
Region 9 Report-2004

June 2004

TABLE OF CONTENTS

INTRODUCTION	1
REGION 9 OVERVIEW	2
ARCHULETA COUNTY	4
DOLORES COUNTY.....	6
LA PLATA COUNTY.....	8
MONTEZUMA COUNTY.....	10
SAN JUAN COUNTY.....	12
TRIBAL POPULATIONS.....	14
GLOSSARY OF KEY TERMS AND CONCEPTS	15
USEFUL CONTACTS	17

INTRODUCTION

The Region 9 Economic Development District of Southwest Colorado, Inc. provides economic and community development services to a five county area, which includes Archuleta, Dolores, La Plata, Montezuma and San Juan Counties. Region 9 encompasses 6,584 square miles, 6.3% of the total land area in the State of Colorado (104,247 sq. miles). Of the total 45% are public lands, 38% are private lands and 17% are tribal lands. Geographically the area is located in a transitional zone between the southwestern edge of the Rocky Mountains and the eastern edge of the Colorado Plateau.

This *Report* summarizes demographic and economic information for the region as a whole, as well as for each of the individual counties. General information on tribal populations within the planning and management area is also presented.

The purpose of this *Report* is to present some of the significant aspects of the Region 9 economy and to identify trends that may add insights into the regional economy. A **Glossary** has been added to provide a better understanding of key terms and concepts.

The population within the five counties of Region 9 grew at a rate of about 36% from 1990 to 2000, and 5% between 2000 and 2002. Much of this growth can be attributed to what is being termed "amenity migration". Newcomers are moving in to take advantage of the area's unique natural resources, quality of life, and other amenities that the region offers. Many of these newcomers are retirees or 2nd home- owners that bring along their pensions and other retirement benefits. This "new" money affects the local economy as it is spent on new homes and goods and services.

Population growth has affected land use planning as well as the overall economic picture of the region. Most of the growth has occurred in unincorporated areas of the counties, reflecting the conversion of agricultural land to rural subdivisions.

Population growth has also created a demand for municipalities to provide services such as water and sewer, and infrastructure improvements such as new schools and transportation systems to newly annexed commercial and residential areas. These service demands are increasing, while the local governments are searching for ways to set spending priorities in light of state-wide budget cuts.

Historically industries such as mining, agriculture and forestry formed the job base supporting the local economy. Currently the historic major industries of mining, agriculture and forestry only provide about 3% of employment earnings in the regional economy. These base industries have been replaced over time by tourism. The Archuleta and La Plata County employment economies are based primarily on tourism and retail trade. Agriculture related services and forestry remain significant sources of employment for certain parts of the region, especially Dolores and Montezuma counties. Since the closure of the Sunnyside Mine in Silverton, San Juan County is almost entirely dependent on employment generated from tourism.

Economic diversification is a high priority for Region 9. Local and regional economies need to develop more diversity to improve the number, quality and variety of jobs that are available to local residents. Infrastructure improvements such as advanced telecommunications, the development of industrial parks for light manufacturing, and improved air and overland freight routes could help diversify the regional economy. The agricultural sector could also benefit by the provision of economic incentives to farmers and ranchers to preserve rural lands. The preservation of a rural lifestyle and open space has been identified as priorities in all discussions of economic development in the region.

Notes on Sources - The Demography Section - Colorado Division of Local Government (CDLG) provided employment and income estimates using 2002 data from the Colorado Department of Labor (ES202) and information from the Bureau of Economic Analysis (BEA). That data was provided in the newer North American Industry Classification System (NAICS) but has been converted in this report to the Standard Industrial Code (SIC) to provide comparability to prior years. Unfortunately, the release of economic information from the Bureau of Economic Analysis (BEA) is always about two years behind the current year.

This *Report* revision is based on available data, using 2002 as a benchmark. More recent data is also provided when available. Please note that there are some limitations with using BEA data to establish agricultural employment income. Keep in mind that many of the numbers are estimates and subject to change. Other sources are noted in text.

REGION 9 OVERVIEW

Population - Of the 83,909 people living in Region 9 in 2002 more than half resided in La Plata County, followed by Montezuma, Archuleta, Dolores, and San Juan Counties. In 2002 the largest municipality in Region 9 was the City of Durango in La Plata County (15,028); followed by the City of Cortez in Montezuma County (8,260); and the Town of Pagosa Springs in Archuleta County (1,624). The smallest population center is the Town of Rico (223) in Dolores County.

A look at the annual average population change for each county gives an idea of growth trends in the region from 1998 to 2002.

	Estimates		Census 2000	Estimates		Avg Annual % Change 1998-2002
	1998	1999		2001	2002	
Archuleta	9,133	9,570	9,898	10,548	10,942	4.0%
Dolores	1,766	1,811	1,844	1,844	1,881	1.3%
La Plata	41,173	42,757	43,941	45,614	46,239	2.5%
Montezuma	23,117	23,524	23,830	23,999	24,282	1.0%
San Juan	555	557	558	560	565	0.4%
Region 9	75,744	78,219	80,071	82,565	83,909	2.2%

Source: Colorado Demography Section estimates (draft 11-03)

The regional population will continue to grow, but at a slower rate, based on forecasts by Colorado Demography Section (Draft - November 2003). Please note that the Demography Section has recently made adjustments to 2000 Census data, which were not included in the table above.

Region 9	2000	2005	2010	2015	2020	2025
Population	80,860	88,447	100,239	112,703	125,547	138,428
Avg. Ann. % Change		1.8%	2.5%	2.4%	2.2%	2.0%

2000 estimates from the Demography Section (draft 6-03)

reflect adjustments to Census data at the county level

We can also make comparisons of our region's population growth to that of the rest of the state. Using the percent change from 1990 to 2000, Archuleta County was ranked 5th of 63 counties in the state (14th nationwide). Dolores County was ranked 37th, La Plata County was 22nd, Montezuma County was 33rd, and San Juan County was 63rd. A new county was added to the state in 2000, but is not included in the 2000 rankings. Current rankings are not yet available.

Employment and Income - In keeping with population growth, the Region 9 labor force grew by about 3,731 workers (8.2%) from 1999 to 2003. The unemployment rate in the region has risen, but is less than the state average (6.0%), and the national average (6.0%) in 2003.

Labor Force 1999-2003					
REGION 9	1999	2000	2001	2002	2003
Unemployed	1,776	1,800	1,749	2,280	2,376
Employed	39,796	39,931	39,490	41,761	42,927
Total Labor Force	41,572	41,731	41,239	44,041	45,303
Unemploy. Rate	5.8%	4.3%	4.3%	4.2%	5.2%
State Unemploy. Rate	2.9%	2.7%	3.7%	5.7%	6.0%
National Unemploy. Rate	4.2%	4.0%	5.3%	5.9%	6.0%

Source: Colorado Dept of Labor

The following figure presents the proportionate numbers of jobs and employment income by sector for Region 9. These

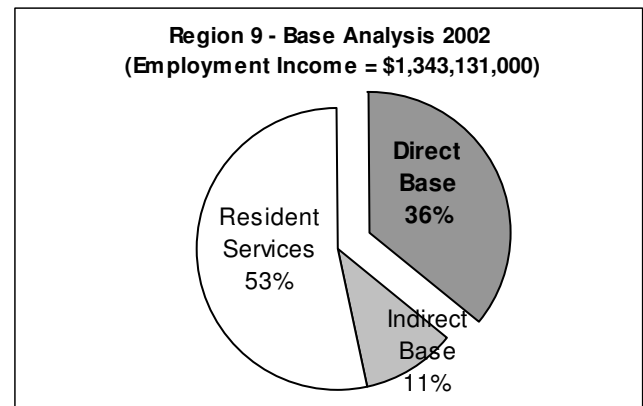
data are drawn from 2002 estimates made by the Demography Section that include proprietors and self-employment as well as wage earners. Please note that income figures are presented in thousands of dollars.

Region 9 2002 Total Employment	# of Jobs	% of Jobs	Income (\$000)	% of Inc.
Agriculture	2,470	5%	\$ 221	1%
Mining	546	1%	\$ 28,198	2%
Construction	4,292	12%	\$ 159,016	15%
Manufacturing	1,254	4%	\$ 35,267	4%
Transportation, Comm. & Public Utilities	1,311	3%	\$ 55,195	6%
Trade	13,276	25%	\$ 225,758	18%
Finance, Insurance & Real Estate	2,261	4%	\$ 100,049	6%
Services	10,953	33%	\$ 367,558	31%
Government	8,672	12%	\$ 314,067	17%
Total	45,034	100%	\$ 1,285,329	100%

Source: Colorado Demography Section

In 2002 the largest employment sector was the service industry (33%), which also provided the most employment income (31%). Employment (25%) and employment income (18%) in the wholesale/retail trade sector are also important in the regional economy. These figures reflect the dependency of the Region on tourism as a primary economic force.

Base Analysis - Base analysis distinguishes which industries and factors are basic in the economy, and are responsible for overall growth and change. See the **Glossary** for a more detailed discussion of the individual components.



In 2002, about \$480 million (36%) came into the Region as new dollars being drawn into the local economy through **direct base** jobs in industries such as services, retail trade, and government. **Indirect base** (supporting) jobs accounted for another \$146 million (11%). **Resident services** provided job income of about \$716 million (53%) in the local economy.

Total Personal Income (TPI) - TPI is the sum of all income accruing to residents of Region 9 from various sources. Components include employment income, transfer payments, dividends, interest and rent, and residency adjustments. See the **Glossary** for a more detailed discussion of the individual components.

Region-wide, TPI amounts to \$2,200,579,000. As we see from the table below each county has its own mix of income sources, which can change over time. Retirees brought in almost \$286 million (14%) of this income through some transfer payments and dividends, interest and rent in 2002.

