley are fortunate they have a wide variety of quality options when it comes to meeting their individual healthcare needs. The Healthcare Outcome Index on a composite basis reported Routt ranked 9th and Moffat County Ranked 44th out of 57 counties.

Another data element to consider when looking at our valley wide healthcare is the number of active licensed physicians and dentists. According to the Colorado Department of Public Health and Environment there is a higher concentration of these core health care providers in Routt County when measured per 1,000 of population than in Moffat County.

Health Provider by Type in 2010	Moffat	Routt
• Physicians	1.2	3.4
• Dentist	0.3	0.9

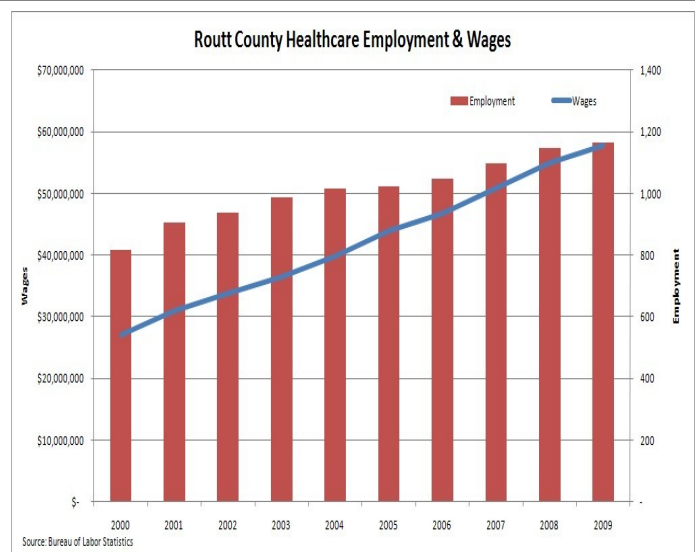
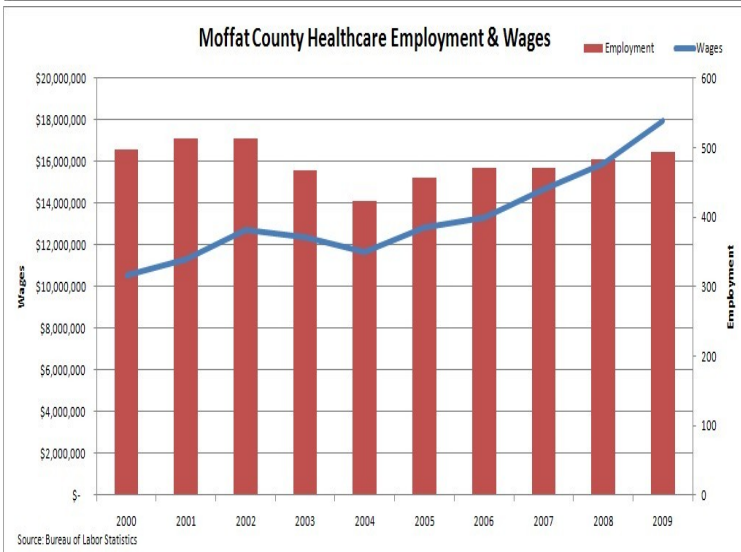
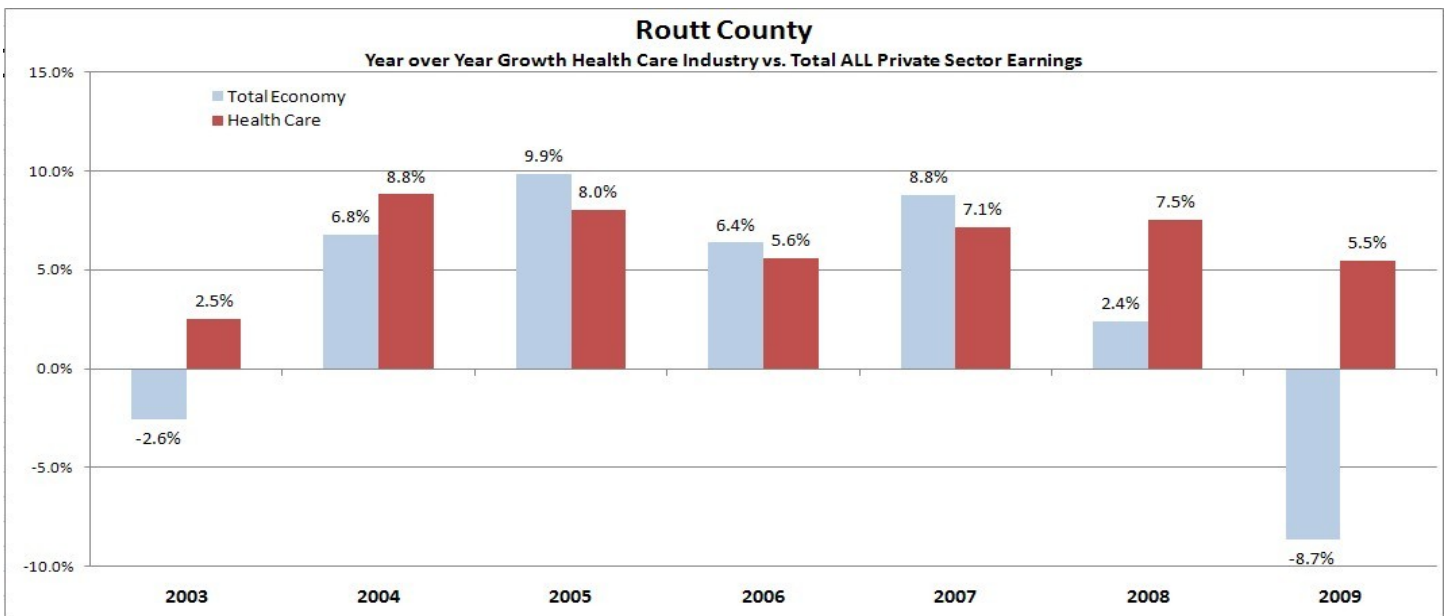
Healthcare in the Yampa Valley

