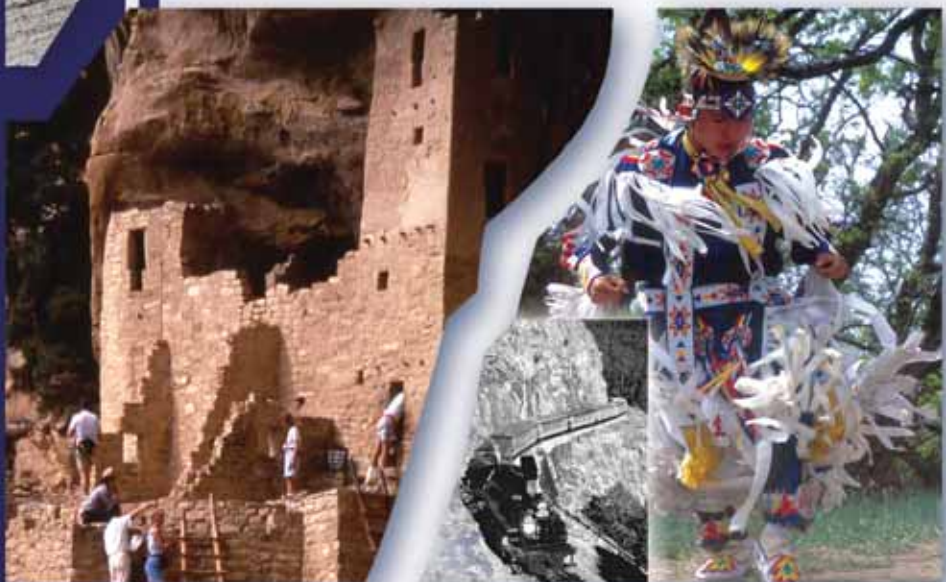


REGION



**ECONOMIC DEVELOPMENT DISTRICT
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Report 2007

The Region 9 Report is a publication of the Region 9 Economic Development District of Southwest Colorado, Inc., a non-profit community economic development corporation serving Archuleta, Dolores, La Plata, Montezuma, and San Juan Counties, as well as the Southern Ute and Ute Mountain Ute Indian Tribes.

Region 9 Report-2007

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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, as well as the Southern Ute and Ute Mountain Ute Indian Tribes. 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.

The purpose of this *Report* is to present some of the significant aspects and trends of the regional economy. This *Report* summarizes demographic and economic information for the region as a whole, and for each of the individual counties. General information on tribal populations within the planning and management area is also presented.

Notes on Sources - The Demography Section - Colorado Division of Local Government (CDLG) provided employment and income estimates using 2005 data from the Colorado Department of Labor (ES202) and information from the Bureau of Economic Analysis (BEA). That data was provided in the framework of the North American Industry Classification System (NAICS). A **Glossary** is included to provide a better understanding of key terms and concepts.

Unfortunately, the release of economic information is always about two years behind the current year, so 2005 will be the benchmark year for this report. Another valuable resource, which provides frequently updated economic information about the region, is the *Four Corners Economic Quarterly*. This online publication, produced by Fort Lewis College, is available at soba.fortlewis.edu/econoweb/index.htm.

REGION 9 OVERVIEW

Quality of life is of prime concern throughout the region. Communities want to foster economic development that improves, rather than deters from, southwest Colorado's quality of life. Quality of life is why many people live here and not in larger urban areas. People are moving here and our economies are, in general, strong because of the unique features and qualities of our region. However, defining "quality of life" varies per community and person. Given the diversity of the five county area each community has its own set of challenges and solutions. There is not a one-size-fits-all strategy. Local issues and strategic planning for each county are discussed in great detail in the recently updated Region 9 Comprehensive Development Strategy (CEDS). Please visit www.scan.org to see this and other publications.

The larger economy actually encompasses the entire "Four Corners" area, including southwest Colorado, northwest New Mexico, northeast Arizona, and southeast Utah. People in the area often commute long distances to take advantage of better employment opportunities, better shopping opportunities, or lower real estate prices. The regional economy encompasses the five county area of Region 9, as well as the Southern Ute and Ute Mountain Ute Indian Tribes.

Economic diversification is a high priority for the region. The goal is to develop more diversity to improve the number, quality and variety of jobs that are available to our 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 and strengthen 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 a priority in all discussions of economic development in the region.

Tribal populations in Region 9 include the Ute Mountain Ute and the Southern Ute Indian Tribes. They are major economic forces with their diversified tribal enterprises, and provide employment for tribal members as well as others within the regional community.

Population Trends - The population within the five counties of Region 9 grew at a rate of about 36% from 1990 to 2000, and almost 9% between 2000 and 2005. 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 impacts the local economy as it is spent on new homes and goods and services.

A look at the annual average population change for each county gives an idea of growth trends in Region 9 from 1970 to 2000.

Average Annual % Change			
	1970-1980	1980-1990	1990-2000
Archuleta	3.4%	4.6%	8.5%
Dolores	0.1%	-0.9%	2.3%
La Plata	4.2%	1.9%	3.6%
Montezuma	2.7%	1.4%	2.7%
San Juan	0.0%	-1.1%	-2.5%
Region 9	3.3%	1.8%	3.7%

From 2000 to 2005 we see slower growth rates but the impacts of growth are myriad. As a region we must find ways to plan for and manage growth. The natural environment, and the amenities it provides, are behind much of the growth and have become the larger region's chief economic asset.

	Census 2000	Estimates					Avg. Annual % Change 2000-2005
		2001	2002	2003	2004	2005	
Archuleta	9,898	10,548	10,912	11,196	11,464	11,716	3.7%
Dolores	1,844	1,844	1,876	1,848	1,836	1,846	0.02%
La Plata	43,941	45,614	46,281	46,790	47,173	48,019	1.9%
Montezuma	23,830	23,999	24,216	24,551	24,826	24,862	0.9%
San Juan	558	560	563	570	576	576	0.6%
Region 9	80,071	82,565	83,848	84,955	85,875	87,019	1.7%

Source: Colorado Demography Section estimates 8-06

The challenge is to align economic growth and development in ways that will enhance the quality of our lives and protect our natural environment and rural lifestyles.

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 and federal budget cuts.

The regional population will continue to grow based on forecasts by Colorado Demography Section.

Population Forecasts 2005 - 2035							
Region 9	2005	2010	2015	2020	2025	2030	2035
Region 9	87,023	99,147	111,880	124,918	137,921	150,783	162,536
Avg. Ann. %Change		2.6%	2.4%	2.2%	2.0%	1.8%	1.5%

Estimates from the Demography Section (8-06)

Employment and Income - When unemployment rates are compared, we see that Archuleta and La Plata Counties were below state and national levels in 2005, and that all counties showed improvement from 2003. These rates are seasonally adjusted because unemployment rates are generally much higher during the winter months than they are during the summer.

Unemployment Rates Compared 2000 - 2005						
	2000	2001	2002	2003	2004	2005
Archuleta	3.7%	4.3%	5.7%	5.5%	4.9%	4.8%
Dolores	9.3%	6.8%	11.0%	10.6%	7.7%	6.9%
La Plata	3.8%	3.7%	4.4%	4.5%	4.1%	3.9%
Montezuma	5.4%	4.8%	5.9%	5.5%	5.3%	5.3%
San Juan	12.7%	16.0%	16.0%	15.7%	11.1%	7.5%
State Unemploy. Rate	2.8%	3.7%	5.7%	5.7%	5.2%	5.0%
National Unemploy. Rate	4.0%	5.3%	5.8%	6.0%	5.5%	5.1%

Source: Colorado Dept of Labor

Historically, industries such as mining, agriculture and forestry supported the Southwest Colorado economy. Currently these industries provide less than 3% of employment earnings in the regional economy. These base industries have been replaced over time by tourism.

The Archuleta and La Plata County 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, yet provide relatively little employment income. Since the 1991 closure of the Sunnyside Mine in Silverton, San Juan County is almost entirely dependent on income and employment generated from tourism.

Region-wide, 72% of jobs are wage and salary employment, while 28% is through proprietors (owners). In 2005, the service sector provided 33% of jobs and 31% of job income in the region. These jobs include highly paid professionals as well as lower paying unskilled labor. Trade is also important in the regional economy, providing 25% of jobs and 18% of job income. These figures reflect the dependency, and benefits, of tourism as a primary economic force.