Region 9 - Total Personal Income Components by County - 2002					
	Employment Income	Transfer Payments	Div., Int & Rent	Residency Adjustment	Total (\$000)
Archuleta	53%	29%	16%	2%	\$ 210,217
Dolores	54%	21%	17%	8%	\$ 45,314
La Plata	65%	10%	24%	1%	\$ 1,372,169
Montezuma	56%	18%	21%	5%	\$ 557,764
San Juan	69%	15%	20%	-5%	\$ 15,116

Source: Estimates provided by the Colorado Demography Section (March 04)

Region-wide TPI was up 9.7% from 2000 to 2001, and up 4.6% from 2001 to 2002.

Region 9 Total Personal Income (\$000)				% change
	2000	2001	2002	2001-2002
Archuleta	\$ 189,408	\$ 207,607	210,217	1.3%
Dolores	\$ 32,905	\$ 38,277	45,314	18.4%
La Plata	\$ 1,209,549	\$ 1,298,515	1,372,169	5.7%
Montezuma	\$ 473,272	\$ 544,437	557,764	2.4%
San Juan	\$ 12,594	\$ 14,418	15,116	4.8%
Region 9	\$ 1,917,728	\$ 2,103,254	2,200,579	4.6%

Source: Estimates provided by the Colorado Demography Section (March 04)

Per Capita Personal Income (PCPI) - All income in a region is added together (TPI), and then divided by the number of residents. PCPI continues to increase in most of our counties (except Dolores) but still is not on a par with state and national incomes.

Region 9 Per Capita Personal Income				% change
	2000	2001	2002	2001-2002
Archuleta	\$ 19,156	\$ 19,830	\$ 19,869	0.2%
Dolores	\$ 20,180	\$ 22,703	\$ 21,813	-3.9%
La Plata	\$ 27,409	\$ 28,364	\$ 29,127	2.7%
Montezuma	\$ 22,493	\$ 23,036	\$ 23,572	2.3%
San Juan	\$ 24,431	\$ 25,494	\$ 27,582	8.2%
Colorado	\$ 33,371	\$ 34,003	\$ 33,723	-0.8%
USA	\$ 29,847	\$ 30,527	\$ 30,906	1.2%

Source: Bureau of Economic Analysis

Retail Sales - Retail sales in Region 9 totaled more than 1.66 billion dollars in 2002, up 1.4% from 2001. However, retail sales in some counties saw a decline in 2002.

Region 9 Retail Sales - (\$000)				% change
	2000	2001	2002	2001-2002
Archuleta	\$ 178,576	\$ 184,005	\$ 178,358	-3.1%
Dolores	\$ 16,516	\$ 18,103	\$ 17,440	-3.7%
La Plata	\$ 975,301	\$ 1,015,255	\$ 1,036,969	2.1%
Montezuma	\$ 390,217	\$ 406,912	\$ 414,638	1.9%
San Juan	\$ 15,217	\$ 15,129	\$ 14,355	-5.1%
Region 9	\$ 1,575,827	\$ 1,639,404	\$ 1,661,760	1.4%

* Other includes the sectors not disclosed at the county level. Source: CO Dept. of Revenue

The strongest sector was in retail trade, which accounted for 61% of the total. Services (not including lodging) were also a strong sector, providing about 16% of the total.

Region 9-2002 Retail Sales - All Sectors		
Industry	\$ Sales	% Total
Agric., Forestry & Fisheries	\$2,711,000	0.2%
Mining	\$14,850,000	0.9%
Construction	\$54,545,000	3.3%
Manufacturing	\$56,033,000	3.4%
Transp. & Public Utilities	\$6,810,000	0.4%
Wholesale Trade	\$77,363,000	4.7%
Finance, Ins. & Real Estate	\$46,195,000	2.8%
Services-Not Lodging	\$269,464,000	16.2%
Lodging	\$58,148,000	3.5%
Retail Trade	\$1,019,501,000	61.4%
Other*	\$56,140,000	3.4%
Total	\$ 1,661,760,000	100.0%

* Other includes the sectors not disclosed at the county level. Source: CO Dept. of Revenue

Retail trade includes a variety of industries, as shown below. Retail trade sales were \$1,035,036,000 in 2001; 2002 retail trade sales were down 1.5%. Automotive retail trade was the largest sector, accounting for about 24% of the total, followed by food sales (17.5%) and eating and drinking (10%).

Region 9 - 2002 Retail Trade		
Industry	\$ Sales	% Total
Amusement	\$ 43,830,000	4.3%
Elec./Appliances	\$ 6,109,000	0.6%
Food	\$ 178,422,000	17.5%
Furnishings	\$ 20,984,000	2.1%
Eat/Drink	\$ 102,435,000	10.0%
Gen. Merchandise	\$ 9,278,000	0.9%
Health-Personal Care	\$ 7,974,000	0.8%
Misc. Retail	\$ 41,570,000	4.1%
Apparel	\$ 23,313,000	2.3%
Automotive	\$ 246,923,000	24.2%
Catalog/On Line	\$ 47,339,000	4.6%
Building/Garden	\$ 96,961,000	9.5%
Other*	\$ 194,363,000	19.1%
Total	\$ 1,019,501,000	100.0%

* Other includes the sectors not disclosed at the county level. Source: CO Dept. of Revenue

ARCHULETA COUNTY

Archuleta County is comprised of 872,960 acres (1,364 sq. miles). Only 34% of lands in Archuleta County are in private ownership. Although Archuleta County is technically not zoned, the county controls the use of land through its recently adopted (March 2000) conditional use process. Tribal lands comprise 14.4% of the county and any decisions regarding their development (i.e. mineral and timber resources) could be crucial to impacts on county resources and economic development. Most of the northern and eastern portions of the county (51.6%) are within the San Juan National Forest and are under the management of the U.S. Forest Service. Federal lands continue to be managed under a policy of multiple use.

Population - In 2000 the county's population was 9,898. According to the 2000 Census the median age was 40.8. Males comprised 51% and females comprised 49% of the total population. The average household size was 2.47 people. From 1990 to 2000 Archuleta County has shown, at 6.36%, the highest annual percent of population increase in Southwest Colorado. Archuleta County was ranked 5th of 63 counties in the state (14th nationwide).

The majority of the county's population is concentrated within the Town of Pagosa Springs and its surrounding subdivisions. The following figure provides population estimates for unincorporated areas of Archuleta County and Pagosa Springs for the years 1998 to 2002. These population figures, however, do not reflect the large number of seasonal residents in this area.

	Estimates		Census	Estimates		Avg Annual % Change 1998-2002
	1998	1999	2000	2001	2002	
Archuleta	9,133	9,570	9,898	10,548	10,912	3.9%
Pagosa Springs	1,605	1,597	1,591	1,621	1,621	0.2%
Unincorporated	7,528	7,973	8,307	8,927	9,291	4.7%

Source: Colorado Demography Section estimates (draft 11-03)

The annual average growth rate in Archuleta County is expected to decrease over the next 20 years, however the population is projected to be at 23,140 people by 2025.

Archuleta	2000	2005	2010	2015	2020	2025
Population	10,028	12,100	14,449	16,934	19,813	23,140
Avg. Ann. % Change		3.8%	3.6%	3.2%	3.2%	3.2%

2000 estimates from the Demography Section (draft 6-03)
reflect adjustments to Census data at the county level

Housing - According to the Demography Section in July 2002 there were 6,864 housing units. Of these 64% were occupied and 36% were vacant. In 2001 only about 47% of families would be able to purchase a median priced home of \$186,549 [Source: Operation Healthy Communities].

Livable Wages - Operation Healthy Communities (OHC) has determined that in 2001 a minimum of \$9.55/hr provided a livable wage in Archuleta County, if you were a single person renting a one- bedroom apartment. **Per Capita Personal Income** (PCPI) was estimated at \$19,869 in 2002 [Source: Bureau of Economic Analysis].

Economic Trends - Archuleta County developed as a result of a unique combination of natural resources and natural attributes, i.e. the Hot Springs located in Pagosa Springs. Initially these resources were "Traditional West" commodities such as timber, cattle and minerals. In 1970, manufacturing (primarily wood products) provided 30% of the county's total work income and generated \$7.4 million in earnings. Over the next 20 years manufacturing wages decreased. The decline of the timber industry in the late 1970's played a large role in this decrease.

The 1980's were a time of relative stability in terms of population and economy, reflecting the "flat" state and national economies. Since that time Archuleta County has been in transition from a traditional rural community to a more urban environment in which tourism is the number one industry. The natural environment, and the amenities it provides, are behind much of the growth and have become the larger region's chief economic asset.

Employment and Income - The composition of the economy supports a low unemployment rate although seasonal fluctuations are generally seen in the winter months. The unemployment rate held steady at 5.7% in 2003. State-wide, and nation-wide, the unemployment rate was 6.0%.

Labor Force 1999-2003					
ARCHULETA	1999	2000	2001	2002	2003
Unemployed	177	170	204	302	306
Employed	4,384	4,625	4,540	5,040	5,023
Total Labor Force	4,561	4,795	4,744	5,342	5,329
Unemploy. Rate	3.9%	3.5%	4.3%	5.7%	5.7%
State Unemploy. Rate	2.9%	2.7%	3.7%	5.7%	6.0%

Source: Colorado Dept of Labor

The U.S. Census Bureau estimates that in 2000 there were 466 people commuting out of the county for work, primarily out of state (152) and to La Plata County (248). In contrast 335 people were commuting in for work, primarily from out of state (58); La Plata County (110) and Rio Grande County (70). A Four Corners Regional transit system might help to alleviate impacts to roadways given the high number of commuters.

