



## **2005 Corporate Annual Report**

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## Letter from the President

2005 was the year for focus. With the selection of a new Executive Director in the spring, AEDA (Archuleta Economic Development Association) began transitioning from real estate development to concentrating on true economic expansion activities. We are very excited about the accomplishments of the organization, because the foundation for business attraction, effective business support, and true economic development for Archuleta County has been set. It was the year of many “firsts”, from developing our mission statement that will guide us into the next decade to attracting two companies to Archuleta County that will help diversify the economy and provide higher paying jobs.

With the rapid growth of Archuleta County, AEDA knew changes had to be made to our organization, and made quickly, if we were going to play a part in ensuring smart growth of the economy. Before any of the steps could be taken to make a positive impact, we had to put together many basics that most organizations already have in place.

To ensure our long-term success, our organization first focused on developing the right mission statement and objectives. Based upon specific goals, we then created a membership program as well as developing a website and an effective brochure to communicate our plan. We also set out to update key business and economic data for existing and prospective business owners. Once our focus was set, we then began developing the right relationships with County and Town officials, committee members, as well as key utility company staff. From there we were able to pass a resolution with the Town on economic incentives and to lay a foundation for attracting the right businesses here that could expand our economy.

Simultaneously, we established a focused business-mentoring program working with the Small Business Development Center out of Fort Lewis College in Durango. We are the only County that currently does one-on-one mentoring with both the SBDC mentor and the director of economic development working side by side to help the business owner. We also for the very first time held the NxLevel Leading Edge Entrepreneurial course here in Pagosa, which trains business owners on how to put together a business plan to ensure their success. These are just some of the ways that your investment dollars were put to good use.

We are very excited and looking forward to another banner year in 2006! We hope that this annual report will give you an idea on how your membership dues are helping to make Archuleta County a diverse, year-round economy that supports the needs, values and quality of life of our community. Thanks so much for your confidence and investment in our organization.

Sincerely,

John Hostetter  
President, Archuleta Economic Development Association



## **2005 Board Members & Officers**

### **Officers**

**John Hostetter – President**

Wells Fargo Bank

**Tim Horning – Vice President**

Southwest Custom Builders

**Carrie Campbell – Treasurer**

Pagosa Area Water and Sanitation District

**Briana Jacobson – Secretary**

The Real Choice Realty

### **Board of Directors**

City Representative – Ross Aragon  
Mayor of Pagosa Springs

County Representative – Mamie Lynch  
County Commissioner

Financial Institution Rep. – Marion Francis  
Bank of Colorado

Utilities Representative – Carrie Campbell  
Pagosa Area Water and Sanitation District

Chamber Representative – Mary Jo Coulehan  
Pagosa Springs Area Chamber of Commerce

Realtors Association Rep. – Briana Jacobson  
The Real Choice Realty

Builder's Association Rep – Tim Horning  
Southwest Custom Builders

Lodgers Association Rep – Bill Hudgins  
Sunetha Property Management

John Hostetter  
Wells Fargo

Jack Delange  
Pagosa Area Water and Sanitation  
District

Mike Alley  
La Plata Electric Association

Bob Eggleston  
Bank of the San Juans



## Who We Are

Archuleta Economic Development Association is a 501c(6) non-profit organization whose sole purpose is to enable, grow and sustain economic development in Archuleta County. Because we are not tied directly to any government authority, we are able to independently help businesses in the County.

We also serve to bridge the gap between business and government entities by helping both achieve the necessary goals to ensure quality of life and economic vitality in the community.

## AEDA Mission Statement

The mission of the AEDA is to provide business development and support in Archuleta County in order to nurture a diverse, local year-round economy that supports the needs, values and quality of life of our community.

## AEDA Services

**Business Mentoring** – Along with the Small Business Development Center (SBDC), we offer business plan development, relocation services, business expansion and individualized coaching to help you reach your goals.

**Business Training** – We offer the NxLevel Leading Edge Entrepreneurial course that helps the new or existing business owner put together a proper business plan so he/she is prepared for running a profitable business.

**Business Financing** – From working with Region 9 Economic Development District to SBA loans, USDA Rural Development loans or local banks, AEDA assists the business owner in receiving the proper financing they need.

**Business and Economic Data** – Whether you need demographics, retail sector, local industry, employment, income or other data, we give you the strategic information necessary to make informed business decisions.

**Business Incentives** – AEDA will work hard to ease the burden of starting, relocating or expanding your business through Enterprise Zone incentives, state grants, or local business incentives.