Region 9 2005 Total Employment	# of Jobs	% of Jobs	Income (\$000)	% of Inc.
Agriculture	1,985	5%	\$ 2,638	1%
Mining & Utilities	923	1%	\$ 89,240	2%
Construction	5,761	12%	\$ 242,730	15%
Manufacturing	1,386	4%	\$ 38,891	4%
Transportation & Warehousing	1,053	3%	\$ 54,240	6%
Trade	7,518	25%	\$ 207,783	18%
Finance, Insurance & Real Estate	3,307	4%	\$ 144,090	6%
Services	19,600	33%	\$ 567,827	31%
Government	9,480	12%	\$ 405,151	17%
Total	51,013	100%	\$ 1,752,590	100%

Source: Colorado Demography Section Sept. 06
Includes proprietors as well as salary and wage labor

These data are drawn from 2005 estimates made by the Colorado Demography Section that include proprietors and self-employment as well as wage earners. Please note that there are some limitations with using BEA data to establish agricultural income. All income figures are presented in thousands of dollars.

Base Analysis - Base analysis distinguishes which industries are basic in the economy, and are responsible for overall growth and change. In 2005, about \$1.14 billion came into the Region as new dollars being drawn into the local economy through jobs in **base industries**.

Base industries produce exports or derive their sales or income *directly* from outside sources, or *indirectly* by providing supplies to export industries. These activities **bring in outside dollars** to circulate within the local economy.

2005 Base Industries Region 9	# of Jobs	% of Jobs	Income (\$000)	% of Inc.
Agribusiness	2,758	8%	30,897	3%
Mining	785	2%	79,794	7%
Manufacturing	902	3%	23,756	2%
Regional Services	5,161	15%	196,336	17%
Tourism	10,164	30%	249,546	22%
Government	1,130	3%	67,458	6%
Households	8,417	25%	288,499	25%
Indirect Unassigned	4,996	15%	204,630	18%
Total	34,312	100%	\$ 1,140,916	100%

Source: Colorado Demography Section 11-06

An additional \$1.14 billion in job income was generated through *local resident services*. Local resident services provide services to local residents and also **re-circulate dollars** within the local economy. Resident services include industries that take care of the local community, such as health services, education, and employment at the local grocery store. Residential industries are *industries* because they create jobs, which, in turn, create demands for worker housing and services.

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.

Region-wide, TPI amounted to about \$2.7 billion in 2005. As we see from the table below each county has its own mix of income sources, which can change over time. Retirees brought in about \$385 million (14%) of this income through some transfer payments and dividends, interest and rent.

Region 9 - Total Personal Income Components by County - 2005					
	Employment Income	Residency Adjustment	Div., Int & Rent	Transfer Payments	Total (\$000)
Archuleta	55%	3%	27%	15%	\$ 293,705
Dolores	41%	17%	19%	22%	\$ 45,500
La Plata	70%	-1%	21%	10%	\$ 1,698,750
Montezuma	55%	11%	17%	17%	\$ 687,312
San Juan	51%	11%	23%	15%	\$ 16,338
Region 9	64%	3%	21%	12%	\$ 2,741,605

Source: Estimates provided by the Colorado Demography Section (11-06)

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

	Per Capita Personal Income		% change 2004-2005***
	2004*	2005**	
Archuleta	\$ 21,639	\$ 25,069	15.8%
Dolores	\$ 24,937	\$ 24,648	-1.2%
La Plata	\$ 31,887	\$ 35,377	10.9%
Montezuma	\$ 24,958	\$ 27,645	10.8%
San Juan	\$ 26,133	\$ 28,169	7.8%
Colorado	\$ 36,113	n/a	n/a
USA	\$ 33,050	n/a	n/a

* Bureau of Economic Analysis

** Total Personal Income Estimate/County Population

*** Not adjusted for inflation

n/a = not available

ARCHULETA COUNTY

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 8.5%, the highest annual percent of population increase in Southwest Colorado.

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 2000 to 2005. These population figures, however, do not reflect the large number of seasonal residents in this area.

	Census	Estimates					Avg Annual % Change 2000-2005
	2000	2001	2002	2003	2004	2005	
Archuleta	9,898	10,548	10,912	11,196	11,464	11,716	3.7%
Pagosa Springs	1,591	1,621	1,621	1,618	1,620	1,640	0.6%
Unincorporated	8,307	8,927	9,291	9,578	9,844	10,076	4.3%

Source: Colorado Demography Section estimates 8-06

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 30,538 people by 2030.

	Forecasts					
	2005	2010	2015	2020	2025	2030
Archuleta	11,716	14,108	16,632	19,546	22,880	30,538
Population			3.8%	3.3%	3.3%	3.2%
Avg. Annual % Change						

Source: Colorado Demography Section estimates 8-06

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. Employment trends from 1980 to 2005 are also available in the 2006 CEDS Publication¹.

Employment and Income - The current strength of the local economy supports a low unemployment rate, although seasonal fluctuations are seen in the winter months, when unemployment rises. The unemployment rate has been declining since 2002, and was lower than state and national levels from 2003 to 2005.

Unemployment Rates Compared 2000-2005						
	2000	2001	2002	2003	2004	2005
Archuleta	3.7%	4.3%	5.7%	5.5%	4.9%	4.8%
State Unemployment. Rate	2.8%	3.7%	5.7%	5.7%	5.2%	5.0%
National Unemployment Rate	4.0%	5.3%	5.8%	6.0%	5.5%	5.1%

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 regional transit system might help to alleviate impacts to roadways given the high numbers of commuters.

The following table includes wage earners as well as proprietors (owners). About 64% of total employment is by wage earners, while 36% is through proprietors.

Archuleta County 2005 Total Employment	# of Jobs	% of Jobs	Income (\$000)	% of Inc.	Avg. annual wage
*Agriculture	259	4%	\$ (4,048)	-3%	*
Mining & Utilities	76	1%	\$ 4,099	3%	\$ 53,934
Construction	966	16%	\$ 29,511	18%	\$ 30,052
Manufacturing	85	1%	\$ 1,793	1%	\$ 21,094
Transportation & Warehousing	45	1%	\$ 1,069	1%	\$ 23,756
Retail Trade	901	15%	\$ 21,762	13%	\$ 23,941
Wholesale Trade	57	1%	\$ 3,225	2%	\$ 56,579
Finance, Insurance & Real Estate	638	11%	\$ 25,315	16%	\$ 39,066
Services	2,271	38%	\$ 51,997	32%	\$ 22,896
Government	650	11%	\$ 26,853	17%	\$ 41,312
Total	5,950	100%	\$ 161,576	100%	

Source: Colorado Demography Section 11/06

*Agricultural income reflects net losses from livestock and crop production

The service sector employs about 38% of workers in the county, and represents 32% of the earnings. The service sector is composed of many types of jobs, and very different wage scales. These include highly paid professionals, as well as entry level wage earners. Many of the service jobs in Archuleta County support tourism, in accommodation (lodging) and food services.

Archuleta County 2005 Service Sectors	# of Jobs	% of Jobs	Income (\$000)	% of Inc.	Avg. annual wage
Information	69	3%	\$ 5,838	11%	\$ 84,609
Professional, Scientific, Technical	469	21%	\$ 10,709	21%	\$ 22,834
Education, Health, Social Assistance	314	14%	\$ 6,570	13%	\$ 20,924
Arts, Entertainment, Recreation	239	11%	\$ 8,731	17%	\$ 36,531
Accommodation, Food Service	659	29%	\$ 10,518	20%	\$ 15,961
Other Services	521	23%	\$ 9,631	19%	\$ 18,486
Total	2,271	100%	\$ 51,997	100%	\$ 22,896

Base Analysis - Base analysis distinguishes which industries are basic in the economy, and are responsible for overall growth and change. In 2005, about \$116 million came into Archuleta County as new dollars being drawn into the local economy through jobs in **base industries**.

Base industries produce exports or derive their sales or income *directly* from outside sources, or *indirectly* by providing supplies to export industries. These activities **bring in outside dollars** to circulate within the local economy.

2005 Base Industries Archuleta County	# of Jobs	% of Jobs	Income (\$000)	% of Inc.
Agribusiness	309	7%	-2,863	-2%
Mining	32	1%	962	1%
Manufacturing	52	1%	1,078	1%
Regional Services	443	10%	14,986	13%
Tourism	1,545	35%	40,574	35%
Government	76	2%	4,348	4%
Households	1,368	31%	39,070	34%
Indirect Unassigned	530	12%	17,866	15%
Total	4,355	100%	\$ 116,021	100%

Source: Colorado Demography Section 11/06

*Agricultural income reflects net losses from livestock and crop production

An additional \$117 million in employment income was generated through *local resident services*. Local resident services provide services to local residents and also **re-circulate dollars** within the local economy. Resident services include industries that take care of the local community, such as health services, education, and employment at the local grocery store. Residential industries are *industries* because they create jobs, which, in turn, create demands for worker housing and services.