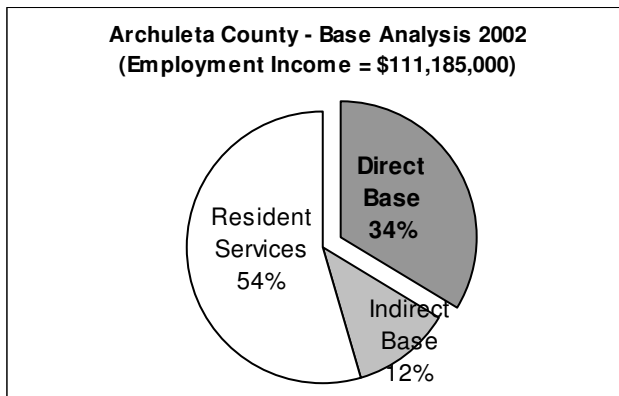
The ratio of earnings to employment indicate which sectors are high earning sectors, on average, compared to those sectors which generate lower earnings. For example, the trade sector employs the most wage earners (37%) in the county, and represents 30% of the earnings, as shown in the following table.

Archuleta County 2002 Total Employment	# of Jobs	% of Jobs	Income (\$000)	% of Inc.	avg. annual wage *
Agriculture	270	6%	-6433	-5.8%	\$ 24,574
Mining	34	1%	\$ 1,146	1%	\$ 33,473
Construction	615	14%	\$ 20,708	19%	\$ 26,153
Manufacturing	24	0.5%	\$ 1,000	0.9%	\$ 32,435
Transportation, Comm. & Public Utilities	56	1%	\$ 2,542	2%	\$ 26,386
Trade	1,658	37%	\$ 32,886	30%	
Finance, Insurance & Real Estate	319	7%	\$ 12,654	11%	\$ 33,655
Services	883	20%	\$ 25,240	23%	\$ 19,202
Government	622	14%	\$ 21,441	19%	\$ 26,716
Total	4,480	100%	\$ 111,185	100%	\$ 22,731

* avg annual wage is from ES202 Labor Market Information - wage jobs only
 avg wage for Wholesale Trade is \$42,202; Retail is \$15,052
 Total number of jobs and job income from BEA & ES 202 includes proprietor income

The negative income in agriculture is a result of losses in crop and livestock production, and does not necessarily reflect wages earned in that industry.

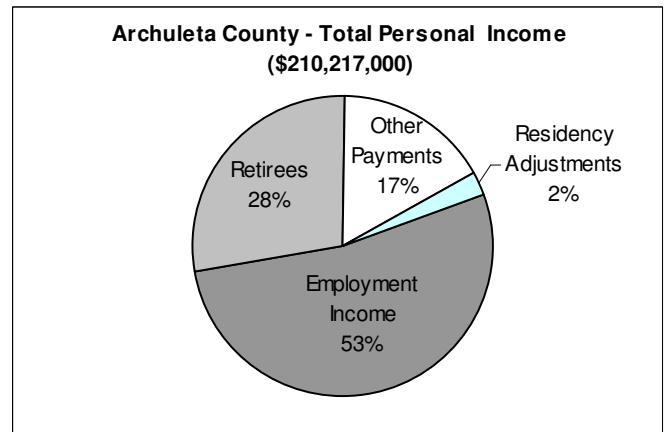
Base Analysis - Base analysis distinguishes which industries and factors are basic in the economy, and are responsible for overall growth and change. See the **Glossary** for a more detailed discussion of the individual components.



In 2002, about \$37.4 million (34%) came into Archuleta County as new dollars being drawn into the local economy through **direct base** jobs in industries such as services and trade. Jobs relating to tourism account for 24% (1,071) of total employment and 17% (\$18,495,000) of total employment income. **Indirect base** (supporting) jobs accounted for another \$13.1 million (12%). **Resident services** provided job income of about \$60.6 million (54%) in the local economy.

Total Personal Income (TPI) - TPI is the sum of all income accruing to residents from various sources. Components include employment income, transfer payments, dividends, interest and rent, and residency adjustments. See the **Glossary** for a more detailed discussion of the individual components.

Retired persons collect benefits that account for 28% (\$58,628,000) of TPI in Archuleta County. Retirees make significant contributions to the economy by purchasing goods and services with income from outside sources (i.e. transfer payments), bringing "new" money to circulate in the local economy. This new money also creates employment opportunities.



Retail Sales

Archuleta - 2002 Retail Sales - All Sectors		
Industry	\$ Sales	% Total
Construction	\$ 9,771,000	5.5%
Mining	\$ 3,088,000	1.7%
Manufacturing	\$ 5,734,000	3.2%
Wholesale Trade	\$ 8,203,000	4.6%
Finance, Ins. & Real Estate	\$ 5,312,000	3.0%
Services-Not Lodging	\$ 35,216,000	19.7%
Lodging	\$ 6,917,000	3.9%
Retail Trade	\$ 98,918,000	55.5%
Other*	\$ 5,199,000	2.9%
Total	\$ 178,358,000	100.0%

* Other includes the sectors not disclosed at the county level. Source: CO Dept. of Revenue

Retail trade is the strongest sales sector, followed by services (not lodging). Retail trade sales were down almost 13% in 2002 from 2001.

Archuleta - 2002 Retail Trade		
Industry	\$ Sales	% Total
Eat/Drink	\$12,732,000	12.9%
Gen. Merchandise	\$8,257,000	8.3%
Auto	\$6,427,000	6.5%
Furnishings	\$2,104,000	2.1%
Food	\$30,079,000	30.4%
Building/Garden	\$23,076,000	23.3%
Apparel	\$1,604,000	1.6%
Amusements	\$3,693,000	3.7%
Misc. Retail	\$5,165,000	5.2%
Catalog/On Line	\$2,340,000	2.4%
Other*	\$3,441,000	3.5%
Total	\$98,918,000	100.0%

* Other includes the sectors not disclosed at the county level. Source: CO Dept. of Revenue

DOLORES COUNTY

Dolores County is comprised of 673,897 acres (1,052 sq. miles). Of these 58% are state and federal lands, and 42% are in private ownership. There are new regulations to establish a permitting process, and performance standards, for public review and approval of certain new development activities and land use changes within the unincorporated area of Dolores County. The performance standards are intended to ensure that new developments do not interfere with existing land uses, especially agricultural operations; and that they comply with a variety of existing county, state and federal regulations.

Population - Dolores County has a relatively small population (1,881 in 2002). According to the 2000 Census the median age was 42.4. Males comprised 52 % and females comprised 48% of the population. The average household size was 2.35 people.

The population is dispersed within two topographically distinct areas. Dove Creek, the county seat, is primarily within an agricultural area located on the west-side of the county. From 1990 to 2000 Dove Creek averaged 0.82% annual growth. The Town of Rico is located in the eastern portion of the county. Mining began in Rico in Eastern Dolores County in 1869. The Town of Rico (elevation 8,827 feet) experienced the booms and busts of hard rock mining until the last mines closed in the 1970s. Rico is beginning to grow again based largely on people who commute to Telluride, which has undergone rapid expansion as a Ski Town. From 1990 to 2000 Rico averaged 8.34% annual growth. To accommodate growth, Rico needs to develop a sewer system and upgrade its water treatment capacity.

	Estimates		Census	Estimates		Avg Annual % Change 1998-2002
	1998	1999	2000	2001	2002	
Dolores	1,766	1,811	1,844	1,844	1,881	1.3%
Dove Creek	682	691	698	695	706	0.7%
Rico	185	197	205	211	223	4.1%
Unincorporated	899	923	941	938	952	1.2%

Source: Colorado Demography Section estimates (draft 11-03)

Estimates shown below predict a fairly constant growth rate for Dolores County for the next 20 years.

Dolores	2000	2005	2010	2015	2020	2025
Population	1,844	1,967	2,127	2,272	2,431	2,597
Avg. Ann. % Change		1.3%	1.6%	1.4%	1.4%	1.3%

2000 estimates from the Demography Section (draft 6-03)
reflect adjustments to Census data at the county level

Housing - According to the Demography Section, in July 2002 there were 1,208 housing units. Of these 66% were occupied and 34% were vacant. In 2001 only about 68% of families would be able to purchase a median priced home of \$132,275 in rural Dolores County. In Rico, about 48% of families would be able to purchase a median priced home of \$132,275. In Dove Creek about 85% of families would be able to purchase a median priced home of \$38,000 [Source: Operation Healthy Communities].

Livable Wages - Operation Healthy Communities (OHC) has determined that in 2001 a minimum of \$8.46/hr provided a livable wage in Dove Creek, and \$9.35/hr in Rico, if you were a single person renting a one- bedroom apartment. **Per Capita Personal Income** (PCPI) was estimated at \$21,813 in 2002 [Source: Bureau of Economic Analysis].

Economic Trends - The Dolores County economy is dominated by agriculture. The agricultural sector in Dolores County was built upon the production of dry land crops. New opportunities are being developed in the Dolores County agricultural sector including the introduction of irrigated farming with water from McPhee Reservoir and the development of new crops and value added businesses.

Historically, the mountainous (eastern) part of Dolores County supplied a number of small saw mills and was the site of gold, silver, copper, lead, zinc and molybdenum mining in the Rico area. Uranium mining in Western San Miguel County to the North provided important supplemental income to the Dolores County economy until the mines closed in the mid-1980s. It is said that many farm mortgage payments were made with the help of a winter job in the uranium mines. Access to scenic public lands in the county provide recreational opportunities, however, the tourist base is served primarily by businesses outside of the county.

Employment and Income - The composition of the economy supports a low unemployment rate although seasonal fluctuations are generally seen in the winter months. The unemployment rate was up in 2003, a trend seen state-wide (6%) as well as nation-wide (6%).