**Business Advocacy** – AEDA supports our local businesses by making sure the business environment in our County is enabling your business.





## **2005 AEDA Members**

**Town of Pagosa Springs  
Archuleta County  
Southwest Custom Builders  
Wells Fargo Bank  
Bank of the San Juans  
Bank of Colorado  
1<sup>st</sup> Southwest Bank  
Hart Construction Co.  
Builder's Association of Pagosa Springs  
Pagosa Springs Area Association of Realtors  
Pagosa Springs Area Chamber of Commerce  
La Plata Electric Association, Inc.**





## **2005 Accomplishments**

***“Your Investment Dollars at Work”***

- Worked with Town of Pagosa Springs & Region 9 EDD to secure incentives for Parelli Natural Horsemanship, which will create 25 new jobs over the next 5 years.
- Submitted 2 applications for grants to the CO EDC (Economic Development Commission) to provide incentives for 2 companies coming to Archuleta County.
- Worked with Project “Cave” to help ensure their relocation to Archuleta County. This new company will bring 10 new jobs to Archuleta County at an average salary of \$43,000 in the year 2007.
- Provided feedback to consultant Clarion on Economic Vitality portion of Town Comprehensive Plan.
- Became a member of the Citizen’s Advisory Committee for the Town Comprehensive Plan.
- Created mission statement for AEDA to guide us into the next millennium.
- Created Goals & Objectives and AEDA committees to ensure execution.
- Became member of Joint Utilities Commission to aid in infrastructure mapping and permit process.
- Helped local business owner Allen’s Body Shop secure a lot at Cloman Industrial Park. Construction will begin on their new building in 2006.
- Spoke at multiple public relation events – Builder’s Association, Realtor’s Association, La Plata County Leadership summit to promote AEDA.
- Created AEDA brochures for the very first time to help promote the services of AEDA.
- Created process with Joe Keck of the SBDC (Small Business Development Center) to mentor local business owners. Both Joe and executive director mentor local business owners to help ensure their success.
- Mentored over 40 local businesses on expansion, Enterprise Zone tax credits, cash flow projections, management of employees, loans, etc.



## 2005 Accomplishments, Cont'd

*“Your Investment Dollars at Work”*

- Executive director became trained and certified as an NxLevel Leading Edge instructor; a 12 week course to help business owners with their business plans.
- Created the first NxLevel Leading Edge class for Pagosa Springs. Currently training 26 business owners on their business plans.
- Developed solid, working relationships with Town & County governments, Town Council, Board of County Commissioners, Town & County planning, Joint Utilities Commission, CO workforce center, and many others.
- Began process of creating a 20 year economic strategic plan for Archuleta County with the CVC economic sustainability committee and Region 9 Economic Development District.
- Placed financial tracking into QuickBooks for better management of the corporation's funds. Included monthly financial reports into board meetings.
- Created membership strategy for AEDA, including services offered, membership benefits and investment options. Generated \$29,750 in memberships in 2005, not including the County's generous offer to double their membership investment to \$30,000 for 2006.
- Researched and selected insurance company for purchasing Director & Officer (D&O) insurance for the organization.
- Worked with Town of Pagosa Springs to adopt an incentives resolution. This resolution has passed and paves the way for AEDA to bring the right companies that will benefit our economy to the town for incentives.
- Created a business information package as a marketing tool to send to potential businesses looking at relocating to Archuleta County. Sent out over 25 business information packages in 2005.





## 2005 Economic Report

In 1970, manufacturing (primarily wood products) provided 30% of the county's total work income and generated \$7.4 million in earnings. Over the next 20 years manufacturing wages decreased. The decline of the timber industry in the late 1970's played a large role in this decrease. The 1980's were a time of relative stability in terms of population and economy, reflecting the "flat" state and national economies. Since that time Archuleta County has been in transition from a traditional rural community to a more urban environment in which tourism is the number one industry. The natural environment, and the amenities it provides, are behind much of the growth and have become the larger region's chief economic asset.

Archuleta County is comprised of 872,960 acres (1,364 sq. miles). Only 34% of lands in Archuleta County are in private ownership. Although Archuleta County is technically not zoned, the county controls the use of land through its recently adopted (September 2003) conditional use process. Tribal lands comprise 14.4% of the county and any decisions regarding their development (i.e. mineral and timber resources) could be crucial to impacts on county resources and economic development. Most of the northern and eastern portions of the county (51.6%) are within the San Juan National Forest and are under the management of the U.S. Forest Service. Federal lands continue to be managed under a policy of multiple use.