Total Personal Income (TPI) - TPI is the sum of all income accruing to residents of Archuleta County 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.

Archuleta County 2005 Total Personal Income (\$000)		% of Total
Employment Earnings	\$ 161,575	55%
Residency Adjustment	\$ 8,607	3%
Dividends, Interest & Rent	\$ 79,661	27%
Transfer Payments	\$ 43,862	15%
Estimated TPI	\$ 293,705	100%

Source: Colorado Demography Section 11/06

Retirees brought in about \$56 million (19%) of TPI through some transfer payments and dividends, interest and rent.

Per Capita Income (PCI) is estimated at about \$25,069 for 2005, based on TPI divided by the county's population. The latest official figure from the Bureau of Economic Analysis is from 2004, when PCI was estimated at \$21,639.

Housing - According to the State Demographers office, in 2005 there were 7,699 total housing units. Of these, 62% were occupied and 38% were vacant. About 38% of single family homes in the county are owned by 2nd homeowners that live outside of the county, according to a recent study². In 2005 the median price of a single family residential home was \$226,500, according to the Archuleta County Assessors office.

Livable Wages - Operation Healthy Communities³ (OHC) has determined that in 2003 a minimum of \$10.36/hr provided a livable wage in Pagosa Springs, if you were a single person renting a one-bedroom apartment.

Retail Sales - County-wide many of the retail sectors are strong (exceeding their sales potential), particularly those sectors that benefit from tourism and the large number of seasonal residents, according to a current report⁴ from Region 9. That report uses retail sales data to provide insights for decision making regarding business expansion, relocation, marketing, government finance, and community development.

Archuleta County Retail Trade Sectors 2005	Estimated # of Firms	Average Sales per Firm	Actual Sales	Percent of Actual Sales
Motor Vehicles/Parts	6	\$ 714,833	\$ 4,289,000	4%
General Merchandise	10	\$ 721,400	\$ 7,214,000	6%
Electric/Appliances	4	\$ 388,000	\$ 1,552,000	1%
Clothing	13	\$ 187,769	\$ 2,441,000	2%
Sport/Hobby Shops	16	\$ 160,375	\$ 2,566,000	2%
Health Care Products	3	\$ 647,000	\$ 1,941,000	2%
Furniture, etc.	9	\$ 353,889	\$ 3,185,000	3%
Misc Retail Stores	30	\$ 170,833	\$ 5,125,000	5%
Non-store Outlets	41	\$ 110,829	\$ 4,544,000	4%
Bldg Materials/Garden	11	\$ 2,672,000	\$ 29,392,000	26%
Gas Stations	NA	NA	NA	NA
Food/Beverage Stores	NA	NA	NA	NA
*Confidential Sectors	22	\$ 2,335,773	\$ 51,387,000	45%
Total	165	\$ 688,703	\$ 113,636,000	100%

NA = Not available (confidential)

*Includes all confidential sectors for which specific data is not available

More detailed information regarding Archuleta County can be accessed at www.scan.org, under publications.

¹ *Comprehensive Economic Development Strategy (2006)*

² *The Social and Economic Effects of 2nd Homes in Southwest Colorado*

³ *Pathways to Healthier Communities*

⁴ *Retail Data for Decision Makers - Archuleta County*

DOLORES COUNTY

Population - From 1990 to 2000, the population of Dolores County grew by 2.3% annually. 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 0.85% annual growth. From 1990 to 2000 Rico averaged 12% annual growth. Since 2000, the county has been losing population with the exception of Rico, which continues to grow based largely on people who commute to Telluride, which has undergone rapid expansion as a resort area.

	Census 2000	Estimates					Avg Annual % Change 2000-2005
		2001	2002	2003	2004	2005	
Dolores	1,844	1,844	1,876	1,848	1,836	1,846	0.02%
Dove Creek	698	695	704	690	683	684	-0.4%
Rico	205	211	222	227	231	238	3.2%
Unincorporated	941	938	950	931	922	924	-0.4%

Source: Colorado Demography Section estimates 8-06

Population growth in Rico could accelerate with the planned development of a new sewage treatment plant, although county-wide slow growth is forecast for the next several decades.

	Forecasts					
	2005	2010	2015	2020	2025	2030
Dolores	1,846	2,061	2,217	2,382	2,552	2,722
Population		1.8%	1.5%	1.4%	1.4%	1.3%
Avg. Annual % Change						

Source: Colorado Demography Section estimates 8-06

Economic Trends - The Dolores County economy is dominated by agriculture, the agricultural sector 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. 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 trends from 1980 to 2005 are also available in the 2006 CEDS Publication¹.

Employment and Income - The current economy supports a relatively low unemployment rate, although seasonal fluctuations are seen in the winter months, when unemployment rises. The unemployment rate has been declining since 2002, but is still higher than state and national levels.

Unemployment Rates Compared 2000-2005						
	2000	2001	2002	2003	2004	2005
Dolores	9.3%	6.8%	11.0%	10.3%	7.7%	6.9%
State Unemployment Rate	2.8%	3.7%	5.7%	5.7%	5.2%	5.0%
National Unemployment Rate	4.0%	5.3%	5.8%	6.0%	5.5%	5.1%

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).

The following table includes wage earners as well as proprietors (owners). About 61% of total employment is by wage earners, while 39% is through proprietors.

Dolores County 2005 Total Employment	# of Jobs	% of Jobs	Income (\$000)	% of Inc.	avg. annual wage
Agriculture	228	27%	\$ 945	5%	\$ 4,145
Mining & Utilities	29	3%	\$ 985	5%	\$ 42,276
Construction	82	10%	\$ 2,126	11%	\$ 25,927
Manufacturing	5	1%	\$ 341	2%	\$ 68,200
Transportation & Warehousing	9	1%	\$ 763	4%	\$ 84,778
Trade	106	12%	\$ 1,960	10%	\$ 18,491
Finance, Insurance & Real Estate	29	3%	\$ 1,450	8%	\$ 50,000
Services	168	20%	\$ 4,466	24%	\$ 26,583
Government	202	24%	\$ 5,845	31%	\$ 28,936
Total	858	100%	\$18,881	100%	

Total number of jobs and job income from BEA & ES 202-includes proprietor income

The agricultural sector provides the greatest number of jobs in Dolores County (27%), but only about 5% of job income. Jobs in other sectors also support agriculture, this is known as agribusiness.

Dolores County 2005 Agribusiness Employment	# of Jobs	% of Jobs	Income (\$000)	% of Inc.
Crops & Livestock Production	209	82%	\$ 250	10%
Farm Services	19	7%	\$ 695	28%
Food and Beverage Product Manufacturing	0	0%	\$ 187	8%
Wholesale - Agribusiness Processing	22	9%	\$ 822	34%
Agribusiness Transportation	4	2%	\$ 287	12%
Ag Related Warehousing and Storage	1	0%	\$ 192	8%
Monetary Authorities and Credit Intermediation	1	0%	\$ 19	1%
Total	256	100%	\$2,452	100%

Total number of jobs and job income from BEA & ES 202-includes proprietor income

Source: Colorado Demography Section 11/06

Base Analysis - Base analysis distinguishes which industries are basic in the economy, and are responsible for overall growth and change. In 2005, about \$17 million came into Dolores County as new dollars being drawn into the local economy through jobs in **base industries**.

Base industries produce exports or derive their sales or income *directly* from outside sources, or *indirectly* by providing supplies to export industries. These activities **bring in outside dollars** to circulate within the local economy.

2005 Base Industries Dolores County	# of Jobs	% of Jobs	Income (\$000)	% of Inc.
Agribusiness	255	32%	\$ 2,452	14%
Mining	13	2%	\$ 556	3%
Manufacturing	5	1%	\$ 124	1%
Regional Services	51	6%	\$ 1,146	6%
Tourism	43	5%	\$ 1,243	7%
Government	61	8%	\$ 1,494	8%
Indirect Unassigned	95	12%	\$ 2,101	12%
Households	265	34%	\$ 8,521	48%
Total	788	100%	\$ 17,637	100%

Source: Colorado Demography Section 11/06

An additional \$12 million in employment income was generated through *local resident services*. Local resident services provide services to local residents and also **re-circulate dollars** within the local economy. Resident services include industries that take care of the local community, such as health services, education, and employment at the local grocery store. Residential industries are *industries* because they create jobs, which, in turn, create demands for worker housing and services.

Total Personal Income (TPI) - TPI is the sum of all income accruing to residents of Dolores County 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.