DOLORES	Labor Force 1999-2003				
	1999	2000	2001	2002	2003
Unemployed	57	64	46	82	81
Employed	663	624	602	666	708
Total Labor Force	720	688	648	748	789
Unemploy. Rate	7.9%	9.3%	7.1%	11.0%	10.3
State Unemploy. Rate	2.9%	2.7%	3.7%	5.7%	6.0%

Source: Colorado Dept of Labor

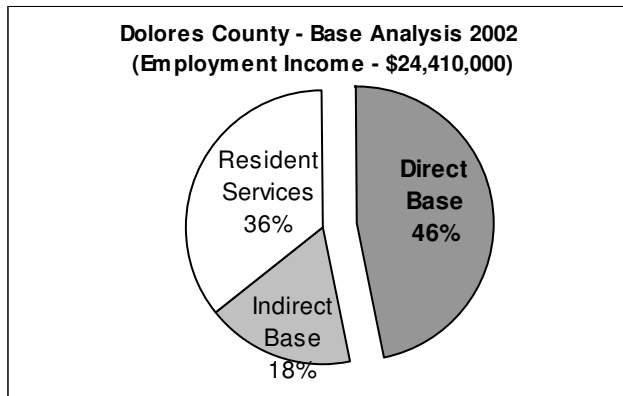
The U.S. Census Bureau estimates that in 2000 there were 344 people commuting out of the county for work, primarily out of state (57); to Montezuma County (177); and to San Miguel County (84). In contrast 56 people were commuting in for work, primarily from Montezuma County (35) and San Miguel County (19). A Four Corners Regional transit system might help to alleviate impacts to roadways given the high number of commuters.

The ratio of earnings to employment indicate which sectors are high earning sectors, on average, compared to those sectors which generate lower earnings. For example, the agricultural sector employs the most wage earners (26%) in the county, and represents 15% of the earnings, as shown in the following table.

Dolores County 2002 Total Employment	# of Jobs	% of Jobs	Income (\$000)	% of Inc.	avg. annual wage *
Agriculture	243	26%	\$ 3,632	15%	\$ 15,970
Mining	76	8%	\$ 2,233	9%	\$ 38,462
Construction	30	3%	\$ 1,059	4%	\$ 23,658
Manufacturing	27	3%	\$ 640	3%	\$ 19,084
Transportation, Comm. & Public Utilities	8	1%	\$ 1,149	5%	D
Trade	173	19%	\$ 3,322	14%	\$ 13,777
Finance, Insurance & Real Estate	115	12%	\$ 1,820	7%	D
Services	63	7%	\$ 5,510	23%	\$ 11,095
Government	197	21%	\$ 5,044	21%	\$ 19,486
Total	930	100%	\$ 24,410	100%	\$ 20,002

D= data not available due to non-disclosure
 avg wage for Wholesale Trade is not disclosed; Retail is \$13,777
 * avg annual wage is from ES202 Labor Market Information - wage jobs only
 Total number of jobs and job income from BEA & ES 202 includes proprietor income

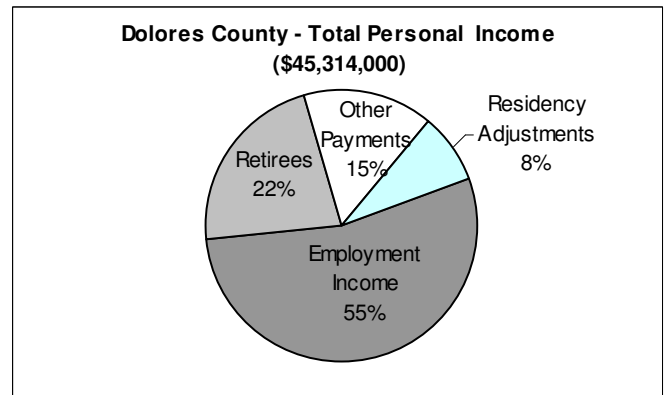
Base Analysis - Base analysis distinguishes which industries and factors are basic in the economy, and are responsible for overall growth and change. See the **Glossary** for a more detailed discussion of the individual components.



In 2002, about \$11.3 million (47%) came into Dolores County as new dollars being drawn into the local economy through **direct base** jobs in industries such as agriculture and trade. **Indirect base** (supporting) jobs accounted for another \$4.2 million (18%). **Resident services** provided job income of about \$8.7 million (35%) in the local economy.

Total Personal Income (TPI) - TPI is the sum of all income accruing to residents from various sources. Components include employment income, transfer payments, dividends, interest and rent, and residency adjustments. See the **Glossary** for a more detailed discussion of the individual components.

Retired persons collect benefits that account for 22% (\$10,093,000) of TPI in Dolores County. Retirees make significant contributions to the economy by purchasing goods and services with income from outside sources (i.e. transfer payments), bringing "new" money to circulate in the local economy. This new money also creates employment opportunities.



Retail Sales

Dolores - 2002 Retail Sales - All Sectors		
Industry	\$ Sales	% Total
Manufacturing	\$ 767,000	4.4%
Public Utilities	\$ 743,000	4.3%
Lodging	\$ 689,000	4.0%
Services-Not Lodging	\$ 1,141,000	6.5%
Retail Trade	\$ 9,687,000	55.5%
Other*	\$ 4,413,000	25.3%
Total	\$ 17,440,000	100.0%

* Other includes the sectors not disclosed at the county level. Source: CO Dept. of Revenue

Retail trade is the strongest sales sector, followed by services (not lodging) for sectors that are disclosed. In 2001 there were \$18,103,000 total sales, up 9.6% from 2000. Total sales were down 3.6% in 2002.

Dolores - 2002 Retail Trade		
Industry	\$ Sales	% Total
Eat/Drink	\$ 357,000	3.7%
Catalog/On Line	\$ 397,000	4.1%
Other*	\$ 8,933,000	92.2%
Total	\$ 9,687,000	100.0%

* Other includes the sectors not disclosed at the county level. Source: CO Dept. of Revenue

In 2001 there were \$9,578,000 total retail trade sales; down 2.1% from 2000. Retail trade sales were up 1.1% in 2002.

LA PLATA COUNTY

The county is comprised of 1,083,085 acres (1,692sq. miles). Of these 43% are private lands, 16% are tribal lands (Southern Ute and Ute Mountain Ute), and 41% are state and federal lands. The foremost issue that the county currently faces is population growth. Implications of growth include increased demand for services; infrastructure needed to serve development; changes to the environment; and impacts on the overall quality of life in the county.

Population - In 2000 the county's population was 43,941. According to the 2000 Census the median age was 35.6. Males comprised 51% and females comprised 49% of the total population. The average household size was 2.43 people.

Between 1990 and 2000, La Plata County averaged 3.13% annual growth, with most of the growth occurring in Durango and unincorporated areas of the county. The City of Durango grew by an average of 1.13%% annually and is currently under pressure from infrastructure issues such as transportation and water use in newly annexed areas. In the Town of Bayfield there was 3.58% average annual population growth in the last decade. A primary goal for Bayfield is to provide for orderly growth in a way that does not adversely affect the community's small town character, while providing the infrastructure for expansion. In the Town of Ignacio population has been slowly declining but with the advent of casino gambling on the Southern Ute Reservation and other expanding tribal enterprises, growth is probably inevitable.

	Estimates		Census 2000	Estimates		Avg Annual % Change 1998-2002
	1998	1999		2001	2002	
La Plata	41,173	42,757	43,941	45,614	46,239	2.5%
Bayfield	1,555	1,552	1,549	1,695	1,693	1.8%
Durango	13,468	13,731	13,922	14,708	15,028	2.3%
Ignacio	701	682	669	704	700	0.0%
Unincorporated	25,449	26,792	27,801	28,507	28,828	2.7%

Source: Colorado Demography Section estimates (draft 11-03)

The annual average growth rate in La Plata County is expected to decrease over the next 20 years, however the population is projected to be at 74,726 people by 2025.

La Plata	2000	2005	2010	2015	2020	2025
Population	44,566	48,259	54,881	61,696	68,385	74,726
Avg. Ann. % Change		1.6%	2.6%	2.4%	2.1%	1.8%

2000 estimates from the Demography Section (draft 6-03)

reflect adjustments to Census data at the county level

Housing - According to the Demography Section in July 2002 there were 22,144 housing units. Of these 83% were occupied and 17% were vacant. In 2001 only about 34% of families would be able to purchase a median priced home of \$269,900 in rural La Plata County. In Durango, about 41% of families would be able to purchase a median priced home of \$241,000. In Bayfield about 68% of families would be able to purchase a median priced home of \$131,625. In Ignacio about 58% of families would be able to purchase a median priced home \$174,000 [Source: Operation Healthy Communities].

Livable Wages - Operation Healthy Communities (OHC) has determined that in 2001 a minimum of \$9.67/hr provided a livable wage in Durango, \$9.32/hr in Bayfield, and \$9.32 in Ignacio if you were a single person renting a one- bedroom apartment. **Per Capita Personal Income** (PCPI) was estimated at \$29,127 in 2002 [Source: Bureau of Economic Analysis].

Economic Trends - Historically, La Plata County developed as a result of "traditional west" commodities such as minerals, cattle and timber. Since the 1970's La Plata County has been in transition from a traditional rural county to a more urban environment in which tourism is the number one industry. People moving in for quality of life issues or "amenity migration" drove population growth in the 1990's, a trend still seen today.

Because of its location within the larger region Durango has developed as a tourist crossroads and regional trade center, as well as being the county seat. Bayfield has served as a supply town and social center for area farmers and ranchers, and more recently as a bedroom community for Durango. At present Ignacio remains a tri-ethnic community, composed of Southern Utes, Hispanic and Anglos. Today the town serves as a supply center for the surrounding reservation and ranches and is a crossroads for the gas and oil industry. The Southern Ute Tribal Headquarters is located just north of the town limits and provides administration and services to tribal members.

Employment and Income - The composition of the economy supports a low unemployment rate although seasonal fluctuations are generally seen in the winter months. The unemployment rate was up in 2003, a trend seen state-wide (6%) as well as nation-wide (6%).

Labor Force 1999-2003					
LA PLATA	1999	2000	2001	2002	2003
Unemployed	926	917	898	1,143	1,263
Employed	23,249	23,487	23,174	24,699	25,536
Total Labor Force	24,175	24,404	24,072	25,842	26,799
Unemploy. Rate	3.8%	3.8%	3.7%	4.4%	4.7%
State Unemploy. Rate	2.9%	2.7%	3.7%	5.7%	6.0%

Source: Colorado Dept of Labor

The U.S. Census Bureau estimates that in 2000 there were 1,267 people commuting out of the county for work, primarily out of state (876) and to Montezuma (134) and Archuleta Counties (110). In contrast 2,331 people were commuting in for work, primarily from out of state (1,195); Montezuma County (619) and Archuleta County (248). A Four Corners Regional transit system might help to alleviate impacts to roadways given the high number of commuters.

