

MOFFAT COUNTY

Intent of this report

- Provide a defensible case to EDA that Region 11 meets the established criteria for distress to qualify the Region to apply to become an Economic Development District.
- Establishment of baseline data that can easily be monitored and tracked over time using tools and data available utilizing tools through Stats America, Community Survey, Bureau Labor Statistics, and the Colorado State Demographer.

EDA Distress Criteria

- An unemployment rate that is, for the most recent 24-month period for which data are available, at least one percentage point greater than the national average unemployment rate.
 - *Currently National Unemployment Rate is 4.68%*
- Per Capita income that is for the most recent period for which data is available, 80% or less of the of the national average per capita income.
- Special Need

DISTRESS CRITERIA STATISTICAL REPORT

Reference Date: 12 / 2017 (All data elements refer to this date or earlier.)

Region Consists of: Moffat Co. CO

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Economic Distress Criteria—Primary Elements

	Region	U.S.	Threshold Calculations
24-month Average Unemployment Rate (BLS) period ending December 2017	3.62	4.61	-0.99
2016 Per Capita Money Income (5-year ACS)	\$26,344	\$29,829	88.32%
2016 Per Capita Personal Income (BEA)	\$39,244	\$49,246	79.69%

- Moffat County Per Capita Income is 79.69% of the National Per Capita Income.
- Moffat County's 24 Month Average Unemployment Rate is lower than the National Average at 3.62%.
- Based on EDA criteria, Moffat County **MEETS** the definition of distressed based on Per Capita Income.

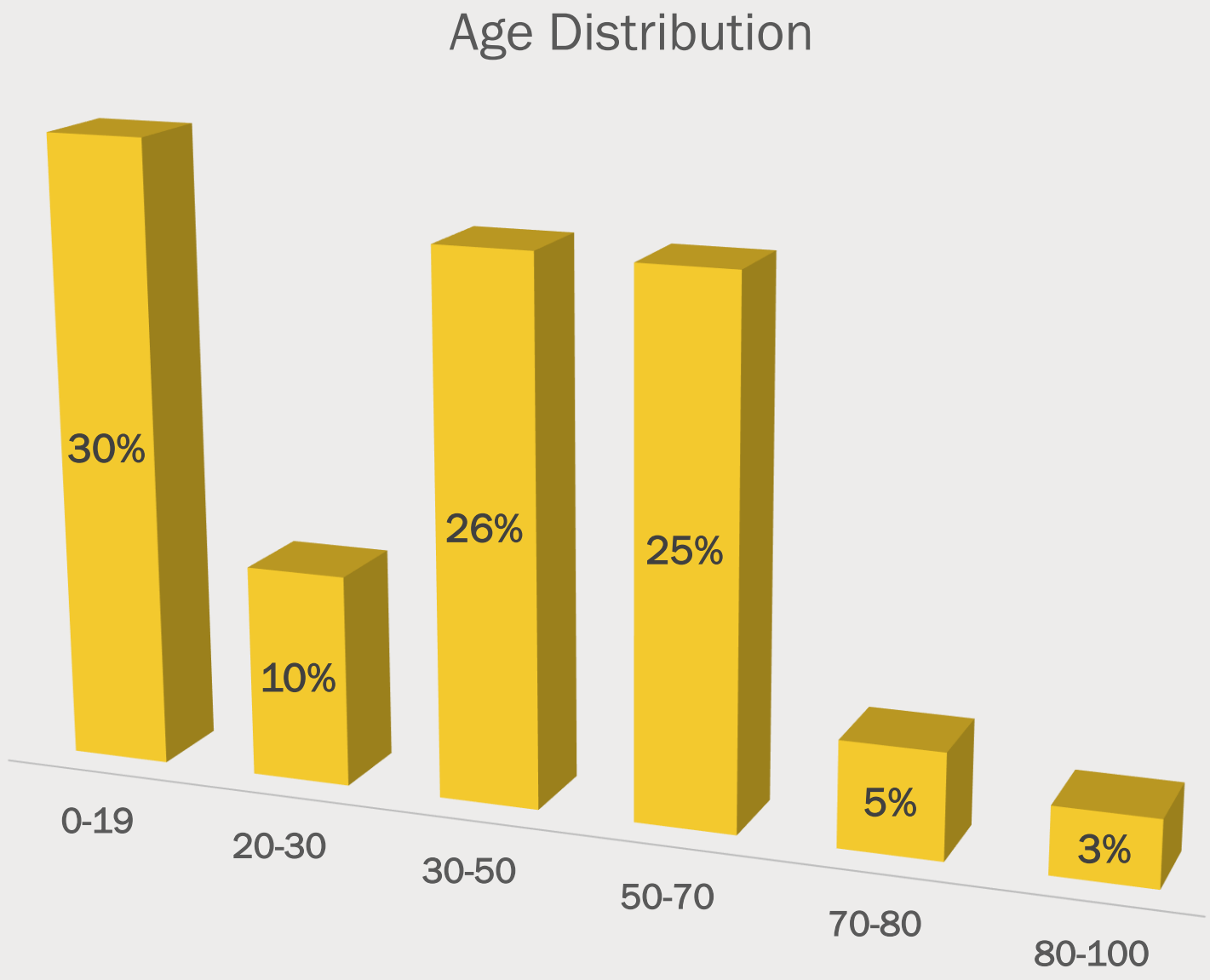
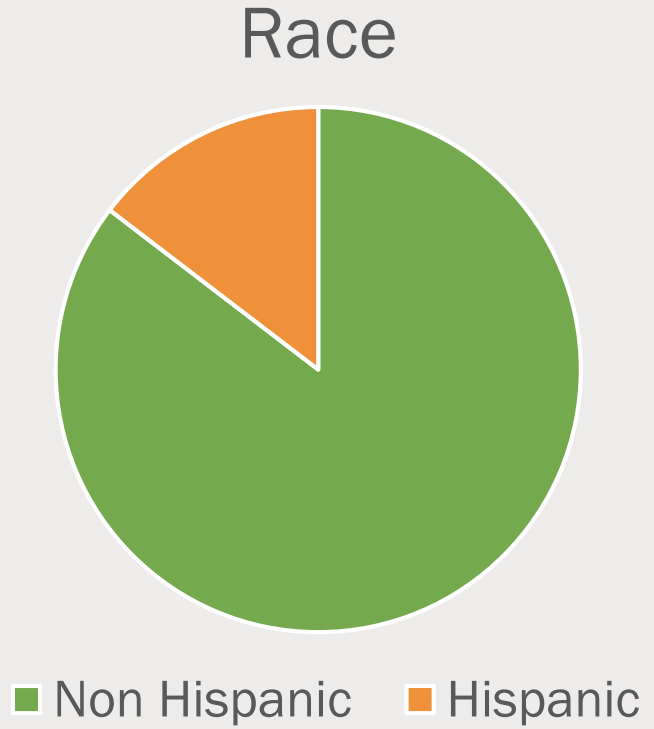
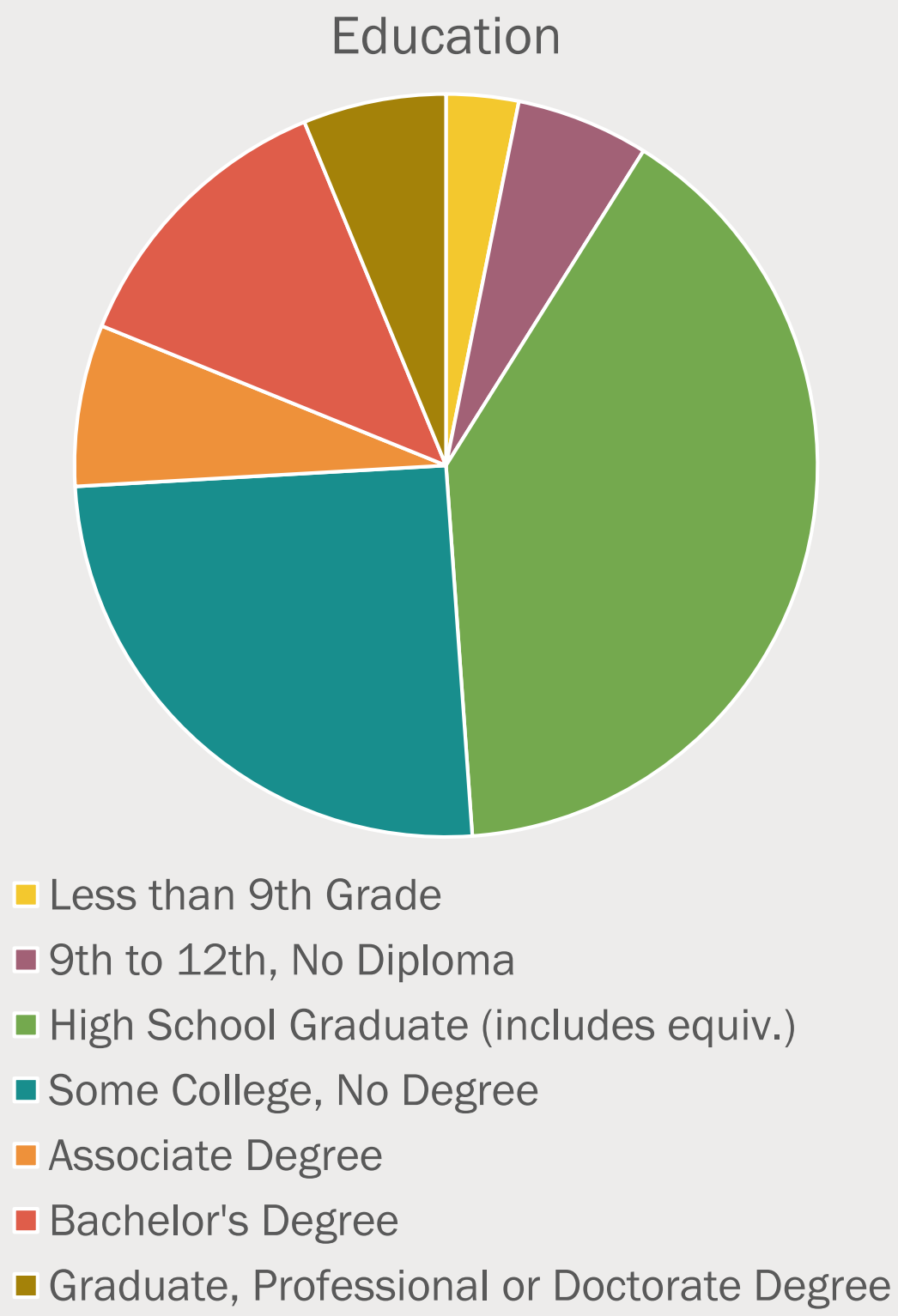
Moffat County has lost ground in Per Capita Income in comparison to the National Per Capita Income. In 2008, Moffat County was at 84.31% of the National Per Capita Income compared to 79.69% today. Poverty rates have grown 30.3% since 2000. This report will explore the data that is contributing to the decline in the Moffat County economy and subsequent increase in key distress measures.