On an aggregate basis, the number of core healthcare providers in Routt County is 3 times that of Moffat County. Based on this evidence, Routt County is becoming a regional healthcare center. As a result of more physicians per capita and a large percent of income, healthcare is an important economic driver in the county. For an interesting comparison, the Routt County healthcare industry sector is a slightly larger percentage of total industries than Routt County's mining industry sector.

The scope of medical services and access to care in Routt County is similar to that experienced by metropolitan populations such as Ft Collins and Grand Junction. In Routt

County, the medical care expenditures from visitors and part-time residents are influential to the total dollars spent.

Over the past 10 years in Routt County, Location Neutral Businesses (LNBs) have become one of the primary reasons behind the county's trend toward a more diversified economy. The scope and quality of healthcare provided in Routt County is a major factor in attracting and retaining LNBs. Location Neutral Businesses carefully consider the components of healthcare infrastructure before choosing an area in which to relocate. (Location Neutral Business assessment survey 2006)



Source: Bureau of Labor Statistics

Source: Bureau of Labor Statistics

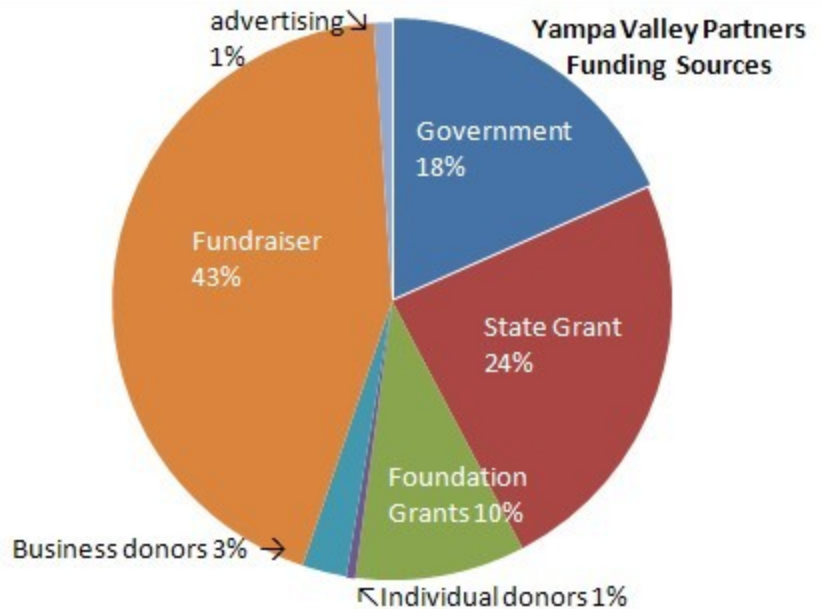
PO Box 1641, Craig, CO 81626
 601 Yampa Ave., Craig, CO 81625
 Phone: 970-824-1133
 Fax: 970-824-5004
 E-mail: info@yampavalleypartners.com



Thank You 2010 Donors!

Audrey Danner	
Barbara Pughe	
Bill Moser	Moser & Associates
Audrey Danner	
Barbara Pughe	
Bill Moser	Moser & Associates
Bob Johnson	State Farm
Chris Diamond	Ski Corp
Dana Duran	
Darcy Owens Trask	
Del Lockhart	FM Lights
Dick Hartman	Union Pacific
Fritz Aurin	Smokehouse
Jason Cobb	Steamboat Snowmo-
Jay Oxley	Tile One
Jeff Swoyer	NW Graphics
Jim Nowak	Western Slope Ac-
Kathy Stokes	Post Net
Leslie Bjorgum	State Beauty Supply
Margaret Berglund	
Matt Scoggins	CO CPA Services
Meg Bentley	
Missy Bonaker	Bonaker & Associates
Nicholas Rose	
Peter Van DeCarr	Backdoor Sports
Randy Rudasics	
Scott Cook	Cook Chevrolet
Terry Carwile	
Yvonne Gustin	Country Living Realty
Anschutz Family Foundation	
El Pomar Foundation	
City of Steamboat Springs	
Moffat County	
City of Craig	
GEO State office	

Yampa Valley Partners 2010 Funding Sources



As a nonprofit organization, our challenge is to increase support from businesses and individuals as local government support and available state grants diminish. Our current state grant ends in June 2012. We are thankful to the individuals, businesses and other organizations listed for their generous support in 2010. We hope that as the value of the services provided by Yampa Valley Partners to the region increases, support for our work will grow stronger.

Yampa Valley Partners Mission

Yampa Valley Partners is a nonprofit organization that strengthens our community by facilitating collaboration and providing data to the region.

Yampa Valley Partners Board of Directors

- Meg Bentley
- Terry Carwile
- Mel Ferree
- Tyler Jacobs
- Pamela Kinder
- Jamie Kingsbury
- Tom Krabacher
- Darcy Owens-Trask
- Randy Rudasics