### Population

In 2000 the county's population was 9,898. According to the 2000 Census the median age was 40.8. Males comprised 51% and females comprised 49% of the total population. The average household size was 2.47 people. From 1990 to 2000 Archuleta County has shown, at 6.36%, the highest annual percent of population increase in Southwest Colorado. Since that time, the County's annual growth rate from 2000 to 2004 has decreased to 3.2%, but shows no sign of decreasing from this point. In 2004, the town of Pagosa Springs estimated annual growth is only .7%, while the unincorporated areas of the County are growing much faster at a rate of 3.7% per year. The County's population for 2004 is at an estimated 11,464. Most of the population growth is from people moving into the County, but this trend has been decreasing in percentage since 2000. Of the 268 estimated total population increase for 2004, an estimated 122 people were born (45.52%), there were 64 deaths, and 211 people moved into the County from other places.

	Census 2000	Estimates				Avg Annual % Change 2000-2004
		2001	2002	2003	2004	
Archuleta	9,898	10,548	10,912	11,196	11,464	3.2%
Pagosa Springs	1,591	1,621	1,621	1,618	1,620	0.4%
Unincorporated	8,307	8,927	9,291	9,578	9,844	3.7%

Source: Colorado Demography Section estimates 11-05

Archuleta	2000	2005	2010	2015	2020	2025	2030
Population	10,027	11,966	14,300	16,770	19,627	22,939	26,862
Avg. Ann. % Change		3.6%	3.6%	3.2%	3.2%	3.2%	3.2%

Source: Colorado Demography Section estimates 11-05

These population figures, however, do not reflect the large number of seasonal residents in the area. A local study on 2<sup>nd</sup> homes (in progress) indicates that 60% of residential properties are owned by people that live outside of the county. The social and economic impacts of these 2<sup>nd</sup> homes are still being assessed.

## Land Ownership

From the local 2<sup>nd</sup> home study that is still in progress, we find that there are 14,992 private properties in Archuleta County. 8,847 or 59% are owned by people not living in the County. These properties include parcels with some type of housing (improved), vacant lands (unimproved), and agricultural lands. Over half of these properties are owned by people living in Texas, other Counties in Colorado, or California.

Non-local states of origin	Number	%
Texas	1923	21.74%
Colorado	1598	18.06%
California	1308	14.78%
Others	1278	14.45%
New Mexico	1058	11.96%
Arizona	683	7.72%
Oklahoma	366	4.14%
Florida	266	3.01%
Illinois	136	1.54%
Kansas	128	1.45%
Nevada	103	1.16%

Data taken from Archuleta County Tax Assessor's office - 2004

## Housing

According to the latest Colorado Demography Office housing data, there were 7,459 housing units in Archuleta County in 2004. Of these units, 62% were occupied, and 38% were vacant.

If we look at the Archuleta County Tax Assessor's data, we can see the average actual price of homes in the County, as rated by the Assessor's office. From the table below, you can see that most homes fall in the \$100,000 to \$199,999 range.

Actual Home Prices	Non Local	Local	# of Housing Units	% of Homes	% 2nd Homes
<100,000	781	1,020	1,801	27.80%	43%
100,000-199,999	891	1,649	2,540	39.21%	35%
200,000-299,999	428	793	1,221	18.85%	35%
300,000-399,999	184	315	499	7.70%	37%
400,000-499,999	81	148	229	3.54%	35%
500,000-599,999	38	50	88	1.36%	43%
600,000-699,999	18	21	39	0.60%	46%
700,000-799,999	11	11	22	0.34%	50%
800,000-899,999	6	4	10	0.15%	60%
900,000-999,999	2	8	10	0.15%	20%
1,000,000-1,999,999	11	6	17	0.26%	65%
2,000,000-4,999,999	1	-	1	0.02%	100%
\$5 million +	1	-	1	0.02%	100%
TOTAL	2,453	4,025	6,478	100.00%	38%

Data taken from Archuleta County Tax Assessor's office - 2004

Looking at the type of units gives us the ability to understand what type of residential buildings is most common in the area. From the table below, you can see that single family home by far is the largest type of residential home.