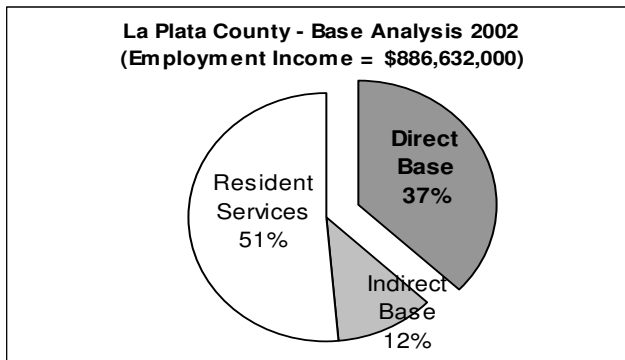
Wage and employment information can be used to measure the strength of the various economic sectors. The ratio of earnings to employment indicate which sectors are high earning sectors, on average, compared to those sectors which generate lower earnings, as seen in the following table.

La Plata County 2002 Total Employment	# of Jobs	% of Jobs	Income (\$000)	% of Inc.	avg. annual wage *
Agriculture	963	4%	\$ (3,232)	0%	\$ 23,894
Mining	343	1%	\$ 20,859	2%	\$ 40,799
Construction	2,558	9%	\$ 98,705	11%	\$ 30,165
Manufacturing	679	2%	\$ 19,595	2%	\$ 27,065
Transportation, Comm. & Public Utilities	877	3%	\$ 37,772	4%	\$ 34,460
Trade	8,069	30%	\$ 182,599	21%	
Finance, Insurance & Real Estate	1,371	5%	\$ 72,201	8%	\$ 34,067
Services	7,494	27%	\$ 267,501	30%	\$ 26,753
Government	4,985	18%	\$ 190,630	22%	\$ 31,817
Total	27,340	100%	\$ 886,632	100%	\$ 27,650

* avg annual wage is from ES2002 Labor Market Information - wage jobs only
avg wage for Wholesale Trade is \$36,352; Retail is \$17,246
Total number of jobs and job income from BEA & ES 2002 includes proprietor income

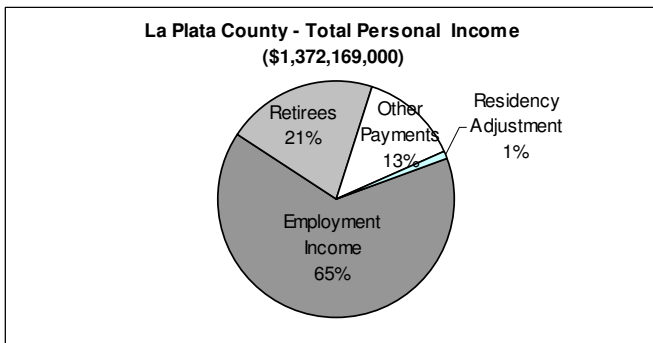
The negative income in agriculture is a result of losses in crop and livestock production, and does not necessarily reflect wages earned in that industry.

Base Analysis - Base analysis distinguishes which industries and factors are basic in the economy, and are responsible for overall growth and change. See the **Glossary** for a more detailed discussion of the individual components.



In 2002, about \$326.8 million (37%) came into La Plata as new dollars being drawn into the local economy through **direct base** jobs in industries such as services and trade. **Indirect base** (supporting) jobs accounted for another \$104.6 million (12%). **Resident services** provided job income of about \$455.2 million (51%) in the local economy.

Total Personal Income (TPI) - TPI is the sum of all income accruing to residents from various sources. Components include employment income, transfer payments, dividends, interest and rent, and residency adjustments. See the **Glossary** for a more detailed discussion of the individual components.



Retired persons collect benefits that account for 10% (\$285,892,000) of TPI in La Plata County. Retirees make significant contributions to the economy by purchasing goods and services with income from outside sources (i.e. transfer payments), bringing "new" money to circulate in the local economy. This new money also creates employment opportunities. The amenities that follow these individuals - higher end housing, fine restaurants, country clubs, and increased shopping opportunities- are on the rise.

Retail Sales

La Plata - 2002 Retail Sales - All Sectors		
Industry	\$ Sales	% Total
Agric., Forestry & Fisheries	\$ 1,452,000	0.1%
Construction	\$ 28,311,000	2.7%
Manufacturing	\$ 36,919,000	3.6%
Transp./Warehousing	\$ 6,067,000	0.6%
Wholesale Trade	\$ 56,356,000	5.4%
Finance, Ins. & Real Estate	\$ 36,826,000	3.6%
Services-Not Lodging	\$ 190,333,000	18.4%
Lodging	\$ 40,264,000	3.9%
Retail Trade	\$ 612,546,000	59.1%
Mining	\$ 9,107,000	0.9%
Other*	\$ 18,788,000	1.81%
Total	\$ 1,036,969,000	100.0%

* Other includes the sectors not disclosed at the county level. Source: CO Dept. of Revenue

Retail trade is the strongest sales sector, followed by services (not lodging). These are also the strongest employment sectors. In 2001 there were \$1,015,255,000 total sales, up 4% from 2000. Sales were up 2.1% in 2002

La Plata - 2002 Retail Trade		
Industry	\$ Sales	% Total
Amusements	\$ 36,128,000	5.9%
Food	\$ 99,965,000	16.3%
Furnishings	\$ 14,803,000	2.4%
Eat/Drink	\$ 62,736,000	10.2%
Misc. Retail	\$ 26,828,000	4.4%
Elec./Appliances	\$ 5,786,000	0.9%
Catalog/On Line	\$ 27,886,000	4.6%
Apparel	\$ 17,985,000	2.9%
Automotive	\$ 156,858,000	25.6%
Health-Personal Care	\$ 7,974,000	1.3%
Other*	\$ 140,329,000	22.9%
Building/Garden	\$ 51,396,000	8.4%
Total	\$ 612,546,000	100.0%

* Other includes the sectors not disclosed at the county level. Source: CO Dept. of Revenue

Within the Retail Trade sector automotive sales is the strongest sector, followed by food sales. In 2001 there were \$614,240,000 total retail trade sales; up 3.7% from 2000. Retail trade sales were down 0.2% in 2002.

MONTEZUMA COUNTY

Montezuma County is comprised of 1,333,888 acres (2,084sq. miles). Of these, 30% are private lands, 33% are tribal (Ute Mountain Ute), and 37% are state and federal lands. The most fundamental issues addressed by the Montezuma County Comprehensive Plan involve the protection of private property rights and the protection of private property values. The county's Landowner Initiated Zoning Code (LIZ) applies to owners of property outside incorporated areas. The Town of Mancos has its own Land Use Code and Comprehensive Plan. The same is true for the Town of Dolores, and the City of Cortez

Population - In 2000 the county's population was 23,830. According to the 2000 Census the median age was 38. Males comprised 49% and females comprised 51% of the total population. The average household size was 2.54 people.

From 1998 to 2002 Montezuma County as a whole has seen slow but steady population growth, with a 1% average annual change. The Town of Mancos has seen the most growth (3.4%) during this time period. Unincorporated areas of the county include the Ute Mountain Utes Tribal population.

	Estimates		Census 2000	Estimates		Avg Annual % Change 1998-2002
	1998	1999		2001	2002	
Montezuma	23,117	23,524	23,830	23,999	24,282	1.0%
Cortez	7,844	7,920	7,977	8,081	8,260	1.1%
Dolores	863	860	857	866	871	0.2%
Mancos	978	1,060	1,119	1,131	1,146	3.4%
Unincorporated	13,432	13,684	13,877	13,921	14,005	0.9%

Source: Colorado Demography Section estimates (draft 11-03)

The rate of growth is projected to rise and then decrease over the next 20 years; however the population is projected to be at 37,319 people by 2025.

Montezuma	2000	2005	2010	2015	2020	2025
Population	23,864	25,546	28,182	31,178	34,273	37,319
Avg. Ann. % Change		1.4%	2.0%	2.0%	1.9%	1.7%

2000 estimates from the Demography Section (draft 6-03)

reflect adjustments to Census data at the county level

Housing – According to the Demography Section, in July 2002 there were 10,599 housing units. Of these, 88% were occupied and 12% were vacant. In 2001 only about 29% of families would be able to purchase a median priced home of \$219,000 in rural Montezuma County. In Cortez, about 69% of families would be able to purchase a median priced home of \$95,815. In Dolores about 57% of families would be able to purchase a median priced home of \$132,275. In Mancos about 63% of families would be able to purchase a median priced home \$112,500 [Source: Operation Healthy Communities].

Livable Wages - Operation Healthy Communities (OHC) has determined that in 2000 a minimum of \$7.96/hr provided a livable wage in Cortez, \$8.03/hr in Dolores, and \$7.96 in Mancos, if you were a single person renting a one bedroom apartment. **Per Capita Personal Income** (PCPI) was estimated at \$23,572 in 2002 [Source: Bureau of Economic Analysis].

Economic Trends - Historically, Montezuma County developed as a result of providing mining towns in the San Juan Mountains with supplies. The extensive timber resources in the Dolores area were harvested to supply mine timbers and building lumber. The Town of Mancos built up around cattle raised to feed the mining communities. The lower elevations of the Montezuma Valley supplied agricultural products, with the City of Cortez developing as a center due to the creation of the Montezuma Valley Irrigation Company.

By the turn of the 20th century the mining boom had played out and the remaining settlers turned to subsistence agriculture and the export of agricultural and timber products. In the 1980's, the construction of McPhee Reservoir (the Dolores Project) and its extensive irrigation systems allowed increased agricultural production and enhanced recreational opportunities for locals and tourists.