Poverty Estimates	Number	Rank in U.S.	Percent Change	Rank in U.S.
Poverty Rate in 2016	12.9	<u>1,984</u>	--	--
In 2000	9.9	<u>2,187</u>	44.9 %	<u>1,032</u>
Poverty Rate for Children under 18 in 2016	16.9	<u>2,173</u>	--	--
In 2000	12.0	<u>2,481</u>	38.5 %	<u>659</u>

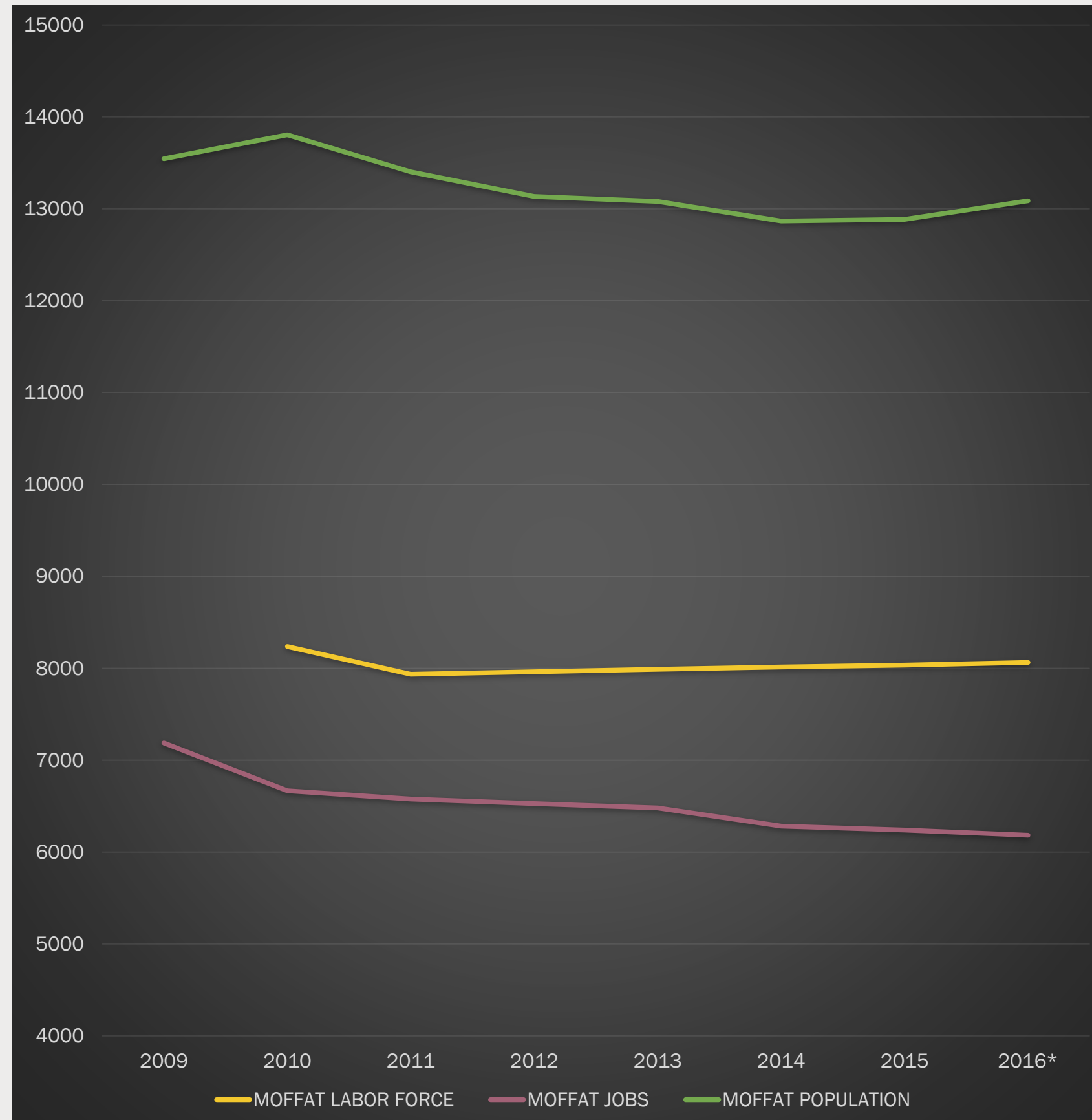
Source: U.S. Census Bureau

Moffat County Fast Facts

■ Total Population: 13,109



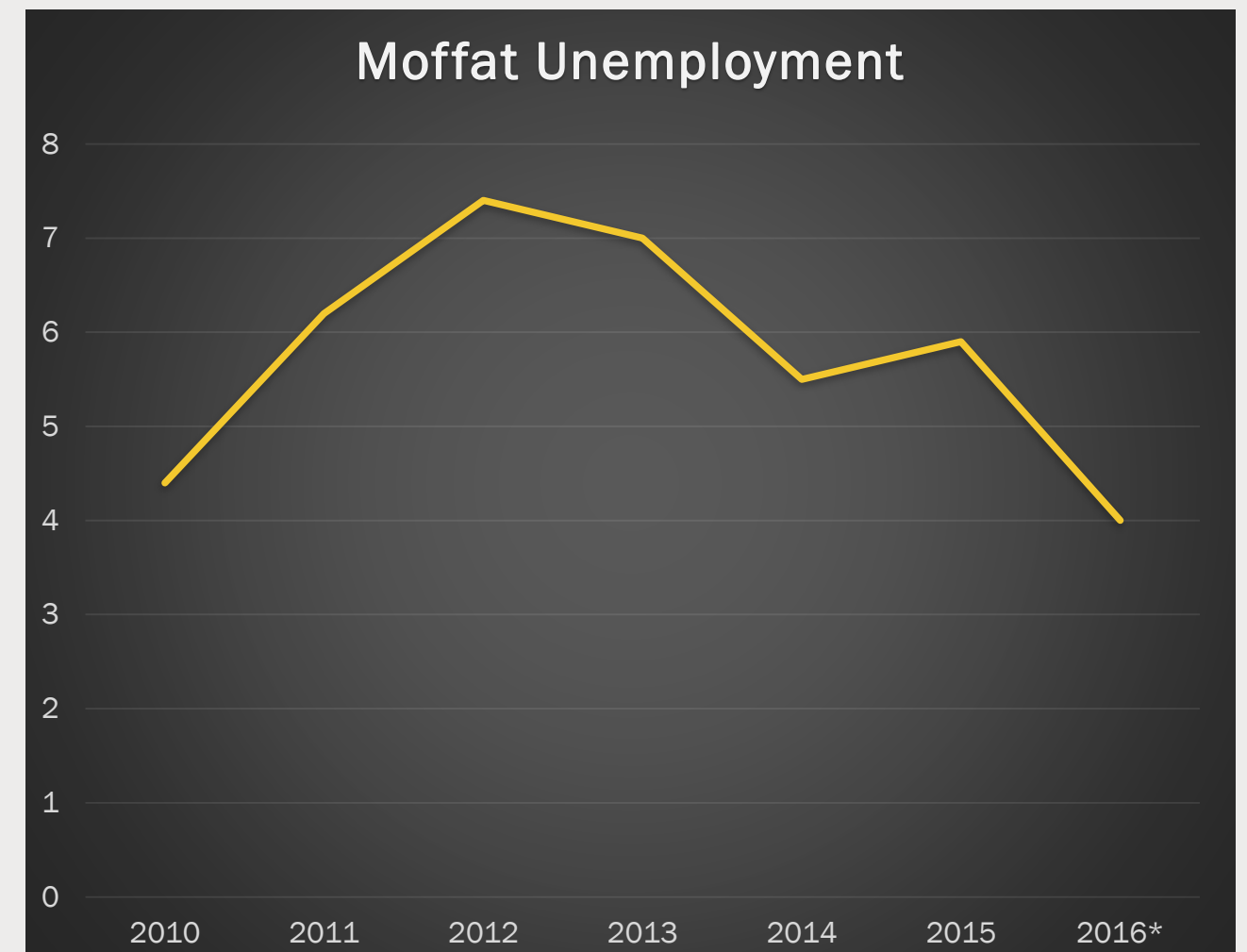
Workforce & Demographic Trends



Moffat County has experienced a decline in population since 2010. In the same time period, the County has lost both work force and total jobs. The County's work force decreased by 274 jobs between 2010-2013. Workforce increased slightly between 2013-2016, but overall work force remains below 2010 numbers by 173. In the same time period, the County's total jobs decreased from peak in 2009 by 1003.

Meanwhile, the County's population has decreased from peak by 719 people. There has been a slight increase in population in 2015-2016, but the County has not reached peak population again, and jobs continue to decline.

