

COLORADO ECONOMIC UPDATE

Colorado Association of Ski Towns (CAST) – March 2016
Meeting

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PRESENTATION OVERVIEW

- 2015 Review
- C.A.S.T Sales Tax Revenue Information
- Regional Economic Update
- 2016 Forecast
- Questions



2015 IN REVIEW

- The economy in 2015 slowed compared to 2014 due to a slow down in oil & gas
 - Diverse economy and population growth kept positive momentum
- Colorado's population increased by over 100,000.
- Average sales tax revenue increased by 6-8%
- Average property tax valuation by county + 11%
- Unemployment continued downward trend to 4.1%
- Leisure & Hospitality, Financial Activities, Government, and Education/Health Services were the highest¹
- Job growth in Greeley = +7.7%¹
 - Denver = 4.4%
 - Fort Collins/Loveland = 4.3%



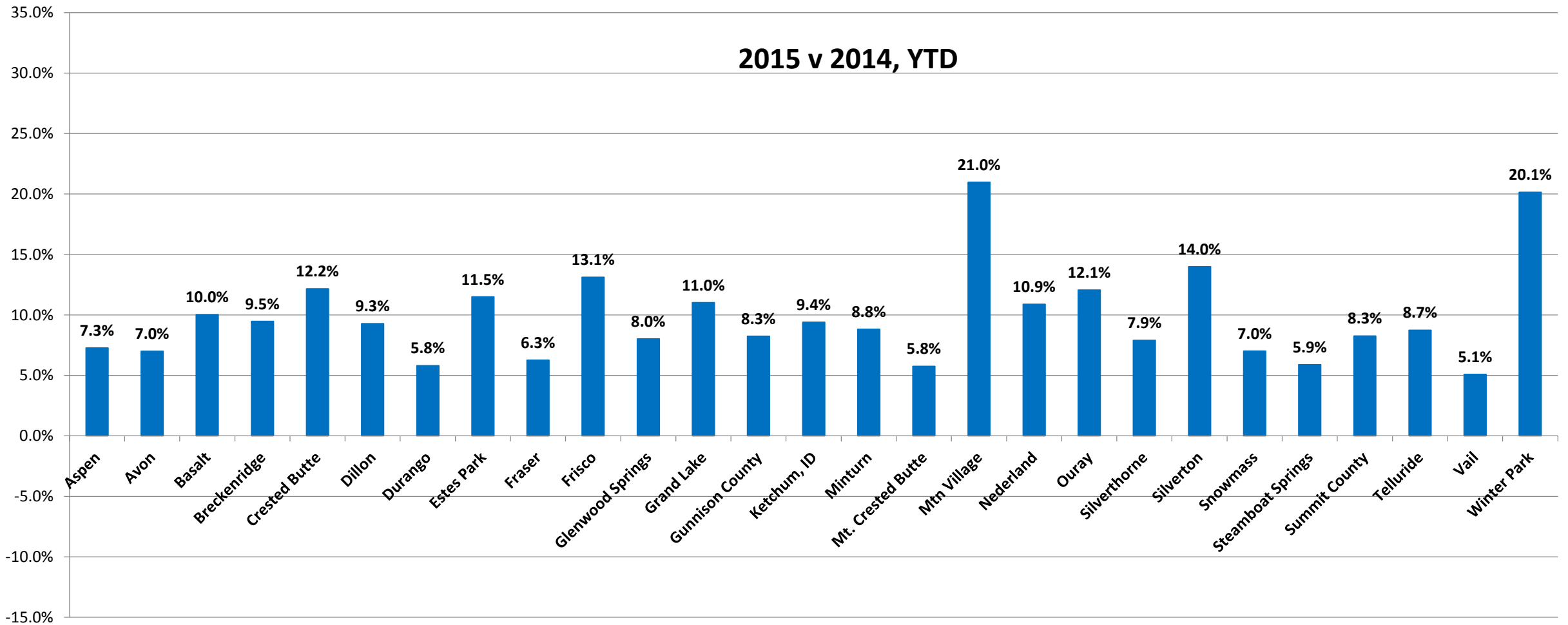
¹ Source - Office of State Planning & Budgeting January 2016