Dolores County 2005 Total Personal Income (\$000)		% of Total
Employment Earnings	\$ 18,880	41%
Residency Adjustment	\$ 7,611	17%
Dividends, Interest & Rent	\$ 8,836	19%
Transfer Payments	\$ 10,173	22%
Estimated TPI	\$ 45,500	100%

Source: Colorado Demography Section 11/06

Retirees brought in about \$7.7 million (17%) of TPI through some transfer payments and dividends, interest and rent.

Per Capita Income (PCI) is estimated at about \$24,648 for 2005, based on TPI divided by the county's population. The latest official figure from the Bureau of Economic Analysis is from 2004, when PCI was estimated at \$24,937.

Housing - According to the State Demographers office, in 2005 there were 1,230 total housing units. Of these 64% were occupied and 36% were vacant. About 44% of single family homes in the county are owned by 2nd homeowners that live outside of the county, according to a recent study². In 2005 the median price of a single family residential home was \$148,500, according to the Dolores County Assessors office.

Livable Wages – Operation Healthy Communities³ (OHC) has determined that in 2003 a minimum of \$8.19/hr provided a livable wage in Dove Creek, and \$8.24/hr in Rico, if you were a single person renting a one-bedroom apartment.

Retail Sales – County-wide many of the retail sectors are losing potential sales to areas outside of the county, according to a current report⁴ from Region 9. That report uses retail sales data to provide insights for decision making regarding business expansion, relocation, marketing, government finance, and community development.

Dolores County Trade Sectors 2005	Estimated # of Firms	Average Sales per Firm	Actual Sales	Percent of Actual Sales
Non-Store Outlets	19	\$ 47,526	\$ 903,000	3.0%
*Confidential Trade Sectors	15	\$ 1,286,667	\$ 19,300,000	65.0%
Finance/Insurance	6	\$ 6,167	\$ 37,000	0.1%
Eating/Drinking Services	3	\$ 83,667	\$ 251,000	1%
Information	48	\$ 15,146	\$ 727,000	2%
Other Services	4	\$ 96,750	\$ 387,000	1%
Manufacturing	7	\$ 86,571	\$ 606,000	2%
Utilities	3	\$ 216,667	\$ 650,000	2%
Lodging	4	\$ 276,250	\$ 1,105,000	4%
*Confidential Service Sectors	11	\$ 520,000	\$ 5,720,000	19%
Total	120	\$ 247,383	\$ 29,686,000	100%

*Includes all confidential sectors for which specific data is not available

More detailed information regarding Dolores County can be accessed at www.scan.org, under publications.

¹ *Comprehensive Economic Development Strategy (2006)*

² *The Social and Economic Effects of 2nd Homes in Southwest Colorado*

³ *Pathways to Healthier Communities*

⁴ *Retail Data for Decision Makers – Dolores County*

LA PLATA 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. From 2000 to 2005, county-wide, the annual growth rate was 1.9%. The City of Durango grew by an average of 2.8%, the Town of Bayfield at 2.3%, and in Ignacio the annual growth was at 2.5%.

	Census 2000	Estimates					Avg Annual %Change 2000-2005
		2001	2002	2003	2004	2005	
La Plata	43,941	45,614	46,281	46,790	47,173	48,019	1.9%
Bayfield	1,549	1,685	1,708	1,731	1,705	1,728	2.3%
Durango	13,922	14,708	15,213	15,324	15,628	15,878	2.8%
Ignacio	669	704	708	704	754	752	2.5%
Unincorporated	27,801	28,507	28,652	29,031	29,086	29,661	1.3%

Source: Colorado Demography Section 8-06

The annual average growth rate in La Plata County is expected to increase, and then slowly decline over the next 30 years, however the population is projected to be at 86,399 people by 2035.

La Plata	Forecasts						
	2005	2010	2015	2020	2025	2030	2035
Population	48,019	54,837	61,815	68,613	75,047	80,973	86,399
Avg. Ann. %Change		2.8%	2.4%	2.1%	1.8%	1.5%	1.3%

Source: Colorado Demography Section 8-06

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. Employment trends from 1980 to 2005 are also available in the 2006 CEDS Publication¹.

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. Ignacio is a crossroads for the oil and gas industry, and serves as a supply center for the surrounding reservation. The Southern Ute Tribal headquarters is located just north of Ignacio and provides administration and services to tribal members.

Employment and Income - The current strength of the economy supports a low unemployment rate, although seasonal fluctuations are seen in the winter months, when unemployment rises. La Plata County has seen lower rates than the state and the nation since 2002.

Unemployment Rates Compared 2000 - 2005						
	2000	2001	2002	2003	2004	2005
La Plata	3.8%	3.7%	4.4%	4.7%	4.1%	3.9%
State Unemployment Rate	2.8%	3.7%	5.7%	5.7%	5.2%	5.0%
National Unemployment Rate	4.0%	5.3%	5.8%	6.0%	5.5%	5.1%

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.

The following table includes wage earners as well as proprietors (owners). About 80% of total employment is by wage earners, while 20% is through proprietors.

La Plata County 2005 Total Employment	# of Jobs	% of Jobs	Income (\$000)	% of Inc.	Avg. annual wage*
Agriculture	668	2%	\$ (1,357)	0%	**
Mining & Utilities	598	2%	\$ 68,918	6%	\$ 115,247
Construction	3,556	11%	\$ 162,129	14%	\$ 45,593
Manufacturing	781	3%	\$ 22,010	2%	\$ 28,182
Transportation & Warehousing	755	2%	\$ 40,619	3%	\$ 53,800
Retail Trade	3,846	12%	\$ 102,513	9%	\$ 26,654
Wholesale Trade	642	2%	\$ 30,018	3%	\$ 46,757
Finance, Insurance & Real Estate	2,001	6%	\$ 97,642	8%	\$ 48,797
Services	12,974	42%	\$ 415,085	35%	\$ 31,994
Government	5,350	17%	\$ 249,549	21%	\$ 46,645
Total	31,161	100%	\$1,187,126	100%	

Source: Colorado Demography Section Sept. 06

*From BEA & ES 2002 includes proprietor income

**Agricultural income reflects net losses from livestock and crop production

The service sector employs about 42% of workers in the county, and represents 35% of the earnings. The service sector is composed of many types of jobs, and very different wage scales. These include highly paid professionals, as well as entry level wage earners. Many of the service jobs in La Plata County support tourism, in accommodation (lodging) and food services.

La Plata County 2005 Service Sectors	# of Jobs	% of Jobs	Income (\$000)	% of Inc.	Avg. annual wage
Information	569	4%	\$ 29,062	7%	\$ 51,076
Professional, Scientific, Technical	3,136	24%	\$129,537	31%	\$ 41,306
Education, Health, Social Assistance	3,295	25%	\$141,223	34%	\$ 42,860
Arts, Entertainment, Recreation	1,062	8%	\$ 22,838	6%	\$ 21,505
Accommodation, Food Service	3,374	26%	\$ 56,697	14%	\$ 16,804
Other Services	1,538	12%	\$ 35,728	9%	\$ 23,230
Total	12,974	100%	\$415,085	100%	\$ 31,994

Source: Colorado Demography Section Sept. 06. Includes wage labor and proprietors

Base Analysis - Base analysis distinguishes which industries are basic in the economy, and are responsible for overall growth and change. In 2005, about \$751 million came into La Plata County as new dollars being drawn into the local economy through jobs in **base industries**.

Base industries produce exports or derive their sales or income *directly* from outside sources, or *indirectly* by providing supplies to export industries. These activities **bring in outside dollars** to circulate within the local economy.

2005 Base Industries La Plata County	# of Jobs	% of Jobs	Income (\$000)	% of Inc.
Agribusiness	1,192	6%	18,558	2%
Mining	620	3%	\$ 70,957	9%
Manufacturing	445	2%	\$ 11,155	1%
Regional Services	3,646	18%	\$144,665	19%
Tourism	7,049	35%	\$177,043	24%
Government	480	2%	\$ 35,562	5%
Households	3,623	18%	\$146,784	20%
Indirect Unassigned	3,344	16%	\$146,859	20%
Total	20,399	100%	\$751,583	100%

Source: Colorado Demography Section Sept.06. Includes wage labor and proprietors

An additional \$735 million in employment income was generated through *local resident services*. Local resident services provide services to local residents and also **re-circulate dollars** within the local economy. Resident services include industries that take care of the local community, such as health services, education, and employment at the local grocery store. Residential industries are *industries* because they create jobs, which, in turn, create demands for worker housing and services.

Total Personal Income (TPI) - TPI is the sum of all income accruing to residents of La Plata County 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.