At the same time that job loss begins to occur between 2009-2013, the County's unemployment levels begin to climb. As population begins to move out, the unemployment rates begin decreasing steadily in 2013. There are fewer jobs and fewer people looking for those jobs than previous. Had residents remained in the area, more people would be looking for work, which in turn would have kept the unemployment rates higher.



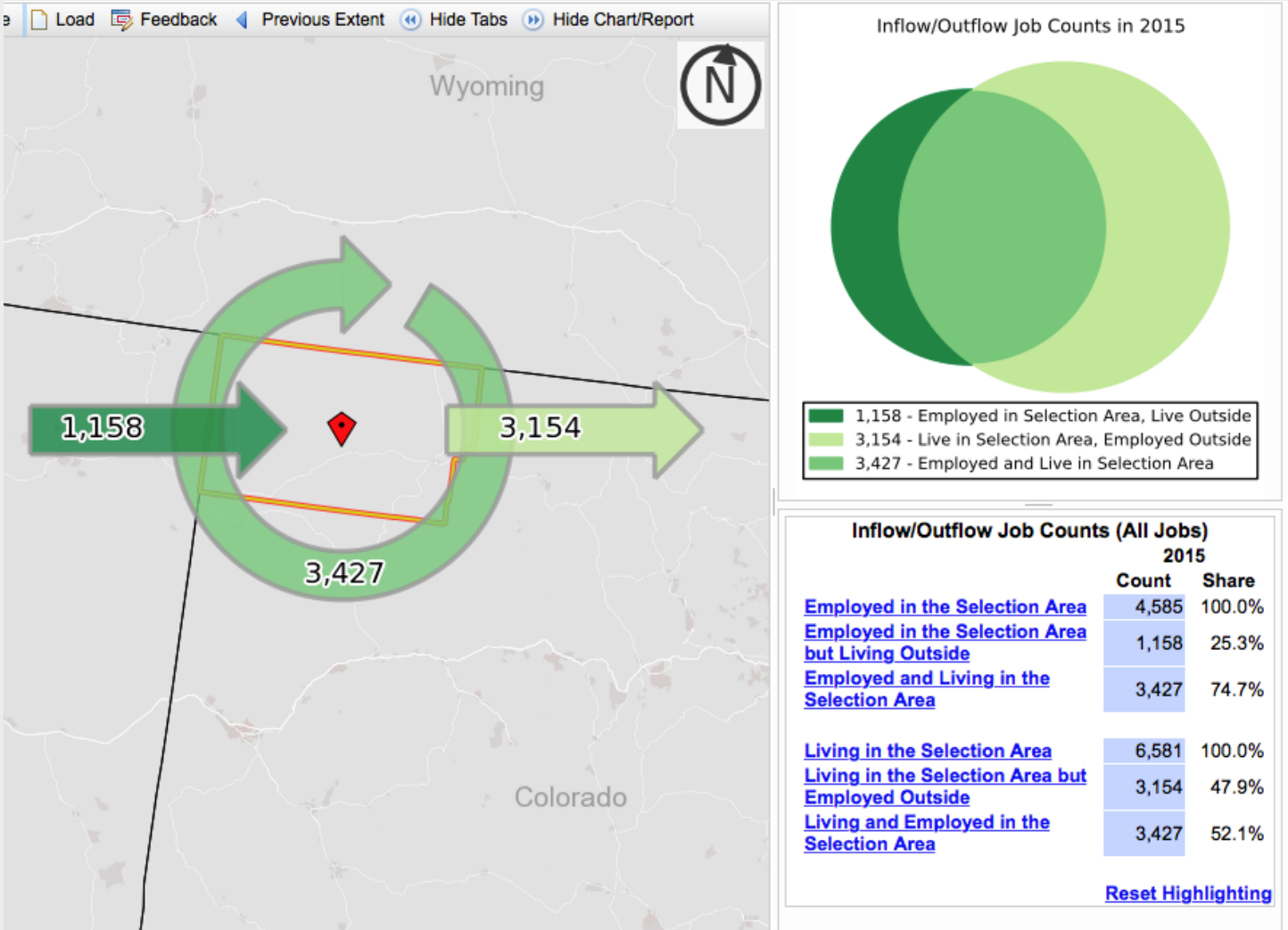
Moffat County has more labor force than available jobs. Unemployment though is low. Moffat County residents are finding work outside of Moffat County, creating commuting patterns with its neighbors to the north, east, south, and west.

Commuting Patterns

Knowing that Moffat County has more workforce than available total jobs, it makes sense that workers are finding employment in neighboring counties.

Moffat County is also importing workers from neighboring communities.

A little less than half of Moffat County’s work force leaves the county for employment. A little more than half of the work force lives and works in Moffat County, and more than 1,000 jobs are filled by workers commuting into Moffat County.