Employment and Income - The composition of the economy supports a low unemployment rate although seasonal fluctuations are generally seen in the winter months. The unemployment rate went down in 2003. State-wide, and nation-wide, the unemployment rate was 6.0%.

Labor Force 1999-2003					
MONTEZUMA	1999	2000	2001	2002	2003
Unemployed	583	615	556	696	675
Employed	11,251	10,957	10,941	11,140	11,356
Total Labor Force	11,834	11,572	11,497	11,836	12,031
Unemploy. Rate	4.9%	5.3%	4.8%	5.9%	5.6%
State Unemploy. Rate	2.9%	2.7%	3.7%	5.7%	6.0%

Source: Colorado Dept of Labor

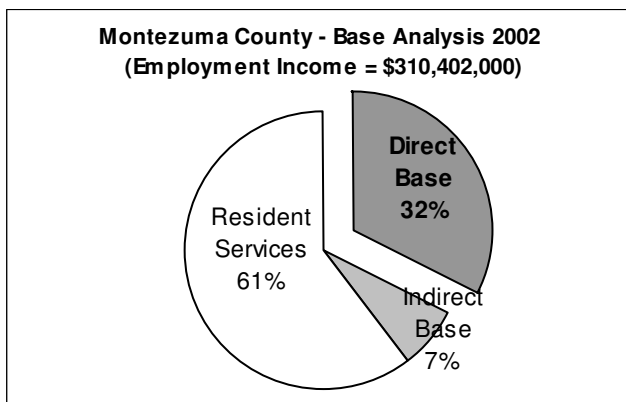
The U.S. Census Bureau estimates that in 2000 there were 1,503 people commuting out of the county for work – with the greatest number of workers going to La Plata County; and 668 people commuting in to the county for work – primarily from Dolores County.

The ratio of earnings to employment indicate which sectors are high earning sectors, on average, compared to those sectors which generate lower earnings. The importance of agriculture in Montezuma County is not adequately reflected in these employment data. There is an emphasis on agricultural viability in the *Montezuma County Comprehensive Plan*, although more work needs to be done to develop a complete picture of the economic status of agriculture. Total employment and employment income are shown in the following table.

Montezuma County 2002 Total Employment	# of Jobs	% of Jobs	Income (\$000)	% of Inc.	avg. annual wage *
Agriculture	995	8%	\$ 6,253	2%	\$ 18,155
Mining	88	1%	\$ 3,959	2%	\$ 40,799
Construction	1,069	9%	\$ 37,633	15%	\$ 30,165
Manufacturing	524	4%	\$ 14,001	6%	\$ 27,065
Transportation, Comm. & Public Utilities	371	3%	\$ 13,732	5%	\$ 32,091
Trade	3,205	27%	\$ 3,002	1%	
Finance, Insurance & Real Estate	382	3%	\$ 11,673	5%	\$ 29,116
Services	2,472	21%	\$ 67,800	27%	\$ 20,562
Government	2,803	24%	\$ 94,679	37%	\$ 26,338
Total	11,910	100%	\$ 252,732	100%	\$ 23,769

* avg annual wage is from ES2002 Labor Market Information - wage jobs only
 avg wage for Wholesale Trade is \$27,902; Retail is \$15,657
 Total number of jobs and job income from BEA & ES 2002 includes proprietor income

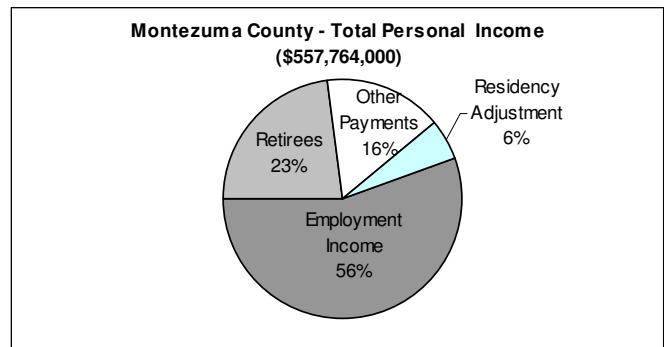
Base Analysis - Base analysis distinguishes which industries and factors are basic in the economy, and are responsible for overall growth and change. See the **Glossary** for a more detailed discussion of the individual components.



In 2002, about \$100.5 million (32%) came into Montezuma County as new dollars being drawn into the local economy through **direct base** jobs in government, services, and retail trade. Direct base jobs relating to tourism accounted for 11% (1,371) of total employment and 9% (\$22,932,000) of total employment income. **Indirect base** (supporting) industries accounted for another \$23.1 million (8%). **Resident services** provided about \$186.7 million (60%) in the local economy.

Total Personal Income (TPI) - TPI is the sum of all income accruing to residents from various sources. Components include employment income, transfer payments, dividends, interest and rent, and residency adjustments. See the **Glossary** for a more detailed discussion of the individual components.

Retired persons collect benefits that account for 23% (\$128,193,000) of TPI in Montezuma County. Retirees make significant contributions to the economy by purchasing goods and services with income from outside sources (i.e. transfer payments), bringing "new" money to circulate in the local economy. This new money also creates employment opportunities.



Retail Sales

Montezuma - 2002 Retail Sales - All Sectors		
Industry	\$ Sales	% Total
Agric., Forestry & Fisheries	\$ 1,259,000	0.3%
Construction	\$ 16,422,000	4.0%
Manufacturing	\$ 12,606,000	3.0%
Wholesale Trade	\$ 12,804,000	3.1%
Finance, Ins. & Real Estate	\$ 3,951,000	1.0%
Services-Not Lodging	\$ 42,305,000	10.2%
Lodging	\$ 9,564,000	2.3%
Retail Trade	\$ 288,494,000	69.6%
Mining	\$ 2,655,000	0.6%
Other*	\$ 25,837,000	6.2%
Total	\$ 414,638,000	100.0%

* Other includes the sectors not disclosed at the county level. Source: CO Dept. of Revenue

Retail trade is the strongest sales sector, followed by services (not lodging). These are also the strongest employment sectors. In 2001 there were \$406,912,000 total sales, up 4.3% from 2000. Total sales were up 1.9% in 2002.

Montezuma - 2002 Retail Trade		
Industry	\$ Sales	% Total
Amusement	\$ 3,736,000	1.3%
Food	\$ 47,412,000	16.4%
Furnishings	\$ 4,077,000	1.4%
Eat/Drink	\$ 23,848,000	8.3%
Elec./Appliances	\$ 323,000	0.1%
Misc. Retail	\$ 7,122,000	2.5%
Apparel	\$ 3,201,000	1.1%
Automotive	\$ 83,638,000	29.0%
Catalog/On Line	\$ 16,716,000	5.8%
Building/Garden	\$ 22,489,000	7.8%
Other*	\$ 75,932,000	26.3%
Total	\$ 288,494,000	100.0%

* Other includes the sectors not disclosed at the county level. Source: CO Dept. of Revenue

Within the Retail Trade sector automotive sales is the strongest sector, followed by food sales. In 2001 there were \$288,549,000 total retail trade sales; up 3.2% from 2000. Retail trade sales were down .02% in 2002.

SAN JUAN COUNTY

San Juan County is comprised of 250,880 acres (392 sq. miles). Of these, 12% are private lands and 88% are state and federal lands. Community development issues include economic development that will diversify and expand local economic sectors, retention and enhancement of the town's historical character and traditional values, the provision of community services and facilities, and the preservation of the ecological and aesthetic qualities of the area. Silverton Mountain, a ski enterprise that currently provides winter recreation on private lands, is awaiting BLM approval to expand its operations to adjacent public lands. These types of development serve to expand the local economy into the winter season.

Population - In 2000 the county's population was 558. According to the 2000 Census the median age was 43.7. Males comprised 52.5% and females comprised 47.5 of the total population. The average household size was 2.06 people.

The population of San Juan County peaked at about 5,000 in 1910. Since that time the population has followed the boom and bust cycles that are characteristic of mining communities, fluctuating between 750 and 1,000 people from 1960 until the last working mine closed in 1991. There has also been an influx of seasonal/summer residents, who purchase 2nd homes in the area in order to enjoy the rural amenities of life in the high country. This phenomenon, known as "amenity migration", has produced wide -ranging economic impacts on the community.

	Estimates		Census	Estimates		Avg Annual % Change 1998-2002
	1998	1999	2000	2001	2002	
San Juan	555	557	558	560	565	0.4%
Silverton	532	532	531	533	538	0.2%
Unincorporated	23	25	27	27	27	3.5%

Source: Colorado Demography Section estimates (draft 11-03)

A projected slow growth trend may be reversed if proposed expansion at the Durango Mountain Resort (formerly Purgatory Ski Resort) is implemented. The proposal calls for 1,649 new units, and commercial development straddling the La Plata/San Juan County line. The proposal has met with preliminary approval from commissioners in each county.

San Juan	2000	2005	2010	2015	2020	2025
Population	558	576	600	623	645	646
Avg. Ann. % Change		0.6%	0.8%	0.8%	0.7%	0.0%

2000 estimates from the Demography Section (draft 6-03)
reflect adjustments to Census data at the county level

Housing - According to the Demography Section in July 2002 there were 646 housing units. Of these 42% were occupied and 58% were vacant. In 2001 about 70% of families would be able to purchase a median priced home of \$97,500 in San Juan County [Source: Operation Healthy Communities].

Livable Wages - Operation Healthy Communities (OHC) has determined that in 2001 a minimum of \$8.58/hr provided a livable wage in Silverton, if you were a single person renting a one bedroom apartment. **Per Capita Personal Income (PCPI)** was estimated at \$27,582 in 2002 [Source: Bureau of Economic Analysis].