La Plata County 2005 Total Personal Income (\$000)		% of Total
Employment Earnings	\$ 1,187,126	70%
Residency Adjustment	\$ (9,419)	-1%
Dividends, Interest & Rent	\$ 358,413	21%
Transfer Payments	\$ 162,630	10%
Estimated TPI	\$ 1,698,750	100%

Source: Colorado Demography Section 11/06

Retirees brought in about \$224 million (13%) of TPI through some transfer payments and dividends, interest and rent.

Per Capita Income (PCI) is estimated at about \$35,377 for 2005, based on TPI divided by the county's population. The latest official figure from the Bureau of Economic Analysis is from 2004, when PCI was estimated at \$31,887.

Housing - According to the State Demographers office, in 2005 there were 24,557 total housing units. Of these, 78% were occupied and 22% were vacant. About 17% of single family homes in the county are owned by 2nd homeowners that live outside of the county, according to a recent study². In 2005 the median price of a single family residential home was \$289,950, according to the *Real Estate Watch*, a monthly publication that tracks real estate sales.

Livable Wages – Operation Healthy Communities³ (OHC) has determined that in 2003 a minimum of \$8.73/hr provided a livable wage in Bayfield, \$9.16/hr in Durango, and \$8.73/hr in Ignacio, if you were a single person renting a one-bedroom apartment.

Retail Sales – County-wide many of the retail sectors are strong (exceeding their sales potential), particularly those sectors that benefit from tourism and the large number of seasonal residents, according to a current report⁴ from Region 9. That report uses retail sales data to provide insights for decision making regarding business expansion, relocation, marketing, government finance, and community development.

La Plata County Retail Trade Sectors 2005	Estimated # of Firms	Average Sales per Firm	Actual Sales	Percent of Actual Sales
Electronics/Appliances	17	705,882	\$ 12,000,000	2%
Health Care Products	9	\$ 1,331,778	\$ 11,986,000	2%
Furniture, etc.	37	\$ 445,676	\$ 16,490,000	2%
Clothing	58	\$ 355,397	\$ 20,613,000	3%
Motor Vehicles/Parts	40	\$3,475,125	\$139,005,000	20%
Food/Bev Stores	54	\$1,954,407	\$105,538,000	15%
Misc Retail Stores	78	\$ 425,436	\$ 33,184,000	5%
General Merchandisers	24	\$5,483,083	\$131,594,000	19%
Sport/Hobby Shops	58	\$ 653,345	\$ 37,894,000	5%
Bldg Materials/Gard	34	\$2,435,118	\$ 82,794,000	12%
Gas Stations	19	\$4,348,947	\$ 82,630,000	12%
Non-store outlets	102	\$ 245,078	\$ 24,998,000	4%
Total	530	\$1,318,351	\$ 698,726,000	100%

More detailed information regarding La Plata County can be accessed at www.scan.org, under publications.

¹Comprehensive Economic Development Strategy (2006)

²The Social and Economic Effects of 2nd Homes in Southwest Colorado

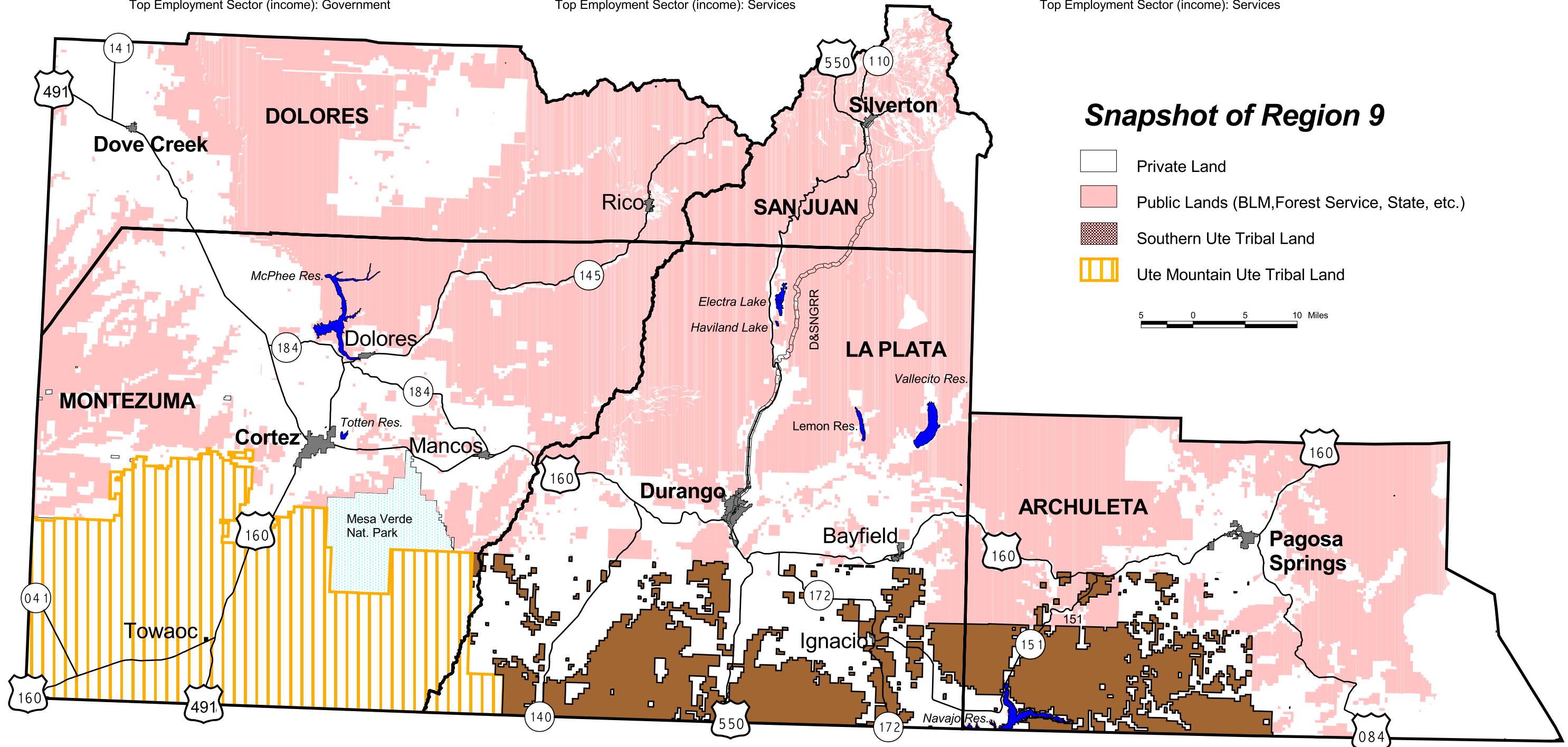
³Pathways to Healthier Communities

⁴Retail Data for Decision Makers – La Plata County

DOLORES COUNTY 2005
 Land area: 1,052 sq. mi.
 Population: 1,846
 Total Personal Income: \$45,500,000
 Per Capita Income: \$24,648
 Total Employment: 858
 Unemployment Rate: 7.7%
 Top Employment Sector (# jobs): Agriculture
 Top Employment Sector (income): Government

SAN JUAN COUNTY 2005
 Land area: 392 sq. mi.
 Population: 580
 Total Personal Income: \$14,418,000
 Per Capita Income: \$27,582
 Total Employment: 373
 Unemployment Rate: 11.1%
 Top Employment Sector (# jobs): Services
 Top Employment Sector (income): Services

REGION 9 2005
 Land area: 6,584 sq. mi.
 Population: 87,023
 Total Personal Income: \$2,741,605,000
 Total Employment: 51,013
 Top Employment Sector (# jobs): Services
 Top Employment Sector (income): Services



Snapshot of Region 9

- Private Land
- Public Lands (BLM, Forest Service, State, etc.)
- Southern Ute Tribal Land
- Ute Mountain Ute Tribal Land



MONTEZUMA COUNTY 2005
 Land area: 2,084 sq. mi.
 Population: 24,862
 Total Personal Income: \$687,312,000
 Per Capita Income: \$27,645
 Total Employment: 12,673
 Unemployment Rate: 5.3%
 Top Employment Sector (# jobs): Services
 Top Employment Sector (income): Government

LA PLATA COUNTY 2005
 Land area: 1,692 sq. mi.
 Population: 48,019
 Total Personal Income: \$1,698,750,000
 Per Capita Income: \$35,377
 Total Employment: 31,161
 Unemployment Rate: 3.9%
 Top Employment Sector (# jobs): Services
 Top Employment Sector (income): Services

ARCHULETA COUNTY 2005
 Land area: 1,364 sq. mi.
 Population: 11,716
 Total Personal Income: \$293,705,000
 Per Capita Income: \$25,069
 Total Employment: 5,590
 Unemployment Rate: 4.8%
 Top Employment Sector (# jobs): Services
 Top Employment Sector (income): Services

MONTEZUMA COUNTY

Population - From 1990 to 2000 Montezuma County saw a 2.7% annual average growth rate. 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 2000 to 2005, Montezuma County as a whole has seen slow but steady population growth, with 0.9% average annual change. The Town of Mancos has seen the most growth (1.8%) during this time period. Unincorporated areas of the county include the Ute Mountain Ute Indian Tribe, headquartered in Towaoc.