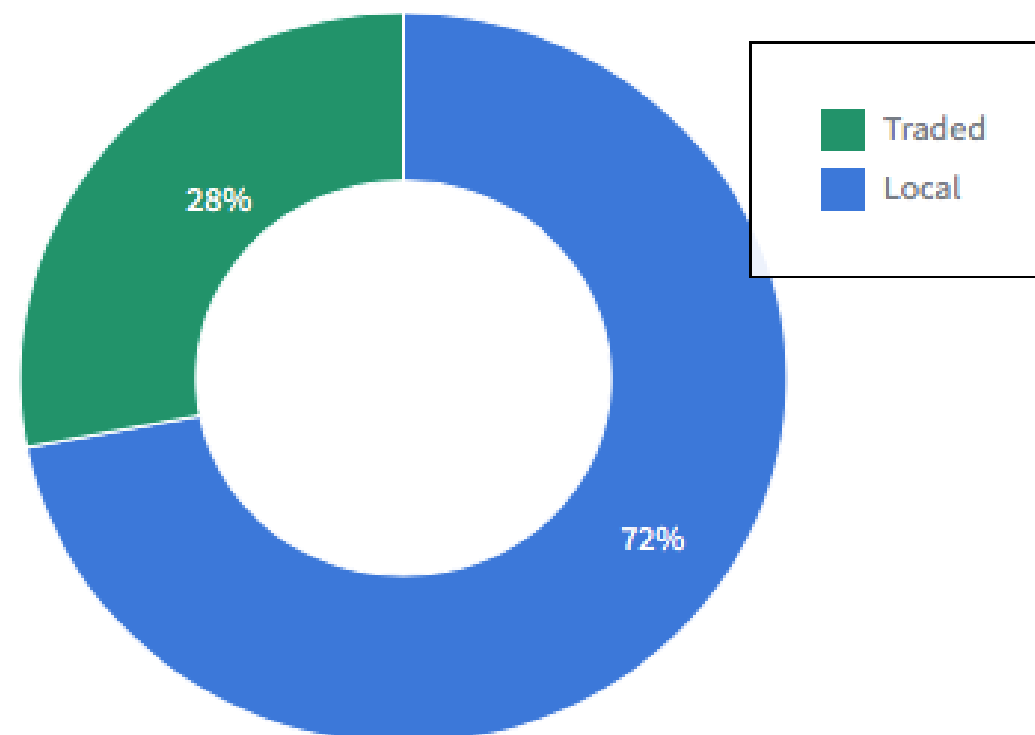


Cluster Analysis

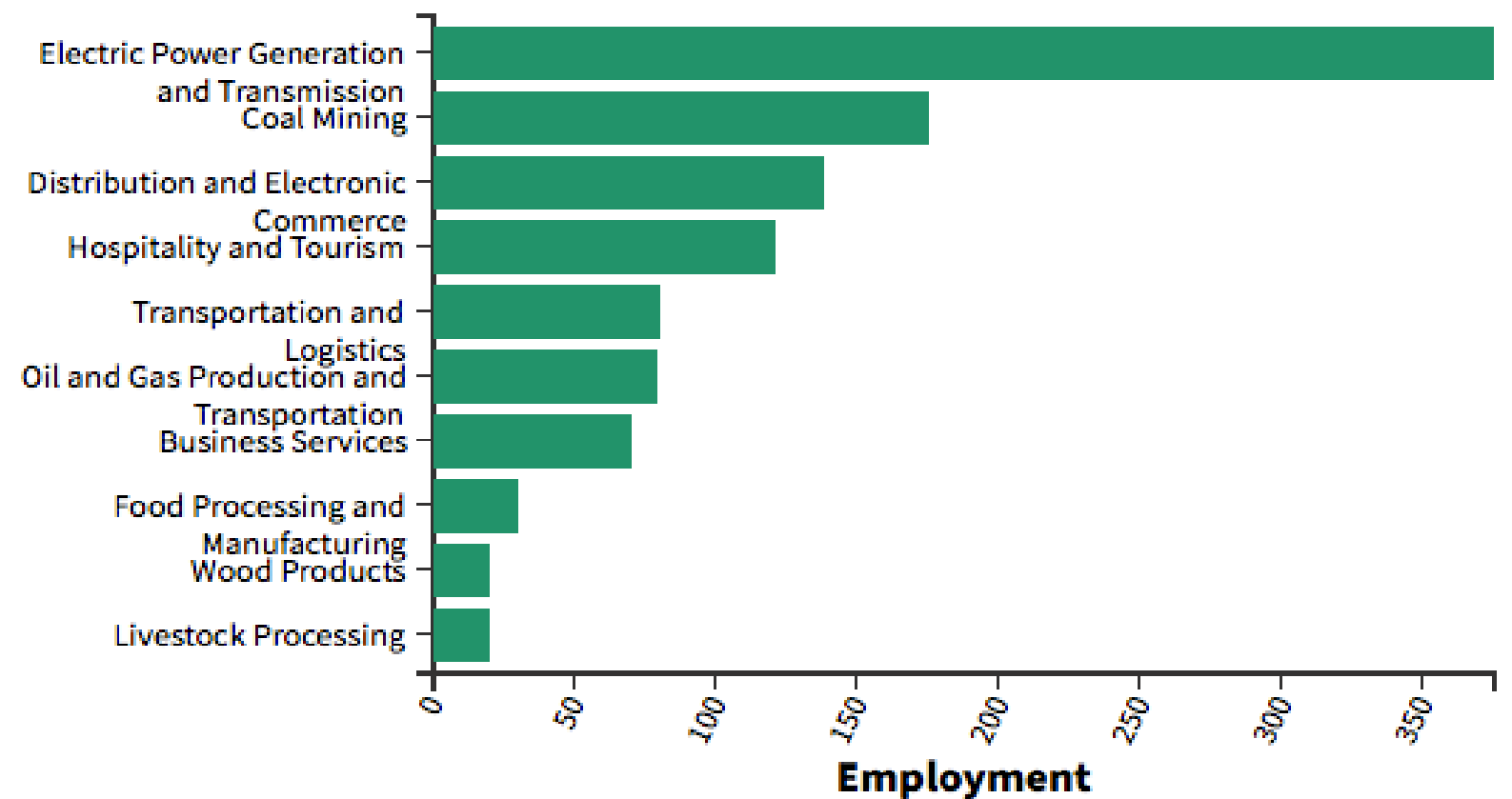
Cluster Portfolio, 2015



Traded vs. Local Clusters



Top Clusters by Employment

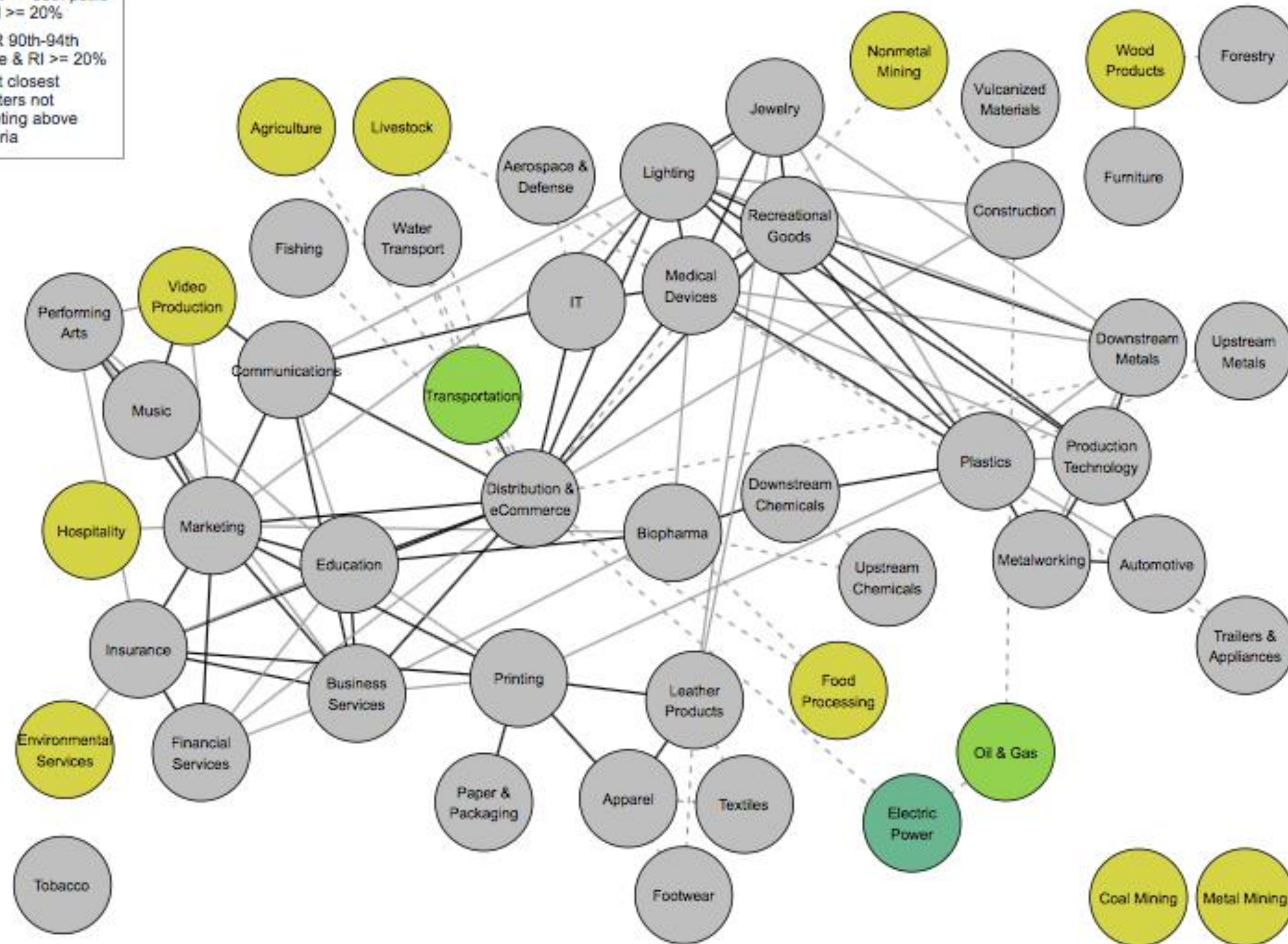


Cluster Linkages and Economic Diversification

Moffat County, CO, 2015

- Strong clusters above 90th percentile specialization
- Strong clusters above 75th percentile specialization
- Other specialized clusters (LQ > 1.0)

- BCR >= 95th pctile & RI >= 20%
- BCR 90th-94th pctile & RI >= 20%
- Next closest clusters not meeting above criteria