Type of Unit	Non Local	Local	# of Housing Units	% 2nd Homes
Condo	334	440	774	43%
Mobiles & Modulares	77	183	260	30%
Multi Family	28	52	80	35%
Single Family	2,014	3,346	5,360	38%
<b>Total</b>	<b>2,453</b>	<b>4,021</b>	<b>6,474</b>	

In 2003, the median price of a home was \$181,000, and 42% of the population could not afford a home at that price. [Source: Operation Health Communities (OHC)]

If we take a look at rent and required income for 2003, we find that the average rent for a 1 bedroom apartment was \$700/month. To afford the 1 bedroom, a person would require an income of \$28,000. The 2 bedroom apartment average rent was \$900/month, with a required income of \$36,000, and a 3 bedroom was \$1,100/month, with a required income of \$44,000.

### Employment and Income

One of many ways to analyze an economy is to look at employment and income. If unemployment is low, average salaries are high and there is a balance of strong growth across sectors, you know the economy is doing well. If we look locally at Archuleta County, although there is a low unemployment rate (4.9% in 2004), wages and employment are highly dependent on generally low paying retail and service sector jobs driven primarily by the tourist and resort industry.

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

Source: Colorado Dept of Labor

Unfortunately, there is a data lag of about two years in the Bureau of Economic Analysis (BEA) employment and income statistics, thus 2003 is currently the latest year available for review.

If we take a look at the 2003 employment and income chart below, we see the service sector provides 39% of jobs and 33% of employment income. Construction is the 2<sup>nd</sup> highest sector, providing 17% of the jobs, and 18% of the income. The wholesale and retail trade sector is 3<sup>rd</sup>, accounting for 15% of jobs and 16% of the income.

Archuleta County 2003 Total Employment	# of Jobs	% of Jobs	Income (\$000)	% of Inc.	avg. annual wage
Agriculture	203	4%	\$ (3,229)	-3%	
Mining & Utilities	75	1%	\$ 4,005	3%	\$ 53,400
Construction	884	17%	\$ 20,752	18%	\$ 23,475
Manufacturing	46	1%	\$ 1,098	1%	\$ 23,870
Transportation & Warehousing	65	1%	\$ 1,446	1%	\$ 22,246
Trade	789	15%	\$ 18,501	16%	\$ 23,449
Finance, Insurance & Real Estate	540	10%	\$ 18,494	16%	\$ 34,248
Services	2,096	39%	\$ 39,246	33%	\$ 18,724
Government	646	12%	\$ 18,125	15%	\$ 28,057
<b>Total</b>	<b>5,344</b>	<b>100%</b>	<b>\$ 118,438</b>	<b>100%</b>	<b>\$ 22,163</b>

Source: Colorado Demography Section April 05

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

& ES 202 (Colo. Div. of Labor) includes proprietor income

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. Most of the service jobs in Archuleta County support the tourism industry, in accommodation and food services.

Archuleta County 2003 Service Sectors	# of Jobs	% of Jobs	Income (\$000)	% of Inc.	avg. annual wage
Information	94	4%	5,513	14%	\$ 58,649
Professional, Scientific, Technical	264	13%	5,716	15%	\$ 21,652
Administrative, Support, Waste Mgt.	168	8%	2,284	6%	\$ 13,595
Education, Health, Social Assistance	372	18%	7,779	20%	\$ 20,911
Arts, Entertainment, Recreation	131	6%	1,665	4%	\$ 12,710
Accommodation, Food Service	609	29%	9,408	24%	\$ 15,448
Other Services	458	22%	6,881	18%	\$ 15,024
Total	2,096	100%	39,246	100%	\$ 18,724

Source: Colorado Demography Section April 05

## Livable Wages

Operation Health Communities (OHC) has determined that in 2003 a minimum of \$10.36/hr provided a livable wage in Archuleta County, if you were a single person living in a 1 bedroom apartment. The average weekly wage of all jobs for Archuleta County in 2004 was \$24,462. [CO Dept of Labor ES202 report]

## Base Analysis

Now that we have an understanding of the industry sectors with employment and income, another way to segment the same data is by looking at what businesses cause the economy to grow, and what businesses merely circulate the same dollars in the local economy. This is called Base Analysis. Base Analysis distinguishes which industries and factors are basic to the economy and are responsible for overall growth and change. The businesses are broken up into 3 main categories:

**Indirect base:** activities provide supplies or services to basic industries, and generally **re-circulate dollars** within the local economy. One example would be the local agricultural co-op that provides seed, fertilizers, and fuel to area farmers.

**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.

**Direct base:** activities produce exports or derive their sales or income from outside sources. These activities **bring in outside dollars** to circulate within the local economy. Just as you saw jobs grouped into sectors in the employment and income analysis, so now those same jobs are regrouped if they are direct based in nature to the following industries:

**Agribusiness** – activities related to agriculture including agricultural production, agricultural inputs, and agricultural processing.