Economic Trends - The discovery of gold in the county by Charles Baker in 1860 was followed by a late breaking gold rush in the 1870's. After the signing of the Brunot Treaty with the Ute Indians in 1874 the Town of Silverton was established, it remains the only community in San Juan County. The Denver and Rio Grand Railroad reached Silverton from Durango in 1882, allowing for the movement of large quantities of supplies and the transport of ore to the smelter in Durango. With the dedication of the "Million Dollar Highway" in July of 1924 the transportation of gold, silver, lead, copper and zinc moved from the narrow gauge train to Highway 550 which connects Silverton to Montrose and to Durango. Beginning in the late 1950's the rail line that had carried ore down to Durango began instead to carry tourists up from Durango to enjoy the spectacular scenery and the heritage that has made Silverton a National Registered Historic Landmark. At the present time San Juan County has become almost entirely dependent upon tourism, primarily during the summer months when the train is running. Visitors by train are supplemented by people who come to Silverton via Highway 550, which is part of the "San Juan Skyway," one of the premier scenic by-ways in the United States.

Employment and Income - The composition of the economy provides for a high unemployment rate, especially in the winter months. The unemployment rate went down in 2003, though is still substantially higher than the state-wide (6%) and nation-wide (6 %) unemployment rates.

Labor Force 1999-2003					
SAN JUAN	1999	2000	2001	2002	2003
Unemployed	33	34	45	57	51
Employed	249	238	233	216	304
Total Labor Force	282	272	278	273	355
Unemploy. Rate	11.7%	12.5%	16.2%	20.9%	14.4%
State Unemploy. Rate	2.9%	2.7%	3.7%	5.7%	6.0%

Source: Colorado Dept of Labor

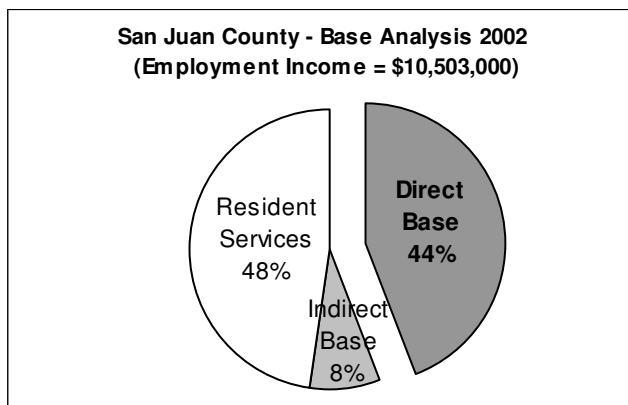
The U.S. Census Bureau estimates that in 2000 there were 73 people commuting out of the county for work – with the greatest number of workers going to La Plata County (47). There were also 47 people commuting in to the county for work, primarily from La Plata County (20).

The ratio of earnings to employment indicate which sectors are high earning sectors, on average, compared to those sectors which generate lower earnings. Total employment and employment income are shown in the following table.

San Juan County 2002 Total Employment	# of Jobs	% of Jobs	Income (\$000)	% of Inc.	avg. annual wage *
Agriculture	0	0%	\$ 1	0%	D
Mining	4	1%	\$ 134	1%	D
Construction	19	5%	\$ 910	9%	D
Manufacturing	0	0%	\$ 31	0%	D
Transportation, Comm. & Public Utilities	0	0%	\$ -	0%	D
Trade	171	46%	\$ 3,948	38%	\$ 8,709
Finance, Insurance & Real Estate	73	20%	\$ 1,700	16%	D
Services	41	11%	\$ 1,507	14%	D
Government	65	17%	\$ 2,272	22%	\$ 28,332
Total	374	100%	\$ 10,503	100%	\$ 20,442

D= non-disclosure
 * avg annual wage is from ES202 Labor Market Information - wage jobs only
 Total number of jobs and job income from BEA & ES 202-includes proprietor income

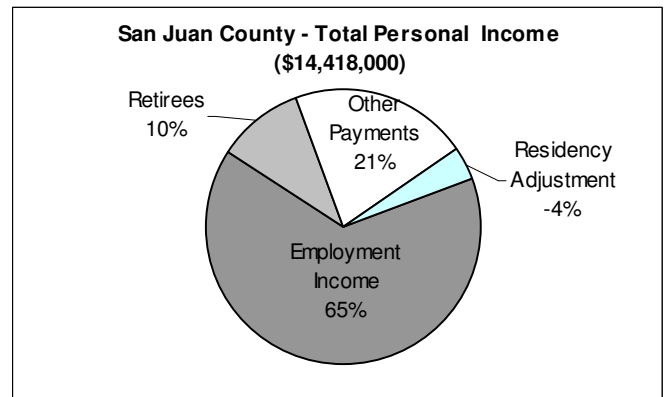
Base Analysis - Base analysis distinguishes which industries and factors are basic in the economy, and are responsible for overall growth and change. See the **Glossary** for a more detailed discussion of the individual components.



In 2002, about \$4.6 million (44%) came into San Juan County as new dollars being drawn into the local economy through **direct base** jobs. Direct base jobs relating to tourism accounted for 24% (90 people) of total employment and 23% (\$2,450,000) of total employment income. **Indirect base** (supporting) industries accounted for another \$860,000 (8%). **Resident services** provided about \$5 million (48%) in the local economy.

Total Personal Income (TPI) - TPI is the sum of all income accruing to residents from various sources. Components include employment income, transfer payments, dividends, interest and rent, and residency adjustments. See the **Glossary** for a more detailed discussion of the individual components. The largest proportion (69%) of TPI is generated through employment earnings (\$10,503,000). The other payments category (15%) includes transfer payments such as unemployment and Veterans benefits, as well as Medicare. The negative (-5%) residency adjustment indicate that more people were commuting into the county for employment than were commuting out for employment in 2001, contradictory to Census information for 2000.

Retired persons collect benefits that account for 21% (\$3,105,000) of TPI in San Juan County.



Retail Sales

San Juan - 2002 Retail Sales - All Sectors		
Industry	\$ Sales	% Total
Construction	\$ 41,000	0.3%
Finance	\$ 106,000	0.7%
Services-Not Lodging	\$ 469,000	3.3%
Lodging	\$ 714,000	5.0%
Manufacturing	\$ 7,000	0.0%
Retail Trade	\$ 9,856,000	68.7%
Other*	\$ 3,162,000	22.0%
Total	\$ 14,355,000	100.0%

* Other includes the sectors not disclosed at the county level. Source: CO Dept. of Revenue

Retail trade is the strongest sales sector, followed by services (not lodging). In 2001 there were \$15,129,000 total sales, down 0.6% from 2000. In 2002 total sales were down 5.4%.

San Juan - 2002 Retail Trade		
Industry	\$ Sales	% Total
Food	\$ 966,000	9.8%
Apparel	\$ 523,000	5.3%
Amusement	\$ 273,000	2.8%
Misc. Retail	\$ 2,455,000	24.9%
Eat/Drink	\$ 2,762,000	28.0%
Gen. Merch.	\$ 1,021,000	10.4%
Other*	\$ 1,856,000	18.83%
Total	\$ 9,856,000	100.0%

* Other includes the sectors not disclosed at the county level. Source: CO Dept. of Revenue

Within the Retail Trade sector eating/drinking sales is the strongest sector, followed by food sales. In 2001 there were \$9,114,000 total retail trade sales, down 5.3% from 2000. In 2002 retail trade sales were up 8.1%.

TRIBAL POPULATIONS

History- The planning and management area of Region 9 includes two Indian reservations, the Southern Ute and the Ute Mountain Ute Indian Tribes. Historically, the Utes roamed throughout Colorado, Utah and New Mexico in a hunter-gatherer society. As a result of the formation of bands in the historic period, there were several distinct Ute subdivisions in Colorado. The White River Utes ranged across Northern Colorado. The Tabeguache or Uncompahgre Utes lived in the central mountains of Colorado, including the area of South Park, the Gunnison and Uncompahgre Valleys.

The Southern Ute divisions were the Muache, Capote and Weminuche. The Muache lived in the mountains of the Colorado Front Range. The Capote occupied the area between the Sangre De Cristo Mountains on the east and the continental divide on the west. The Weminuche were located west of the Continental Divide and north of the San Juan River, which generally marked their boundaries with the Navajos. Their normal territory extended westward to the Blue Mountains and Canyonlands of Southeast Utah.

In the last half of the 1800's the land base of the Ute peoples was continually decreased by intrusion from Anglo-American culture. Through a series of treaties with the U.S. Government (1849, 1855, 1863, 1868, 1873) the traditional land base continued to shrink. During the 1870's Colorado continued to seek further reductions to the Ute Reservation, and the 1879 Meeker Massacre, which involved the White River Utes, provided the opportunity to remove both the White River and Tabeguache Utes to Utah. Efforts were made in 1880 to restrict the Southern Utes Bands (the Muache, Capote and Weminuche) to a small area in the La Plata Valley.

In 1887 Congress passed the General Allotment Act (Dawes Act), which provided for the allotment of 160 acres to adult male Indians. It was believed that land ownership would accelerate the process of "civilizing" the Indians. The subsequent Act of 1895 provided that the Southern Utes should vote on the issue of land allotment. A slim majority decided the issue, and by 1896 approximately 73,000 acres had been allotted to 371 Utes. As a result of the 1895 Act, the reservation was broken into two distinct units. Most of the Muache and Capote Utes accepted allotments in the eastern portion, which became known as the Southern Ute Reservation with agency headquarters at Ignacio. The Weminuche Utes, led by Chief Ignacio, refused to accept allotment and moved to the western portion, which became known as the Ute Mountain Ute Reservation with agency headquarters at Navajo Springs, and later at Towaoc.

Ute Mountain Utes-The Ute Mountain Ute Reservation land is located in Southwest Colorado and Northern New Mexico and covers 553,008 acres (993sq. miles) held in trust by the US Government. Tribal headquarters are in Towaoc, which

lies southeast of Cortez in Montezuma County. The White Mesa community of the Tribe lives in San Juan County Utah, where most of the housing is on tribal lands. The majority of the lands (8,499 acres) there are allotted to tribal members and laid out in a checkerboard pattern. Tribal lands held in trust within this area cover 2,597 acres. The Tribe also holds fee patent title to 41,112 acres of land in Utah and Colorado.