2 Colorado Coal-Fired Power Units To Close In Clean-Air Deal

September 1, 2016 at 4:36 pm

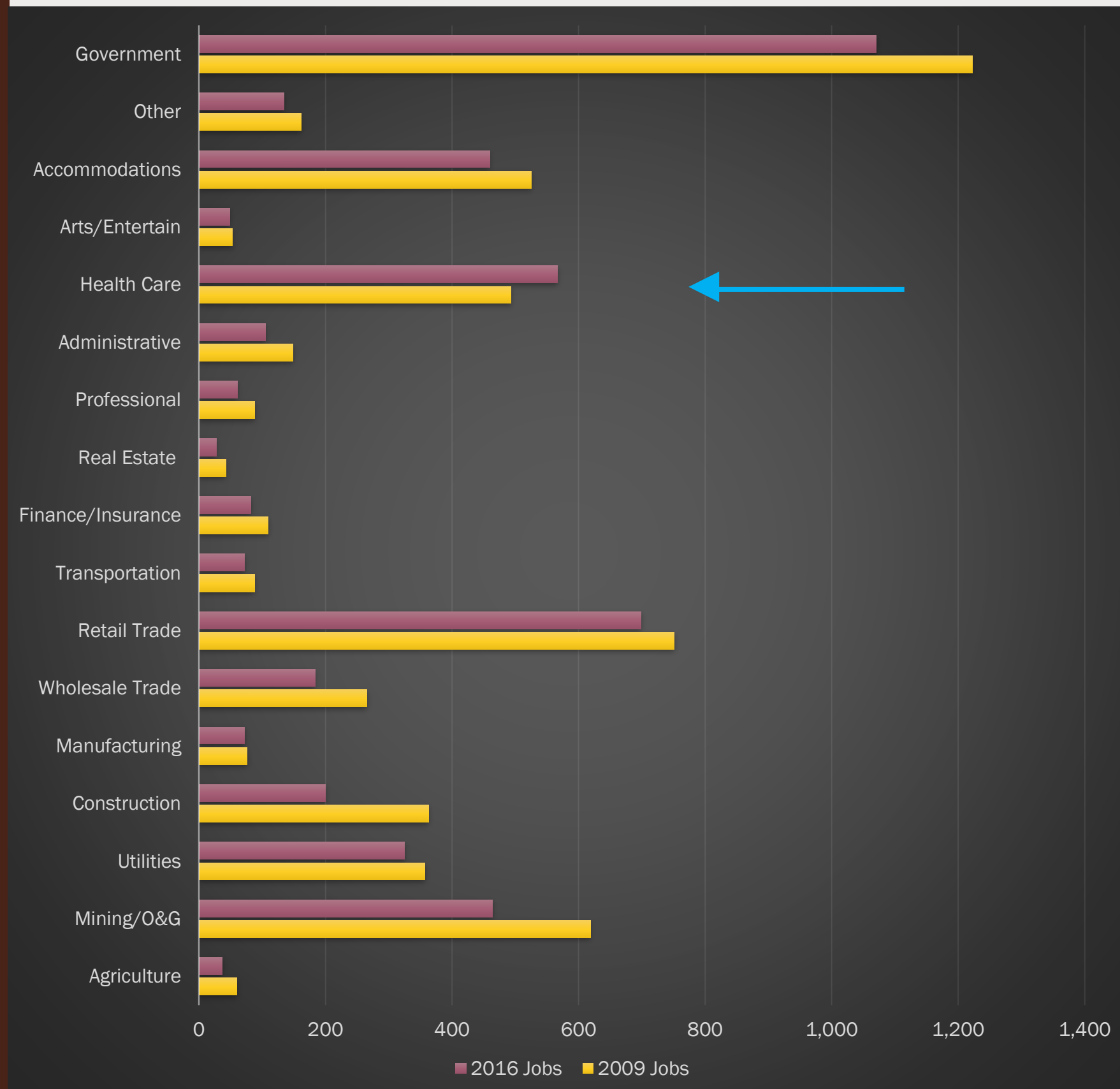
Unit 1 of the coal-fired Craig Station power plant will shut down by the end of 2025, but two other units will keep operating with new technology to reduce pollution ↗, Boughey said.

About 283 people work ↗ at the plant, but Tri-State doesn't yet know how many jobs will be eliminated, he said. Tri-State operates Craig Station, but other utilities own shares of the plant.

Moffat County is highly dependent upon the electric generation industry. The highest paying jobs and largest employers are all associated with the electric generation industry either directly or indirectly. Coal mining jobs and electric generation jobs rise and fall together. The anticipate closure of Unit 1 at the Craig Station owned by Tri-State will have a trickle down effect on all remaining industries within Moffat County. The Electric Power cluster is directly related to the other strongest clusters in Moffat County. Loss in jobs in this sector will have a significant impact. The industry has already experienced a decline in total jobs since 2009. Evidence of an eroding economy and increase in poverty is clear.

Job LOSS by Sector

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Since peak employment in 2009, all sectors have lost jobs with the exception of healthcare. Gains in healthcare have been nominal at 74 jobs.

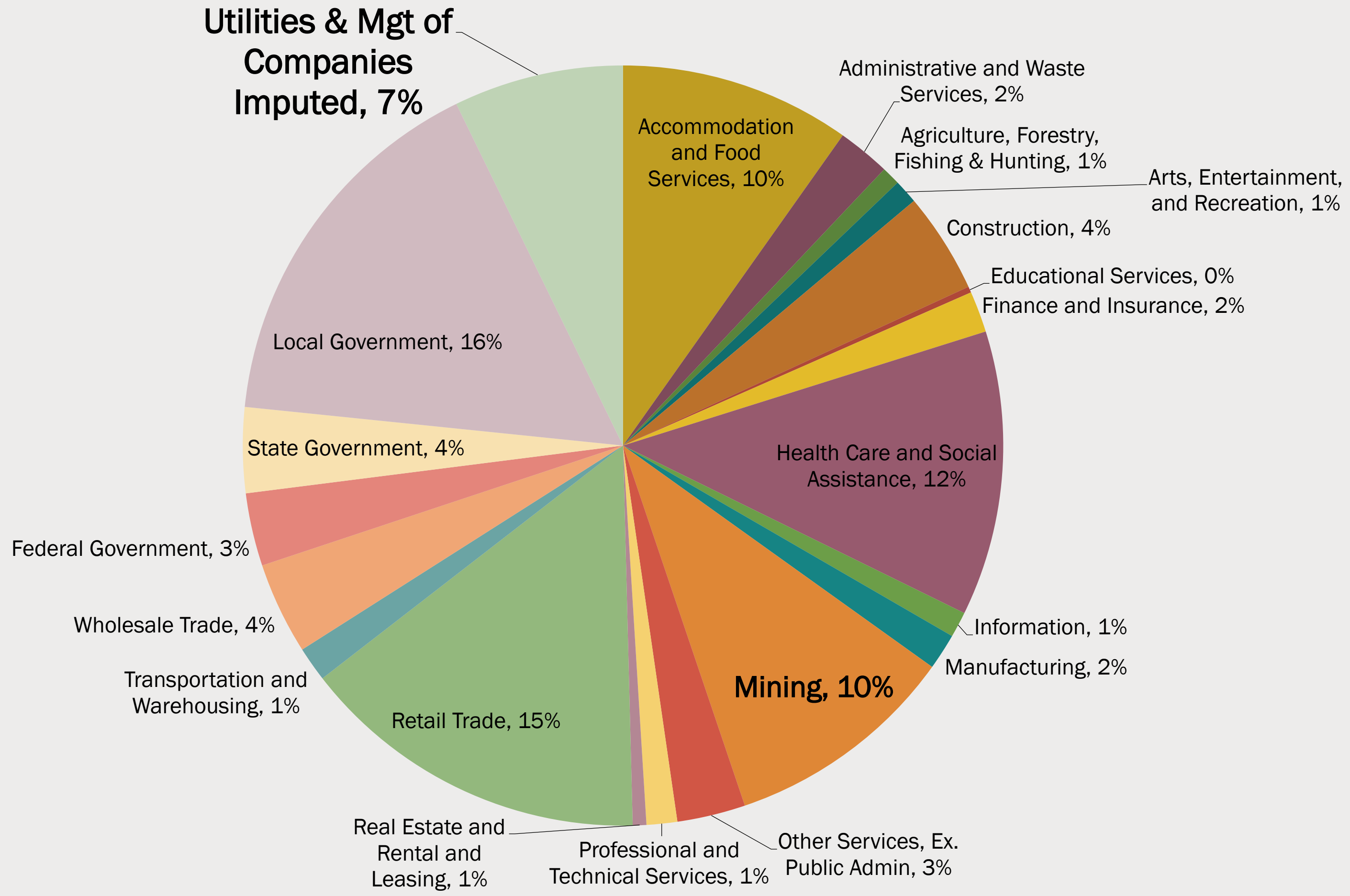
The industries with greatest total jobs lost are:

- Construction -162 Jobs
- Mining -154 Jobs
- Wholesale -82
- Government -152 Jobs