**Mining** – includes all mine operation and support activities. Mine operations include establishments operating mines, quarries, or oil and gas wells. Mining support activities include establishments that perform exploration and/or other mining activities, such as land clearing.

**Manufacturing** – includes all activities that can be classified under manufacturing except for food and kindred product manufacturing, which is included in agribusiness.

**Regional Center/National Services** – includes all establishments primarily engaged in providing services to a region (a group of counties) or the nation. Examples include utility companies, transportation (i.e. airports), construction companies, and some financial institutions

**Tourism** – all establishments with activities related to tourism, including accommodations, second homes (real estate and construction sectors), tourist services, and transportation.

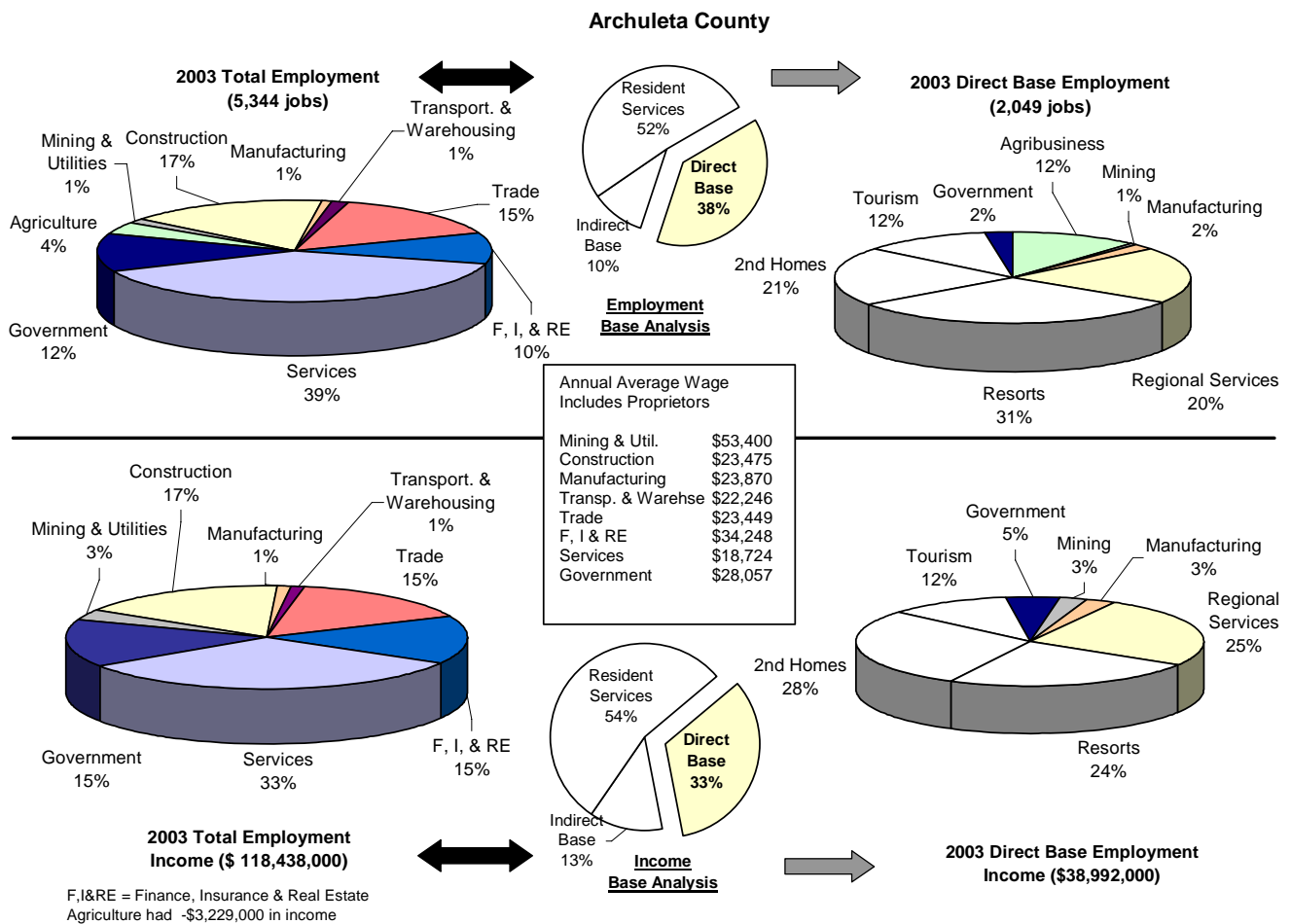
**Government** – includes all government-owned establishments regardless of activity.