	Census 2000	Estimates					Avg Annual %Change 2000-2005
		2001	2002	2003	2004	2005	
Montezuma	23,830	23,999	24,216	24,551	24,826	24,862	0.9%
Cortez	7,977	8,081	8,238	8,385	8,504	8,550	1.4%
Dolores	857	866	869	888	899	901	1.0%
Mancos	1,119	1,131	1,143	1,170	1,201	1,222	1.8%
Unincorporated	13,877	13,921	13,966	14,108	14,222	14,189	0.4%

Source: Colorado Demography Section 8-06

The rate of growth is projected to rise and then decrease over the next 20 years; however the population is projected to be at 42,061 people by 2035.

	Forecasts						
	2005	2010	2015	2020	2025	2030	2035
Montezuma							
Population	24,862	27,576	30,636	33,752	36,816	39,653	42,061
Avg Annual %Change		2.1%	2.1%	2.0%	1.8%	1.5%	1.2%

Source: Colorado Demography Section estimates 8-06

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 trends from 1980 to 2005 are also available in the 2006 CEDS Publication¹.

Employment and Income – The current strength of the economy supports a low unemployment rate, although seasonal fluctuations are seen in the winter months, when unemployment rises. The unemployment rate has been declining since 2002, although it is currently higher than state and national levels.

Unemployment Rates Compared 2000-2005						
	2000	2001	2002	2003	2004	2005
Montezuma	5.4%	4.8%	5.9%	5.6%	5.3%	5.3%
State Unemployment Rate	2.8%	3.7%	5.7%	5.7%	5.2%	5.0%
National Unemployment Rate	4.0%	5.3%	5.8%	6.0%	5.5%	5.1%

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 following table includes wage earners as well as proprietors (owners). About 78% of total employment is by wage earners, while 22% is through proprietors.

Montezuma County 2005 Total Employment	# of Jobs	% of Jobs	Income (\$000)	% of Inc.	Avg. annual wage
Agriculture	839	7%	\$ 7,098	2%	\$ 8,460
Mining & Utilities	217	2%	\$ 14,983	4%	\$ 69,046
Construction	1,116	9%	\$ 48,389	13%	\$ 43,359
Manufacturing	493	4%	\$ 14,504	4%	\$ 29,420
Transportation & Warehousing	239	2%	\$ 11,714	3%	\$ 49,013
Trade	1,900	15%	\$ 47,025	12%	\$ 24,750
Finance, Insurance & Real Estate	613	5%	\$ 19,254	5%	\$ 31,409
Services	4,051	32%	\$ 93,190	25%	\$ 29,076
Government	3,205	25%	\$120,498	32%	\$ 37,597
Total	12,673	100%	\$376,655	100%	

Source: Colorado Demography Section 9/06

Total number of jobs and job income from Bureau of Economic Analysis (BEA)

The service sector employs about 32% of workers in the county, and represents 25% of the earnings. The service sector is composed of many types of jobs, and very different wage scales. These include highly paid professionals, as well as entry level wage earners. Many of the service jobs in Montezuma County support tourism, in accommodation (lodging) and food services.

Montezuma County 2005 Service Sectors	# of Jobs	% of Jobs	Income (\$000)	% of Inc.	Avg. annual wage
Information	110	3%	\$ 3,765	4%	\$ 34,227
Professional, Scientific, Technical	724	18%	\$ 22,010	24%	\$ 30,401
Education, Health, Social Assistance	1,216	30%	\$ 34,639	37%	\$ 28,439
Arts, Entertainment, Recreation	121	3%	\$ 951	1%	\$ 7,860
Accommodation, Food Service	1,079	27%	\$ 15,940	17%	\$ 14,773
Other Services	801	20%	\$ 15,885	17%	\$ 19,831
Total	4,051	100%	\$ 93,190	100%	

Source: Colorado Demography Section 9/06. Includes wage labor and proprietors

Base Analysis - Base analysis distinguishes which industries are basic in the economy, and are responsible for overall growth and change. In 2005, about \$249 million came into Montezuma County as new dollars being drawn into the local economy through jobs in **base industries**.

Base industries produce exports or derive their sales or income *directly* from outside sources, or *indirectly* by providing supplies to export industries. These activities **bring in outside dollars** to circulate within the local economy.

2005 Direct Base Industries Montezuma County	# of Jobs	% of Jobs	Income (\$000)	% of Inc.
Agribusiness	992	12%	\$ 12,683	5%
Mining	120	1%	\$ 7,266	3%
Manufacturing	400	5%	\$ 11,399	5%
Regional Services	1,009	12%	\$ 35,367	14%
Tourism	1,419	17%	\$ 28,543	11%
Government	497	6%	\$ 25,540	10%
Households	3,221	38%	\$ 98,089	39%
Indirect Unassigned	842	10%	\$ 30,778	12%
Total	8,499	100%	\$249,665	100%

Source: Colorado Demography Section 11/06

An additional \$271 million in employment income was generated through *local resident services*. Local resident services provide services to local residents and also **re-circulate dollars** within the local economy. Resident services include industries that take care of the local community, such as health services, education, and employment at the local grocery store. Residential industries are *industries* because they create jobs, which, in turn, create demands for worker housing and services.

Total Personal Income (TPI) - TPI is the sum of all income accruing to residents of Montezuma County 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.

Montezuma County 2005 Total Personal Income (\$000)		% of Total
Employment Earnings	\$ 376,655	55%
Residency Adjustment	\$ 73,555	11%
Dividends, Interest & Rent	\$ 118,140	17%
Transfer Payments	\$ 118,963	17%
Estimated TPI	\$ 687,312	100%

Source: Colorado Demography Section 11/06

Retirees brought in about \$96 million (14%) of TPI through some transfer payments and dividends, interest and rent.

Per Capita Income (PCI) is estimated at about \$27,645 for 2005, based on TPI divided by the county's population. The latest official figure from the Bureau of Economic Analysis is from 2004, when PCI was estimated at \$24,958.

Housing - According to the State Demographers office in 2005 there were 10,715 total housing units. Of these, 90% were occupied and 10% were vacant. About 13% of single family homes in the county are owned by 2nd homeowners that live outside of the county, according to a recent study². In 2005 the median price of a single family residential home was \$147,000, according to the Montezuma County Assessor's office.

Livable Wages - Operation Healthy Communities³ (OHC) has determined that in 2003 a minimum of \$8.15/hr provided a livable wage in Cortez, \$7.57/hr in Dolores, and \$8.58/hr in Mancos, if you were a single person renting a one-bedroom apartment.

Retail Sales - County-wide many of the retail sectors are strong (exceeding their sales potential), particularly those sectors that benefit from tourism. Other sectors (such as building materials, food/beverage stores and motor vehicles/parts probably gain their strength by providing goods to the larger region, which is very rural. That report uses retail sales data to provide insights for decision making regarding business expansion, relocation, marketing, government finance, and community development.

Montezuma County Retail Trade Sectors 2005	Estimated # of Firms	Average Sales per Firm	Actual Sales	Percent of Actual Sales
Electronics/Appliances	3	94,333	\$ 283,000	0%
Furniture, etc.	8	\$ 234,625	\$ 1,877,000	1%
Clothing	13	\$ 234,385	\$ 3,047,000	1%
Misc Retail Stores	27	\$ 149,630	\$ 4,040,000	1%
Sport/Hobby Shops	18	\$ 267,722	\$ 4,819,000	2%
Motor Vehicles/Parts	25	\$ 2,451,360	\$ 61,284,000	21%
Gas Stations	11	\$ 1,968,545	\$ 21,654,000	7%
Food/Beverage Stores	24	\$ 2,204,708	\$ 52,913,000	18%
Bldg Materials/Garden	18	\$ 1,612,722	\$ 29,029,000	10%
Non-store outlets	81	\$ 427,235	\$ 34,606,000	12%
Health Care Products	NA	NA	NA	NA
General Merchandisers	NA	NA	NA	NA
*Confidential Sectors	16	\$ 5,287,938	\$ 84,607,000	28%
Total	244	\$ 1,221,963	\$ 298,159,000	100%

NA = Not available (confidential);

*Includes all confidential sectors for which specific data is not available

More detailed information regarding Montezuma County can be accessed at www.scan.org, under publications.