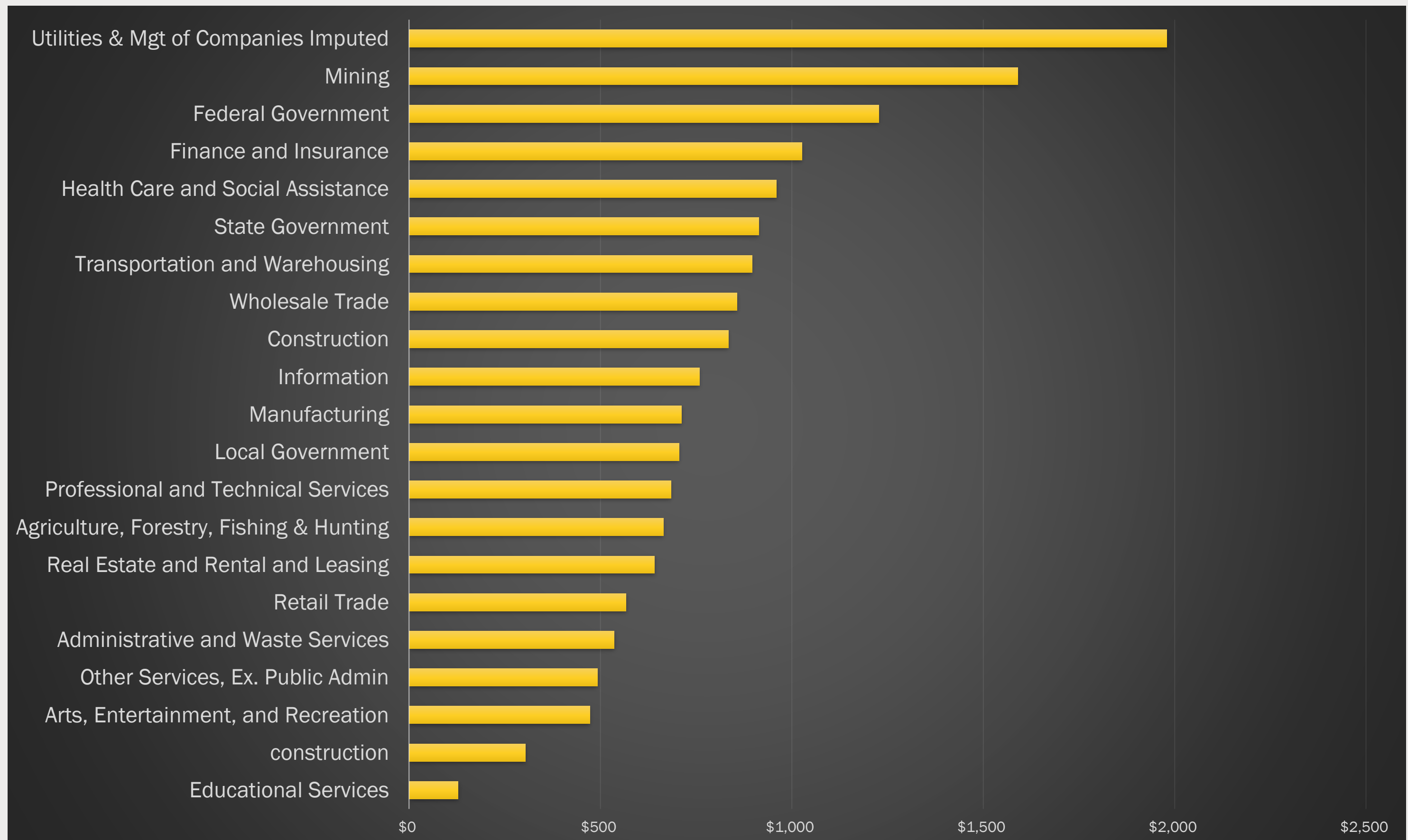
The County's largest sectors are Government, Retail Trade, Healthcare, Mining, Accommodations, and Utilities. However, combined, mining and utilities are the second largest with a combined 789 jobs.

Share of Jobs by Industry

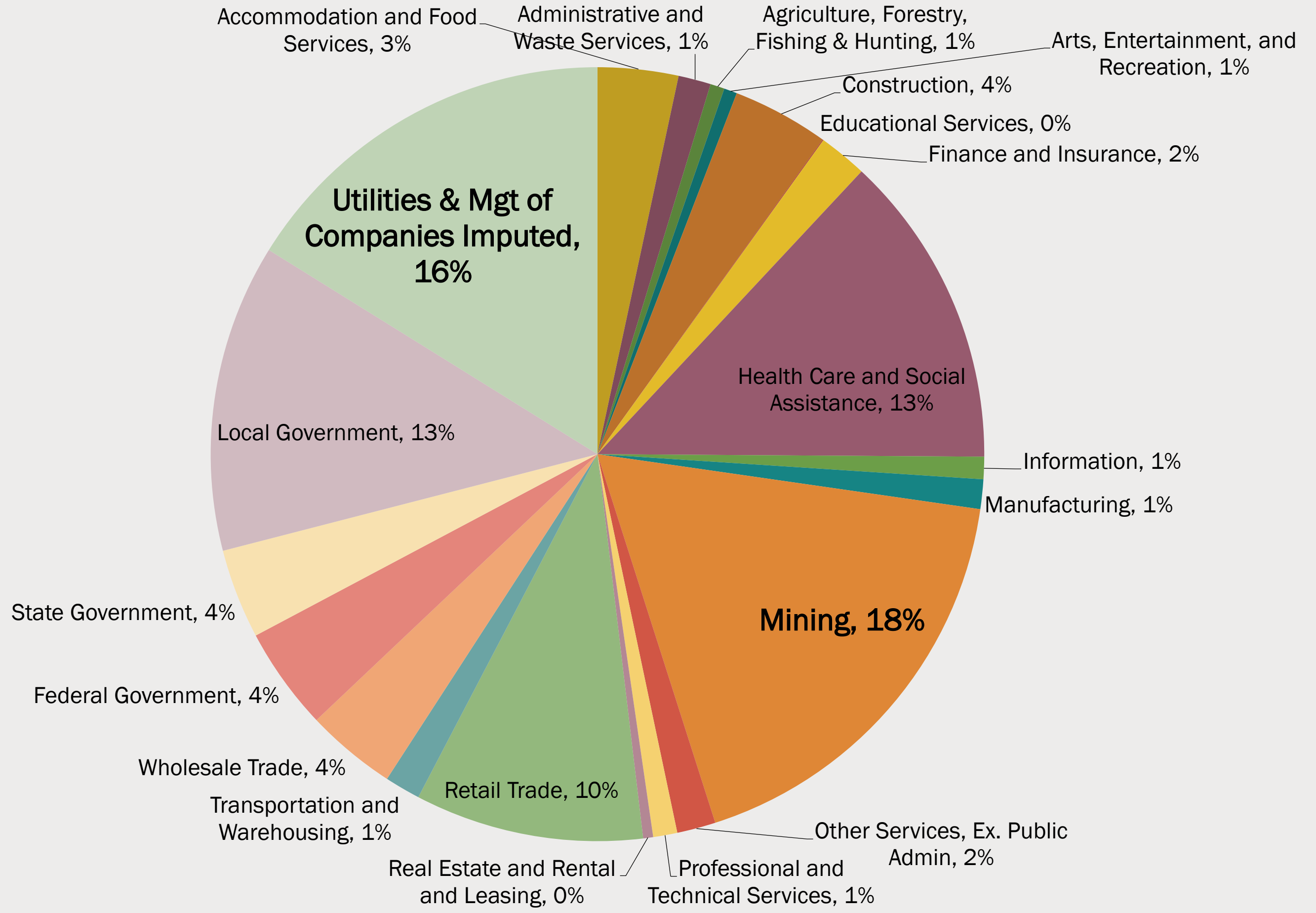
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Wages by Industry