2015 IN REVIEW

- Personal income growth slowed to 4.8% due to oil and gas¹
- Per capita income in 2015 \$50,394¹
 - National average = \$47,693
 - Colorado is + \$2,201
- Housing costs continue to outpace national average
- Home prices up 28.4% from Q2, 14 through Q2, 15
 - US home prices up 16.2% for same time period¹
- Colorado average home price = \$271,167¹
 - National average home price = \$197,641
- Denver is the 5th most expensive city nationwide compared to average income¹

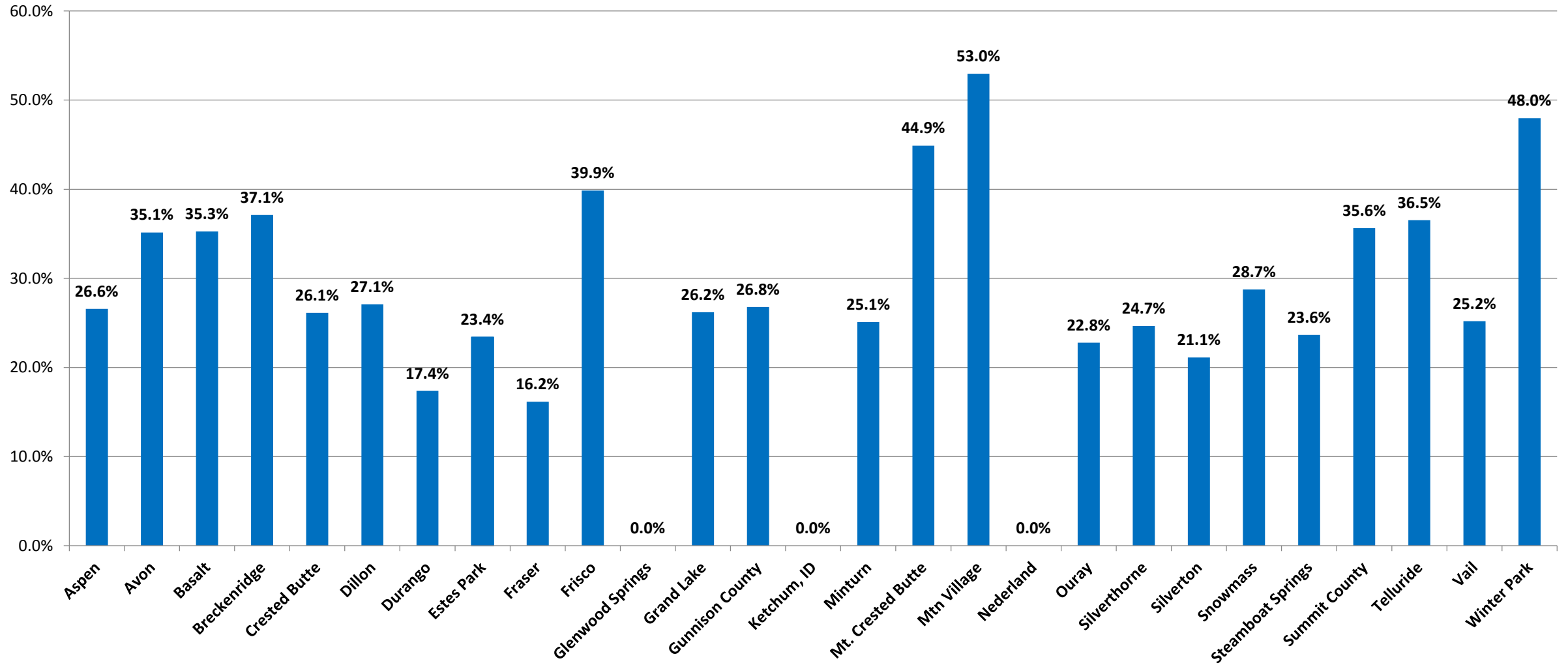


C.A.S.T SALES TAX REVENUES — 14 VS 15



C.A.S.T SALES TAX REVENUES – 12 TO 15

3-yr: 2015 vs 2012



CREDIT – Steve McFarland, Town of Estes Park

C.A.S.T SALES TAX — CANNABIS IMPACT?