¹ *Comprehensive Economic Development Strategy (2006)*

² *The Social and Economic Effects of 2nd Homes in Southwest Colorado*

³ *Pathways to Healthier Communities*

⁴ *Retail Data for Decision Makers - Montezuma County*

SAN JUAN COUNTY

Population - In 2000 the county's resident population was 558, though it is slowly growing. 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. Seasonal residents are not included in population figures. 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.

	Census 2000	Estimates					Avg Annual % Change 2000-2005
		2001	2002	2003	2004	2005	
San Juan	558	560	563	570	576	580	0.8%
Silverton	531	533	536	543	548	548	0.6%
Unincorporated	27	27	27	27	28	32	3.7%

Source: Colorado Demography Section 8-06

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 housing units, and commercial development straddling the La Plata/San Juan County line. The proposal has met with preliminary approval from commissioners in both counties.

Forecasts							
San Juan	2005	2010	2015	2020	2025	2030	2035
Population	580	602	631	657	656	661	685
Avg. Ann. % Change		1.5%	0.9%	0.8%	0.0%	0.2%	0.7%

Source: Colorado Demography Section 8-06

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. 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 began instead to carry tourists up from Durango to enjoy the spectacular scenery. At the present time San Juan County has become almost entirely dependent upon tourism, primarily during the summer months when the train is running. Employment trends from 1980 to 2005 are also available in the 2006 CEDS Publication¹.

Employment and Income – The current economy supports a relatively low unemployment rate, although seasonal fluctuations are seen in the winter months, when unemployment rises. The unemployment rate has been declining since 2002, although it is currently higher than state and national levels.

Unemployment Rates Compared 2000-2005						
	2000	2001	2002	2003	2004	2005
San Juan	12.7%	16.0%	16.0%	15.7%	11.1%	7.5%
State Unemployment Rate	2.8%	3.7%	5.7%	5.7%	5.2%	5.0%
National Unemployment Rate	4.0%	5.3%	5.8%	6.0%	5.5%	5.1%

Source: Colorado Department 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 following table includes wage earners as well as proprietors (owners). About 78% of total employment is by wage earners, while 22% is through proprietors.

San Juan County 2005 Total Employment	# of Jobs	% of Jobs	Income (\$000)	% of Inc.	Avg. annual wage*
Agriculture	1	0%	\$ -	0%	\$ -
Mining & Utilities	3	1%	\$ 255	3%	\$ 85,000
Construction	43	12%	\$ 575	7%	\$ 13,372
Manufacturing	22	6%	\$ 243	3%	\$ 11,045
Transportation & Warehousing	1	0%	\$ 75	1%	\$ 75,000
Trade	66	18%	\$ 1,280	15%	\$ 19,591
Finance, Insurance & Real Estate	27	7%	\$ 429	5%	\$ 15,889
Services	137	37%	\$ 3,090	37%	\$ 22,555
Government	73	20%	\$ 2,406	29%	\$ 32,959
Total	373	100%	\$ 8,352	100%	

Source: Colorado Demography Section Sept. 06

Total number of jobs and job income from BEA & ES 2002 includes proprietor income

The service sector employs about 37% of workers in the county, and represents 37% of the earnings. The service sector is composed of many types of jobs, and very different wage scales. These include highly paid professionals, as well as entry level wage earners. Many of the service jobs in San Juan County support tourism, in accommodation (lodging) and food services.

San Juan County 2005 Service Sectors	# of Jobs	% of Jobs	Income (\$000)	% of Inc.	Avg. annual wage*
Information	-	0%	\$ 147	5%	
Professional, Scientific, Technical	10	7%	\$ 414	13%	\$ 41,400
Education, Health, Social Assistance	4	3%	\$ 249	8%	\$ 62,250
Arts, Entertainment, Recreation	14	10%	\$ 347	11%	\$ 24,786
Accommodation, Food Service	80	58%	\$ 1,539	51%	\$ 19,863
Other Services	29	21%	\$ 344	11%	\$ 11,862
Total	137	100%	\$ 3,090	100%	\$ 22,555

Total number of jobs and job income from BEA & ES 2002 includes proprietor income

Source: Colorado Demography Section Sept. 06

Base Analysis - Base analysis distinguishes which industries are basic in the economy, and are responsible for overall growth and change. In 2005, about \$6 million came into San Juan County as new dollars being drawn into the local economy through jobs in **base industries**.

Base industries produce exports or derive their sales or income *directly* from outside sources, or *indirectly* by providing supplies to export industries. These activities **bring in outside dollars** to circulate within the local economy.

2005 Base Industries San Juan County	# of Jobs	% of Jobs	Income (\$000)	% of Inc.
Agribusiness	10	4%	\$ 67	1%
Mining	1	0%	\$ 53	1%
Manufacturing	-	0%	\$ -	0%
Regional Services	12	4%	\$ 172	3%
Tourism	108	40%	\$ 2,143	36%
Government	16	6%	\$ 514	9%
Households	111	41%	\$ 2,455	41%
Indirect Unassigned	15	5%	\$ 606	10%
Total	273	100%	\$ 6,010	100%

Source: Colorado Demography Section 11/06

An additional \$5.5 million in employment income was generated through *local resident services*. Local resident services provide services to local residents and also **re-circulate dollars** within the local economy. Resident services include industries that take care of the local community, such as health services, education, and employment at the local grocery store. Residential industries are *industries* because they create jobs, which, in turn, create demands for worker housing and services.

Total Personal Income (TPI) - TPI is the sum of all income accruing to residents of San Juan County 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.

San Juan County 2005 Total Personal Income (\$000)		% of Total
Employment Earnings	\$ 8,351	51%
Residency Adjustment	\$ 1,762	11%
Dividends, Interest & Rent	\$ 3,780	23%
Transfer Payments	\$ 2,445	15%
Estimated TPI	\$ 16,338	100%

Source: Colorado Demography Section 11/06

Retirees brought in about \$2.6 million (16%) of TPI through some transfer payments and dividends, interest and rent.

Per Capita Income (PCI) is estimated at about \$28,169 for 2005, based on TPI divided by the county's population. The latest official figure from the Bureau of Economic Analysis is from 2004, when PCI was estimated at \$26,133.

Housing - According to the State Demographers office in 2005 there were 700 total housing units. Of these, 40% were occupied and 60% were vacant. About 53% of single family homes in the county are owned by 2nd homeowners that live outside of the county, according to a recent study². In 2005 the median price of a single family residential home was \$300,000, according to the San Juan County Assessor's office.

Livable Wages - Operation Healthy Communities³ (OHC) has determined that in 2003 a minimum of \$8.04/hr provided a livable wage in San Juan County, if you were a single person renting a one-bedroom apartment.

Retail Sales - County-wide many of the retail sectors are strong (exceeding their sales potential), particularly those sectors that benefit from tourism and the large number of seasonal residents, according to a current report⁴ from Region 9.

That report uses retail sales data to provide insights for decision making regarding business expansion, relocation, marketing, government finance, and community development.

San Juan County Retail Trade Sectors 2005	Estimated # of Firms	Average Sales per Firm	Actual Sales	Percent of Actual Sales
Non-Store Outlets	8	\$ 4,250	\$ 34,000	0.5%
Sport/Hobby Shops	3	\$ 55,000	\$ 165,000	3%
General Merchandise	4	\$ 255,250	\$ 1,021,000	16%
Clothing	5	\$ 172,400	\$ 862,000	13%
Misc Retail Stores	11	\$ 180,636	\$ 1,987,000	31%
*Confidential Sectors	7	\$ 348,286	\$ 2,438,000	37%
Total	38	\$ 171,237	\$ 6,507,000	100%

*Includes all confidential sectors for which specific data is not available

More detailed information regarding San Juan County can be accessed at www.scan.org, under publications.

¹ *Comprehensive Economic Development Strategy (2006)*

² *The Social and Economic Effects of 2nd Homes in Southwest Colorado*

³ *Pathways to Healthier Communities*

⁴ *Retail Data for Decision Makers - San Juan County*

TRIBAL POPULATIONS

History - The planning and management area of Region 9 includes two Indian reservations, including the Southern Ute and the Ute Mountain Ute Indian Tribes.

Historically, the Utes roamed throughout the Four Corners and Western Colorado in several distinct hunter-gatherer bands. The Southern Ute divisions were the Muache, Capote, and Weeminuche. As a result of the Dawes Act in 1887, and the subsequent Act of 1895, the previously defined Southern Ute reservation lands were broken into two distinct units. Most of the Muache and Capote Utes accepted farming allotments in the eastern portion, which became known as the Southern Ute Indian Reservation with agency headquarters at Ignacio, in La Plata County.