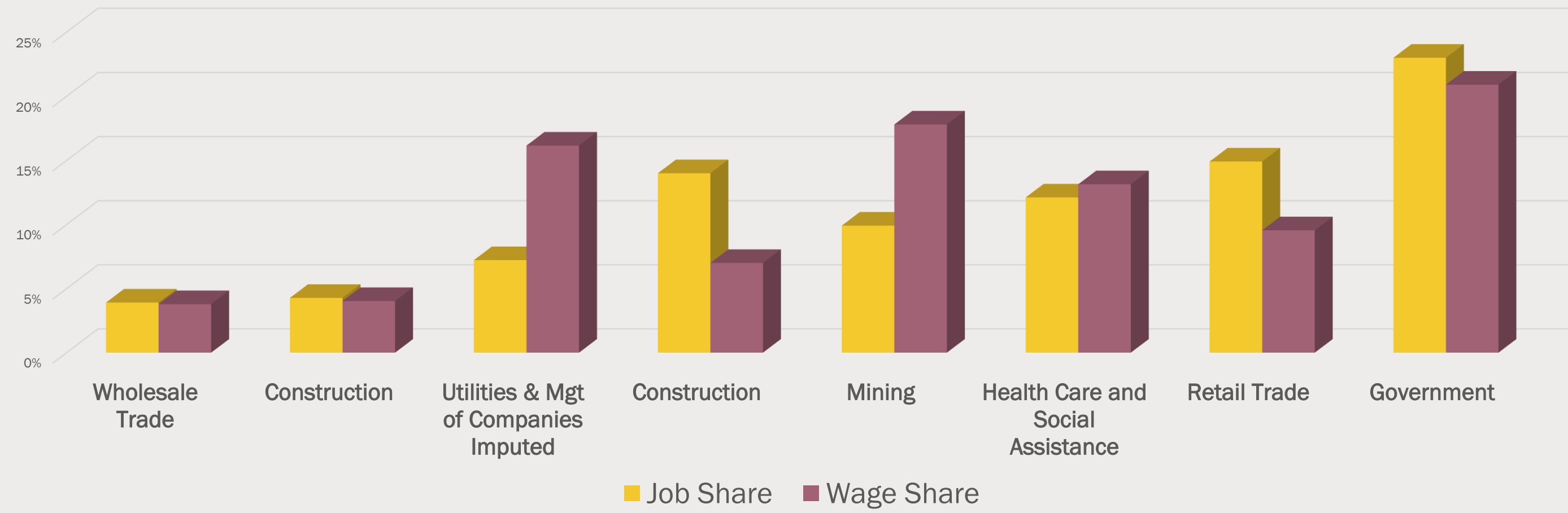


Share of Wages by Industry



Moffat County's Per Capita Income is bolstered by higher wage paying jobs in mining, utilities, management of companies, government, and healthcare. Coal mining jobs provide coal to the energy generation facilities in the region. Jobs in both sectors rise and fall together. Mining accounts for 14% of total jobs, but 18% of wages. Utilities and management of companies account for 7% of jobs but 16% of wages. Combined, these two sectors account for 34% of wages. Total average wages would be 20%, or \$179 lower per week if wages from the mining and utilities industry are subtracted out.

Government accounts for 23% of jobs and 21% of wages. Continued loss of jobs in these three sectors will put downward pressure on Moffat County's economy leading to increased rates of poverty and decreased Per Capita Income. Government jobs are at risk when jobs in the energy sector decline. The tax base erodes putting pressure on local government. Reduction in work force becomes necessary in the face of declining revenues, and demand for government jobs related to things like inspections are no longer necessary.



Mining, Quarrying, and Oil and Gas Extraction

- Data on jobs and wages listed in this report for mining include coal mining, quarrying, and oil/gas.
- There are an average 464 jobs in this sector.
- 76% of these jobs, or 352, are Coal Mining Jobs associated with the Colowyo and Trapper mines. There are an additional 248 jobs associated with Twenty Mile in Routt. Some of the 248 Routt jobs are likely held by Moffat residents.

Agriculture

- 2016: 432 Jobs
- 2010: 405 Jobs
- Average Wage: \$664
- 2012 Market Value: \$26,944,000

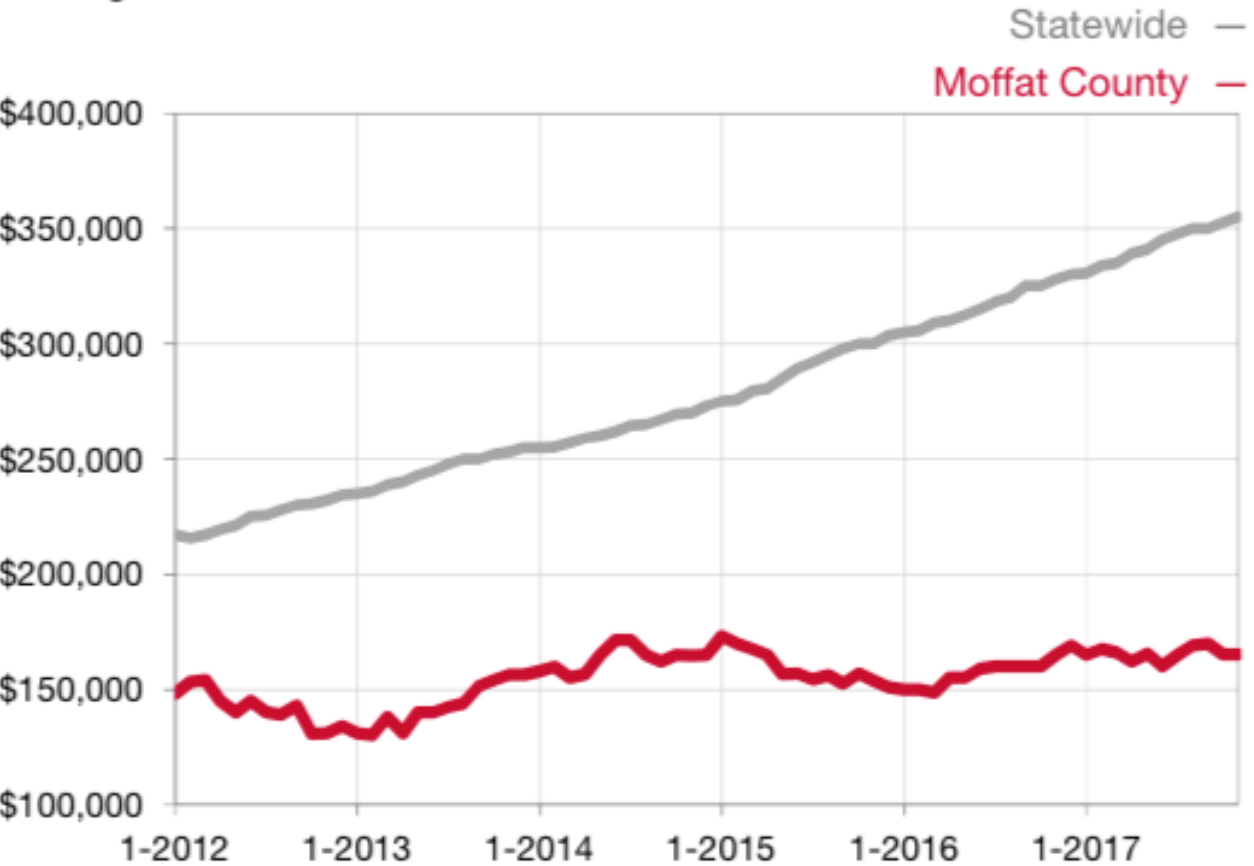
The USDA AG Census is conducted every five years. Between 2007 and 2012, Moffat County saw a decrease in agricultural market value, a decrease in the number of farms, but an increase in the farmed acreage. From 2010 to 2016 the County also saw an increase in ag related jobs. Agriculture statewide is experiencing challenges as commodity prices drop. An increase in total agriculture related jobs is a positive sign. New USDA Census data will be available in 2019.

Housing

- In 2017 the Median Sales Price of a single family residence was \$176,750 and the average was \$173,963.
- The Median Household Income for Moffat County is \$53,664
- An income of about \$54,531 is needed to purchase a home in the median price range.
- Moffat County's median income is about 2% lower than the necessary average income.
- Housing prices have remained relatively flat in Moffat County compared to strong growth in housing costs Statewide.
- Moffat County has relatively affordable housing. This is possibly an economic advantage, but puts the County at risk of becoming a bedroom community to larger more economically prosperous neighbors as workers are priced out of near by housing markets.