	3-yr 2015 vs 2012	3-yr 2014 vs 2011	YTD 2015 vs 2014	YTD 2014 vs 2013
Aspen	26.6%	24.3%	7.3%	11.0%
Avon	35.1%	29.6%	7.0%	10.9%
Basalt	35.3%	32.6%	10.0%	3.3%
Breckenridge	37.1%	33.0%	9.5%	10.7%
Crested Butte	26.1%	31.0%	12.2%	16.5%
Dillon	27.1%	20.6%	9.3%	5.8%
Durango	17.4%	17.3%	5.8%	5.1%
Estes Park	23.4%	17.6%	11.5%	14.4%
Fraser	16.2%	12.5%	6.3%	5.1%
Frisco	39.9%	27.1%	13.1%	16.0%
Glenwood Springs	0.0%	17.2%	8.0%	8.6%
Grand Lake	26.2%	20.3%	11.0%	6.7%
Gunnison County	26.8%	19.3%	8.3%	9.1%
Ketchum, ID	0.0%	14.9%	9.4%	9.4%
Minturn	25.1%	16.0%	8.8%	2.2%
Mt. Crested Butte	44.9%	30.9%	5.8%	15.9%
Mtn Village	53.0%	27.3%	21.0%	6.8%
Nederland	0.0%	20.0%	10.9%	9.2%
Ouray	22.8%	15.5%	12.1%	6.4%
Silverthorne	24.7%	21.6%	7.9%	5.0%
Silverton	21.1%	10.1%	14.0%	1.0%
Snowmass	28.7%	28.4%	7.0%	8.4%
Steamboat Springs	23.6%	18.3%	5.9%	8.9%
Summit County	35.6%	10.8%	8.3%	10.9%
Telluride	36.5%	31.0%	8.7%	16.0%
Vail	25.2%	22.0%	5.1%	8.6%
Winter Park	48.0%	20.1%	20.1%	9.2%

CREDIT – Steve McFarland, Town of Estes Park

REGIONAL ECONOMIC UPDATE

Northeast Colorado

- Many of the communities have recovered from the floods
 - Lyons is a great example of tragedy, recovery, prosperity
- Housing prices are on the rise
- Weld County may be impacted by decreased oil & gas production
- Natural gas pipelines are starting to develop but still not complete
- Renewable energy infrastructure on the way
 - Dependent on technological advances and political environment



REGIONAL ECONOMIC UPDATE

Northwest Colorado

- Experienced higher than average growth
 - Steamboat Springs demonstrates potential issues
 - 5.9% increase from 14 -15
 - Below state average
- Rio Blanco County is starting to struggle
 - Growing fear of oil & gas impact
 - Increase in population down from 2014
 - Budget cuts facing schools
- Moffat County is concerned
 - Craig's sales tax revenue below state average but still positive
 - Less big game hunters than in 2014
 - Fear over changing legislation affecting coal mine
 - Fear of losing hundreds of jobs



REGIONAL ECONOMIC UPDATE

Western Slope

- Mesa & Delta Counties are facing challenges
 - Flat sales tax revenues
 - Property tax expected to stay flat
 - Increased tourism due to Country Jam etc.
 - Coal mine shutting down had impact on employment
- The Grand Valley was really affected by oil & gas industry
 - Parachute per pupil funding decreased
- Property tax valuations increased less than state average
- Montrose County is plugging along
 - City of Montrose did better than neighbors
 - Slight increase in population



REGIONAL ECONOMIC UPDATE

San Juan/Four Corners Region

- Sales tax revenues up above state average
 - Ouray up 12.1%
 - Ridgway up 7%
- Telluride & Cortez experienced high level of tourism
 - Lodging taxes were really high
- Property tax valuations increased at state average or above for the region
- Durango up 5.8% despite Gold King spill
 - Local river oriented business' hurt in short term
- Many special districts passed mill levy increases
- Pagosa Springs seeing higher amount of tourists than previous years



REGIONAL ECONOMIC UPDATE

San Luis Valley

- Alamosa, Rio Grande, Conejos Counties improving
 - Steady population growth and new businesses
 - Discretionary income is still low
- Alamosa saw increase in sales tax revenue and property tax revenue
- Experienced an increase in tourism from 2014
- Increased moisture from 2014 and are finally out of the drought
- Enrollment at Adams State University increased slightly



REGIONAL ECONOMIC UPDATE

Central Mountains

- Gunnison, Chaffee, Park Counties are still growing
 - Salida experienced higher than average sales tax revenues
 - Big summer concert
 - Secret is out
 - Gunnison County/City outpaced previous year revenues
 - Crested Butte sales tax is above state average
 - Trending above other resort communities at 12.1%
- Park County experienced higher than usual tourism
 - New community events & concerts helped revenues
 - Summer recreational activities and events were up
- Property tax valuations increased throughout region