The Weeminuche Utes, led by Chief Ignacio, refused to accept allotments and moved to the western portion, which became known as the Ute Mountain Ute Indian Reservation with agency headquarters at Towaoc, in Montezuma County.

Southern Utes - The Southern Ute Tribal enrollment is 1,305, with the majority of the members living on the reservation. The 2000 Census shows the largest percentage of the members are in their early twenties and younger. The reservation land base includes 750,000 acres, seven major rivers, and the Navajo State Park. More recently, the Tribe purchased land near Durango (La Plata County) and is building the Three Springs housing and commercial center on 681 acres, which will have 2,283 homes and many thousands of square feet of new commercial/office space.

The Southern Ute Indian Tribe is a significant economic player in La Plata County and the region. Tribal headquarters are located adjacent to the Town of Ignacio, southeast of Durango (in La Plata County). The Tribe is one of the largest employers in the county. Their oil and gas operations, gaming enterprises at the Sky Ute Lodge and Casino, land and housing development, and tourism-related businesses bring jobs and income to Tribal and non-Tribal residents. A new casino hotel and convention center is slated to open in 2008.

The Southern Ute Growth Fund was started in 1999 and has vast investments spanning America and Canada. The Growth Fund reports a portfolio of over \$1 billion.

Natural resources on the reservation include extensive gas reserves, coal, timber, and agriculture. These resources provide the basis for 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).

Ute Mountain Utes - The Ute Mountain Ute Tribe's land is located in southwest Colorado and eastern Utah, and covers 993 square miles. The land is held in trust by the United States Government. The Tribal enrollment in 2002 was 2,012 with the majority of the members living on the reservation in Towaoc, Colorado (Montezuma County), and in White Mesa, Utah. The Tribal census shows the largest percentage of the members are in their early twenties and younger.

The Ute Mountain Ute Tribe is a major contributor to the regional economy. In 2005, the Tribe was one of the largest employers in Montezuma County with 1,130 jobs in all aspects of tribal government and operations, and at their Ute Mountain Casino and RV Park. The Weeminuche Construction Authority has become one of the most successful and largest construction companies in the Four Corners area.

The Colorado Ute Water Settlement Act of 1988 mandated, through the building of the Dolores Project and McPhee Reservoir, that drinking and irrigation water be provided to the reservation. This has dramatically expanded farming and ranching operations.

Other tribal resources include income from oil and gas wells, and tribal enterprises that revolve around tourism such as the Tribe's Ute Mountain Ute Tribal Park and pottery factory. The Tribe has just updated their *Ute Mountain Ute Tribe Comprehensive Economic Development Strategy* (2006).

GLOSSARY OF KEY TERMS

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. Base Analysis distinguishes which industries and factors are **basic** to the economy and are responsible for overall growth and change. There are two types of regional industries:

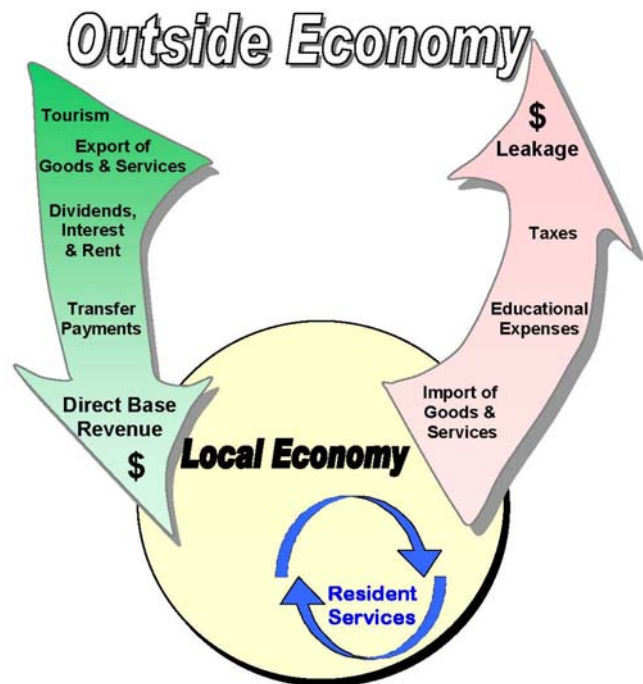
- **Base industries** produce exports or derive their sales or income *directly* from outside sources, or *indirectly* by providing supplies to export industries. These activities *bring in outside dollars* to circulate within the local economy. These industries include agriculture, mining, manufacturing, national and regional services, state and federal government jobs, and tourism.
- **Local resident services** provide services to local residents and also *re-circulate dollars* within the local economy. Resident services include industries that take care of the local community, such as health services, education, and employment at the local grocery store. Residential industries are *industries* because they create jobs, which in turn, create demands for worker housing and services.

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 at right helps us to visualize this concept.

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 activity*. When the person is a resident using money earned in the local economy, it is a *local resident service*. 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.



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 allows us to compare the per capita 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

For business and relocation assistance contact Region 9, one of the specific community economic development organizations, or a Chamber of Commerce listed below. If your business needs technical assistance, the SW Colorado Small Business Development Center offers the following services: SBA/Business Loan Preparation Assistance, Business Plan Reviews, Access to Training Assistance Programs, Seminars on Various Topics, General Consulting, and many other services.

Economic Development Organizations

Small Business Development Center

Joe Keck
1000 Rim Dr.
Durango, CO 81301
Phone (970) 247-7009
FAX (970) 247-7623
e-mail: keck_j@fortlewis.edu
<http://www.fortlewis.edu/soba/sbdc>

Archuleta Economic Development Association

Bart Mitchell
P.O. Box 305
Pagosa Springs, CO 81147
Phone (970) 264-4171
Fax (970) 264-4327
www.archuletaeconomicdevelopment.org

San Juan 2000 Economic Development

Karen Hoskin
P.O. Box 117
Silverton, CO 81433
Phone (970) 387-5101
Fax (970) 387-0282
www.sanjuan2000.org

Dolores County Development Corp.

Clyde Church/Dennis McMahan
PO Box 860
Dove Creek, CO 81328
cpchurch@ekiva.net

Montezuma County EDC

109 W. Main, Room 302
Cortez, CO 81321
Phone (970) 565-8227
Fax (970) 565-1155
charper@co.montezuma.co.us

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 (LEAD)

Jack Llewellyn
P.O. Box 3874
Durango, CO 81302
Phone (970) 259-5064
Fax (970) 385-5005
www.laplatacountycolorado.org

Region 9 Economic Development District

259A Girard St
Durango, CO 81301
Phone (970) 247-9621
FAX (970) 247-9513
e-mail: ed@scan.org
<http://www.scan.org>

Region 9 Staff includes:

Ed Morlan - Executive Director (Loan & Enterprise Zone Administrator)

Laura Lewis - Asst. Director (Transportation and Economic Development Planning)

Julie Levy - Special Projects & Technical Assistance Coordinator

Jenny Stollar - Accountant, Asst. Loan Administrator

Tracy Shockley, Office Administration and Bookkeeping

Chambers of Commerce

Cortez Chamber of Commerce

Box 968
Cortez, CO 81321
Phone (970) 565-3414
Fax (970) 565-4828
<http://www.mesaverdecountry.com>

Bayfield Chamber of Commerce

P.O. Box 7
Bayfield, CO 81122
Phone (970) 884-6022
Fax (970) 884-2614
<http://www.bayfieldchamber.org>

Durango Area Tourism Office

P.O. Box 2587
Durango, CO 81302
Phone (970) 247-0312
Fax (970) 385-7884
<http://www.durangobusiness.org>

Mancos Valley Chamber

P.O. Box 494
Mancos, CO 81328
Phone (970) 533-7070
Fax (970) 533-7727
<http://www.mancoscolorado.com>

Dolores Chamber

P.O. Box 602
Dolores, CO 81323
Phone (970) 882-7717
Fax (970) 882-2224
<http://www.doloreschamber.com>

Pagosa Chamber of Commerce

Box 787
Pagosa Springs, CO 81147
Phone (970) 264-2360
Fax (970) 264-4625
<http://www.pagosa.com>

Vallecito Chamber of Commerce

P.O. Box 804
Bayfield, CO 81122
Phone (970) 884-9782
Fax (970) 884-9856
<http://www.vallecitolakechamber.com>

Silverton Chamber

P.O. Box 565
Silverton, CO 81433
Phone (970) 387-5654
Fax (970) 387-0282
<http://www.silvertoncolorado.com>

**Dove Creek Chamber of
Commerce**

P.O. Box 613
Dove Creek, CO 81324
Phone (970) 677- 2245
Fax (970) 677-2271