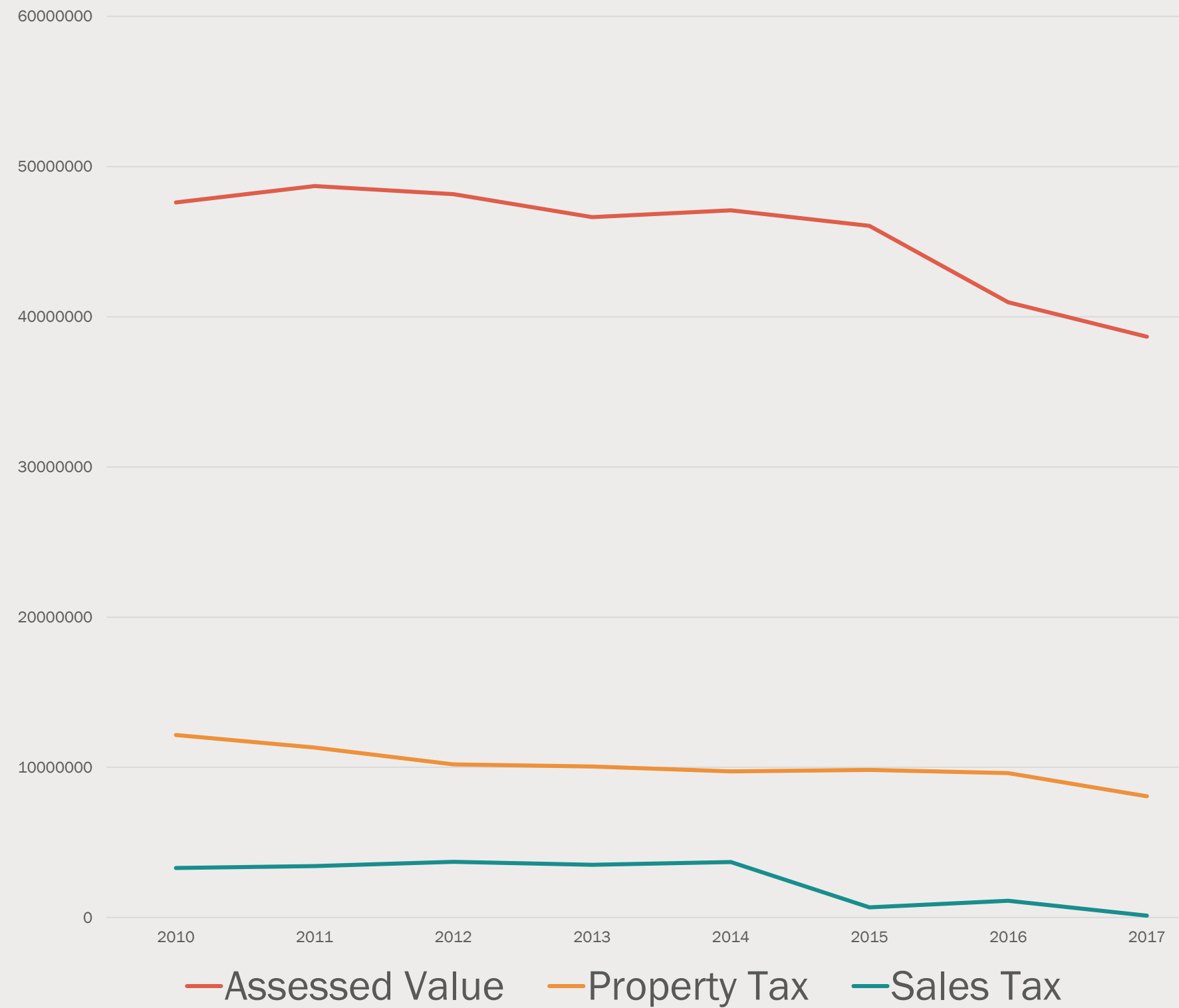
Single Family	November			Year to Date		
	2016	2017	Percent Change from Previous Year	Thru 11-2016	Thru 11-2017	Percent Change from Previous Year
New Listings	17	24	+ 41.2%	295	321	+ 8.8%
Sold Listings	26	22	- 15.4%	193	235	+ 21.8%
Median Sales Price*	\$178,750	\$176,750	- 1.1%	\$166,000	\$165,000	- 0.6%
Average Sales Price*	\$213,356	\$173,963	- 18.5%	\$179,383	\$172,168	- 4.0%
Percent of List Price Received*	96.1%	96.3%	+ 0.2%	95.7%	96.1%	+ 0.4%
Days on Market Until Sale	122	113	- 7.4%	128	137	+ 7.0%
Inventory of Homes for Sale	168	106	- 36.9%	--	--	--
Months Supply of Inventory	9.9	5.2	- 47.5%	--	--	--

Median Sales Price – Single Family
Rolling 12-Month Calculation



Tax Base

Since 2010 Moffat County has experienced a steady decline in assessed value, property and sales tax. In 2016, all of Moffat County’s top 10 taxpayers are connected to the energy industry either through mining or production. A decline in activity from these activities will put significant strain on the local tax base.

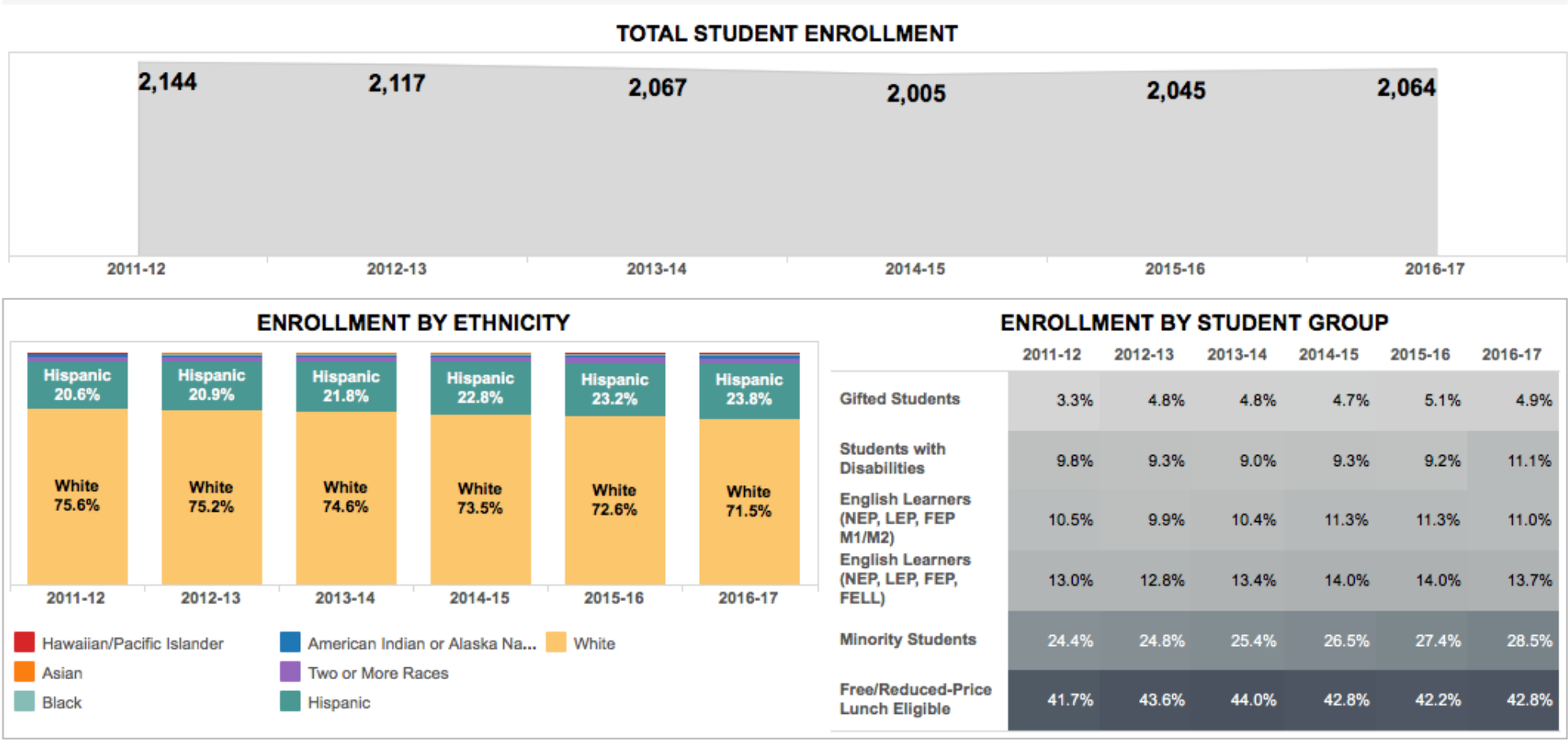


2016 Top 10 Taxpayers		
Company Name	Assessed Valuation	Tax Dollars
Tri-State Generation & Transmission Association	\$99,752,200	\$6,376,827
Pacificorp - Electric	\$22,873,000	\$1,463,437
Trapper Mining, Inc	\$17,448,404	\$1,116,316
Rockies Express Pipeline, LLC	\$17,839,000	\$1,046,489
Public Service (Xcel)	\$15,972,400	\$1,019,634
Wexpro Company Public Service Company of CO	\$17,260,271	\$1,012,539
ColoWyo Coal Company, LP	\$16,868,457	\$993,239
Wyoming Interstate Company	\$16,323,000	\$957,654
Salt River Project	\$8,464,700	\$541,580
Overland Pass Pipeline	\$6,240,600	\$366,150
TOTAL	\$239,042,032	\$14,839,865

EDUCATION

■ Moffat County has seen a corresponding decline in school enrollment, which mirrors the decline in overall population since 2010. Since 2011, the school has lost a total of 80 students. During this same period of time, free and reduced lunch percentages have increased from 41.7% to 42.8%.

■ Other coal dependent communities in Colorado, where mining jobs have been lost, have seen an increase in free and reduced lunch percentages by greater than 10% after the loss of coal mining jobs in the community.



Observations

- Unemployment rates are not the best indicator for economic distress in small rural counties highly dependent on one or more large employers. When job loss occurs, there are few options for workers, so they tend to leave the community. This reduces the number of workers looking for jobs, and thereby lowers the unemployment rate.
- The County's unemployment rate does not reflect the out migration and continued decline in jobs that has occurred.
- With total jobs down, and if out migration had not happened, the unemployment rate would be higher.

Conclusions

- Moffat County meets EDA's criteria for distress based on per capita income that is at least 80% less than the national average.
- Moffat County has not experienced economic recovery from the 2008 recession.
 - *The County has not returned to peak employment*
 - *Wages continue to decline*
 - *Population continues to decline*
 - *Poverty continues to increase*
- Colorado as a whole has not only recovered from the recession but has excelled with job growth, growth in wages, and population growth. These trends are not reflected in Moffat County.
- The closure of Unit 1 at Craig Station will impact wages and employment in multiple industry sectors in Moffat County.

- Human Service/Medicaid numbers
- Early learning availability (Survey?)
- Health Insurance costs/Mental Health data