REGIONAL ECONOMIC UPDATE

Southeast Colorado

- Remains economically depressed area of the state
 - Trinidad cannot lure businesses in
 - Population is decreasing
 - School district enrollments are way down
- Higher than average moisture
 - Wheat production was up from 2014
 - Draught conditions improved
 - Expected to have another strong crop year
- Pueblo area is stagnant
 - Cannot lure in businesses
 - Minor increase in property tax valuations expected in 2015
- Wind Farms are starting to explore Prowers & Baca Counties
 - Could be a positive indicator for area



REGIONAL ECONOMIC UPDATE

■ I-70 Corridor

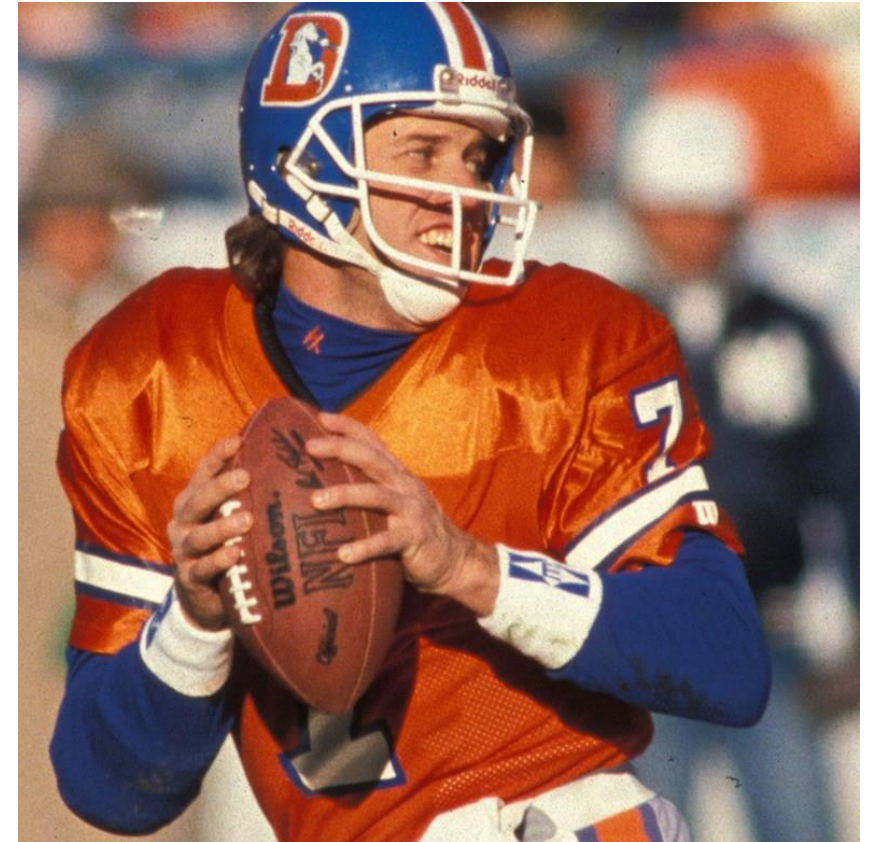
- Above average sales tax revenues
 - Budgets have increased
 - Cannabis
- Increased population
 - Short term workers influx
- Property tax valuations increased more than expected
 - Roaring Fork Valley home prices increasing
- Inflated housing costs
 - Rental rates are way up
- Traffic is affecting everyone
 - Record vehicles through the twin tunnels through December again!
 - Will the new express lane work?



REGIONAL ECONOMIC UPDATE

Front Range

- Above average sales tax revenues
 - Budgets have increased
 - Cannabis revolution
- Increased population
 - Denver is “the place to be”
- Housing inventory still low but gradually increasing
- Traffic is affecting everyone
 - Infrastructure cannot support growth
 - One of the most traffic congested metro areas in the country
- Skyrocketing Housing Prices
 - Record rental rates in metro area
 - 98% occupancies
 - Highest home prices in Denver history again!
 - Can this growth be sustained?