The tribal enrollment in 2002 was 2,012 with the majority of the members living on the reservation in Towaoc and in the White Mesa Community. The tribal census shows the largest part of the membership are in their early twenties and younger.

The Colorado Ute Water Settlement Act of 1988, mandated within the Dolores Project (McPhee Reservoir), brought drinking and irrigation water to the reservation and expanded farming and ranching capabilities. The Weminuche Construction Authority has become one of the most successful and largest construction companies in the Four Corners area. Other tribal resources include income from oil and gas wells and tribal enterprises that revolve around tourism, including a gambling casino, a RV Park, an archaeological park, and a pottery factory. In 2002 the tribe employed 1,133 people in its enterprises and various governmental departments. The Ute Mountain Ute Tribe is a major contributor to the regional economy and has prepared a *Ute Mountain Ute Tribe Comprehensive Economic Development Strategy* (June 2002).

Southern Utes -The Southern Ute Reservation encompasses an area of over 750,000 acres in La Plata and Archuleta Counties. Tribal headquarters are located adjacent to the Town of Ignacio. The tribal enrollment in 2000 was 1,305 with the majority of the members living on the reservation in La Plata County. The tribal census shows the largest part of the membership are in their early twenties and younger.

Natural resources on the reservation include extensive gas reserves, coal, timber, and water for agriculture. These resources provide the basis for the establishment of a diversified tribal economic base. Tribal energy resources, particularly in the form of natural gas, have played the largest role in the reservation economy over the past decade (more than 90% of tribal revenues came from energy resource development in 1998).

The reservation's proximity to Durango and the many tourist destinations in Southwest Colorado provide unique opportunities for tourism development. The reservation land base includes seven major rivers, the Navajo State Park, Lake Capote, and, most importantly among other tribal enterprises, the Sky Ute Casino and Motel. Tourist attractions are casino gaming, cultural tours, fishing, hunting, and the Tribal Cultural Center and Museum. These enterprises all play a role in diversifying the overall economy. The Southern Ute Tribe employs over a thousand people and is a major contributor to the regional economy.

GLOSSARY OF KEY TERMS AND CONCEPTS

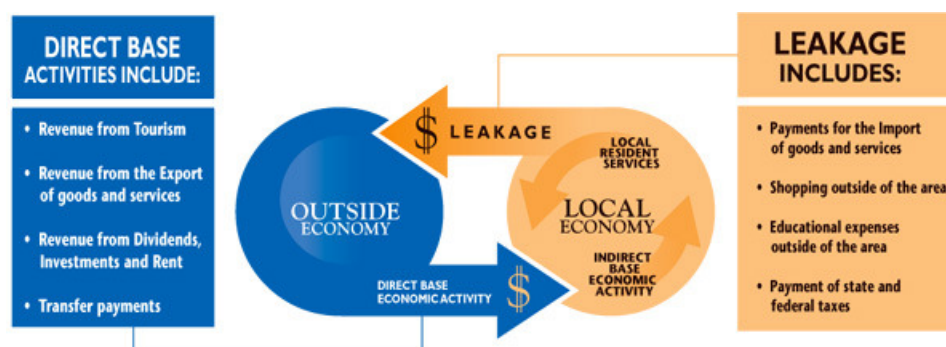
Economic Base Analysis is a tool to describe economic activity by the source of revenue, whether the money generated by sales comes from outside the local economy or from within the local economy. This type of analysis is designed to define those economic activities that drive or sustain the local economy.

- **Direct base** activities bring in outside dollars to circulate within the local economy. These industries include agriculture, mining, manufacturing, national and regional services, state and federal government jobs, and tourism.
- **Indirect base** activities generally re-circulate dollars within the local economy but are in support of direct base activities. One example would be the local agricultural co-op that provides seeds, fertilizers and fuel to area farmers, who then sell their products outside the local economy.
- **Local resident services** provide services to local residents and also re-circulate dollars within the local economy. Resident services include the industries that take care of the local community, such as health services, education, and employment at the local grocery store.

A common confusion with this type of analysis is that it focuses on the source of revenue as opposed to specific industries. For example, tourism is considered a direct base economic activity because the visitors are bringing their money from the outside economy and spending it in the local economy. Looking at restaurants for example, when the person buying a meal is from outside the area (a tourist), it is a **direct base economic activity** and when the person is a resident using money earned in the local economy, it is a **local resident service base activity**. So restaurants are both direct based and local resident service based. The office of the Colorado State Demographer perform various statistical estimates, including actual surveys of business (calling the restaurant and asking them for estimates of how much of their sales are to residents versus tourists) to provide a percentage in various sectors of how much of their activity is direct, indirect or local resident based.

Amenity Migration is another source of direct base revenue in terms of money coming from the outside economy to buy real estate and construct homes in the local economy. The term comes from the fact that people migrate to SW Colorado because of the amenities, i.e. quality of life and environment. Some of these people are second home owners and some are telecommuters, meaning that they work for companies or clients using phone, internet, faxes, etc.

Basically, outside money enters the local economy through a variety of sources, circulates through the local area, and then leaves the local economy when we purchase goods or services from outside the area. The diagram shown below helps us to visualize this concept.



Population- Census data is collected every 10 years (i.e. 1980, 1990) so are considered actual counts of people within a region or county. The years in between are estimates made by the State Demographer. Projections are made using an assumed growth rate to predict future growth.

Total Personal Income is another important tool to understand our local economy. Total personal income (TPI) is divided into four main components.

1. Employment earnings are derived from wage and salary employment as well as from business proprietor's income.

2. Dividends, Interest & Rent - Dividend income is cash and other assets paid to stockholders who are residents of the area. Interest income consists of monies received by local residents from money market mutual funds and other sources. Rental income consists of the rental of real property, royalties received from patents, copyrights, and from the rights to natural resources paid to local residents.

3. Transfer payments consist primarily of retirement and disability benefit payments, medical payments (i.e. Medicare and Medicaid), income maintenance benefits, unemployment insurance, veteran's benefits and payments to local residents.

4. Residency adjustments are made when a person is paid for work performed from outside their place of residency, i.e. commuters. Negative numbers indicate that more people are commuting into the county for employment than are commuting out for employment.

When we divide Total Personal Income (TPI) by the number of people in each county we get an estimate of **Per Capita Income (PCI)**. This indicator allows us to compare the per capita personal income between counties in our region, the state and the nation.

Total Employment- Includes estimated employment from wages, salaries and proprietors income.

Employment by Sector - Employment (jobs) generates most of the earnings in our region, so it is important to look at the types and numbers of jobs in each of our counties. An employment "sector" groups jobs into industries that are alike. This information allows us to see how many people are employed in each sector, comparing the "strength" of that industry in each of our counties.

Employment Income by Sector - When we look at employment income by sector we can see which of the sectors pay the most, and which pay the least.

Unemployment: Labor force statistics allow us to see how many people are in the workforce, and how many are unemployed. We can use this information to compare unemployment rates at county, state, and national levels.

USEFUL CONTACTS

Economic Development Organizations

Region 9 Economic Development District
Ed Morlan - Executive Director
295 A Girard
Durango, CO 81301
Phone (970) 247-9621; Fax (970) 247-9513
<http://www.scan.org>

Archuleta Economic Development Association
Ron Dunmyre
P.O. Box 1183
Pagosa Springs, CO 81147
Phone (970) 264-4722

Mesa Verde Country Economic Development
Bruce Johnson
928 Main Ave
Cortez, CO 81321
Phone (970) 565-8227; Fax (970) 565-1155

San Juan 2000 Development Association
Carol Ann King
P.O. Box 722
Silverton, CO 81433
Phone (970) 387-5101; Fax (970) 387-5104

Ute Mountain Ute Indian Tribe
Troy Ralstin
P.O. Box 52
Towaoc, CO 81334
Phone (970) 565-3751; Fax (970) 565-7412

La Plata Economic Development Action Partnership
Bobby Lieb
P.O. Box 3874; 111 S. Camino Del Rio
Durango, CO 81302
Phone (970) 259-1711; Fax (970) 385-7884

Dolores County Development Corporation
Dennis McMahon
P.O. Box 860
Dove Creek, CO 81324
Phone (970) 677-3377

Southern Ute Indian Tribe
Lena Atencio
P.O. Box 737
Ignacio, CO 81137
Phone (970) 563-0100; Fax (970) 563-4625

USEFUL CONTACTS

Chambers of Commerce

Cortez Chamber of Commerce
Kristine Nunn
Box 968
Cortez, CO 81321
Phone (970) 565-3414;
Fax (970) 565-4828

Silverton Chamber of Commerce
Amy Gass
P.O. Box 565
Silverton, CO 81433
Phone (970) 387-5654
Fax (970) 387-0282

Bayfield Chamber of Commerce
Dave Saleh
P.O. Box 7
Bayfield, CO 81122
Phone (970) 884-7372
Fax (970) 884-7372

Dove Creek
Chamber of Commerce
Becky Nolan
P.O. Box 527
Dove Creek, CO 81324
Phone (970) 677- 2283
Fax (970) 677-2271

Mancos Valley Association
Sharon King
P.O. Box 494
Mancos, CO 81328
Phone (970) 533-7434
Fax (970) 533-7727
chamber@mancosvalley.com

Durango Chamber of Commerce
Bobby Leib
P.O. Box 2587
111 S. Camino Del Rio
Durango, CO 81302
Phone (970) 247-0312
Fax (970) 385-7884

Ignacio Chamber of Commerce
Emily Meisner
P.O. Box 1223
Ignacio, CO 81137
Phone (970) 563-9200

Dolores Chamber of Commerce
Linda Williams
P.O. Box 602
Dolores, CO 81323
Phone (970) 882-7717
Fax (970) 882-2224

Pagosa Chamber of Commerce
Sally Hameister
Box 787
Pagosa Springs, CO 81147
Phone (970) 264-2360
Fax (970) 264-4625

Vallecito Chamber of Commerce
P.O. Box 804
Bayfield, CO 81122
Phone (970) 247-0312