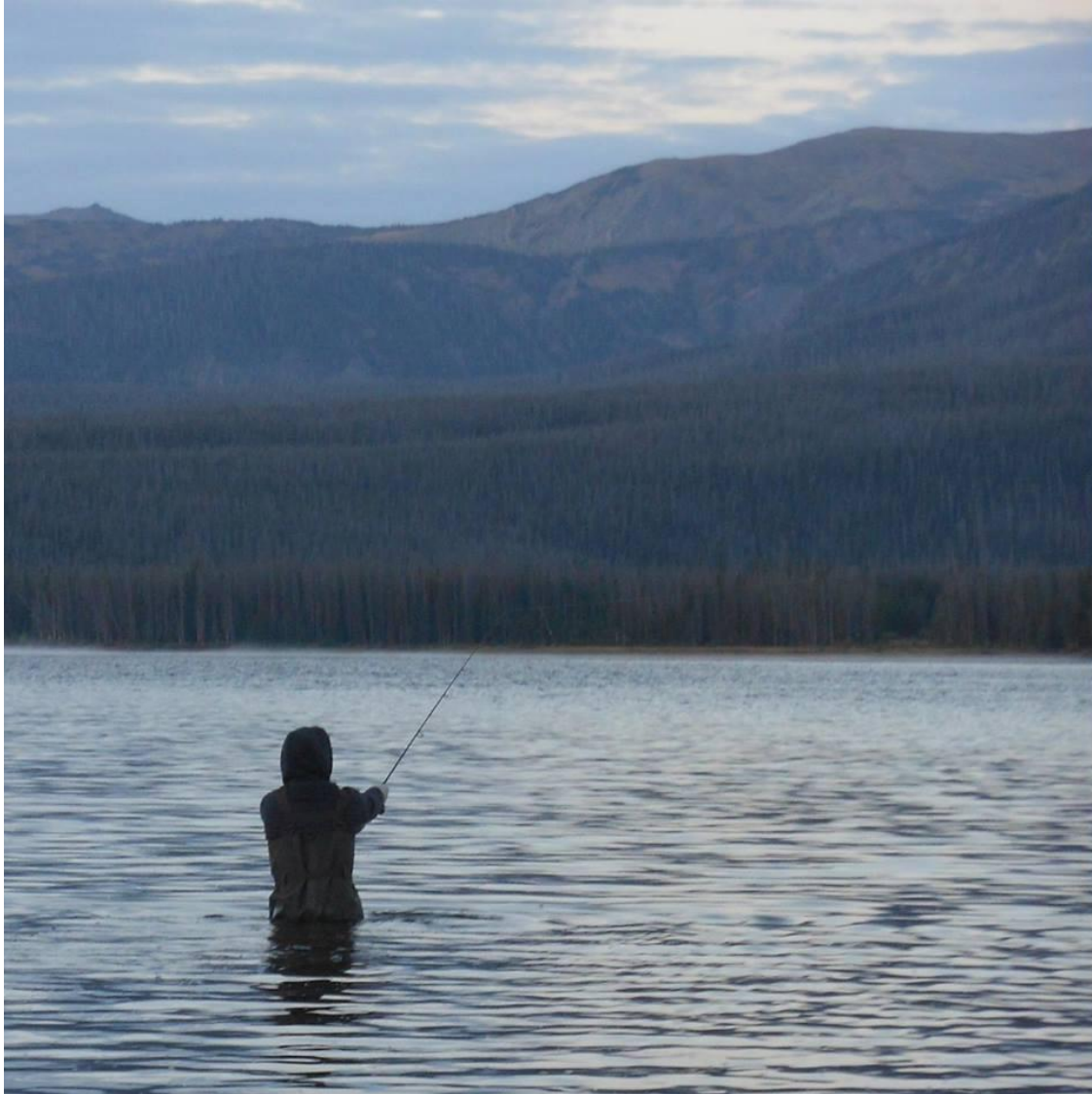
2016 FORECAST

- FOMC will probably not raise rates again in 2016.
 - Jury is still out
- General fund revenue (state) is expected to grow 2.1% in FY-15-16¹
- Weakened Oil & Gas production might affect 2016/2017 economy.
- Projected job gains of 2.6% in 2016¹.
- Higher housing costs expected to continue.
- Election year will be interesting.
- Sales tax revenue expected to grow again in 2016.
- Personal income expected to grow 5.3%¹.
- Per-Capita income expected to increase to \$53,031¹.



¹ Source - Office of State Planning & Budgeting January 2016

QUESTIONS & COMMENTS



ADDITIONAL DISCLOSURE

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