The chart below shows the breakdown with of direct based jobs, grouped by direct based industry:

2003 Direct Base Industries Archuleta County	# of Jobs	% of Jobs	Income (\$000)	% of Inc.
Agribusiness	239	12%	\$ (2,352)	-6%
Mining	12	1%	\$ 1,034	3%
Manufacturing	39	2%	\$ 1,093	3%
Regional Services	409	20%	\$ 10,740	28%
Resorts	634	31%	\$ 9,799	25%
Second Homes	423	21%	\$ 11,884	30%
Tourism	244	12%	\$ 4,779	12%
Government	49	2%	\$ 2,015	5%
Total	2,049	100%	\$ 38,992	100%

Source: Colorado Demography Section April 05

The graphs below show how total employment (all jobs and job income) is divided using base analysis into direct base employment. Direct base jobs and job income are then examined to see which sectors are responsible for bringing in the most dollars from outside the local economy.



We see from this analysis that 38% of the total jobs in Archuleta County are direct based in nature.

The tourism industry is a combination of the white portions of the pie, which includes the tourism sector (includes jobs from service, trade, insurance & finance, and transportation sectors), the 2<sup>nd</sup> homes sector (Some tourists buy land and build 2<sup>nd</sup> homes here to enjoy the quality of life in Archuleta County, often called *amenity migration*, stimulating the construction and real estate sectors) and the Resorts sector. The tourism industry is by far Archuleta County's largest direct base industry, accounting for 63% of the direct base employment.

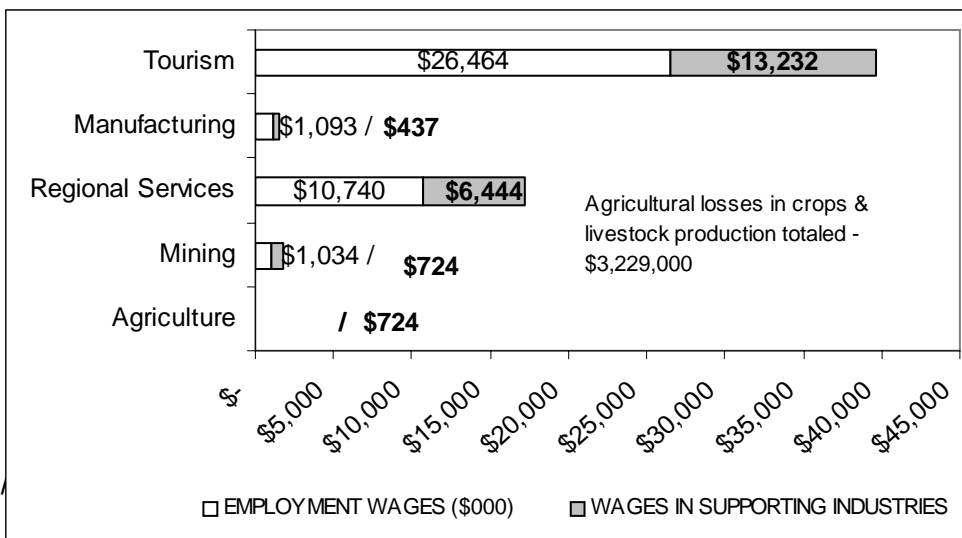
## RIMS II Economic Model

In the 1970's, the Bureau of Economic Analysis (BEA) of the U.S. Dept. of Commerce developed a regional input-out model for the United States known as the Regional Industrial Multiplier System (RIMS). The model was developed so that the regional effects of policy changes could be evaluated. In 1986, this model was refined and renamed the Regional Input-Output Modeling System, known as RIMS II. This model is available for evaluating regional impacts across the country and is arguably the best-known and most widely applied forecasting model for assessing economic impacts.

Using a series of multipliers provided by the Colorado Demography Section, we can look at the direct base jobs and job income in our local area in 2003. The RIMS II model also allows us to see how many supporting in-direct jobs and income there are that support the direct base jobs. We can also measure the relative strength of our direct base activities, as shown below.








In Archuleta County we see that tourism provides the most direct base jobs (those that bring in money from outside the area) and supporting jobs and job income (indirect base).

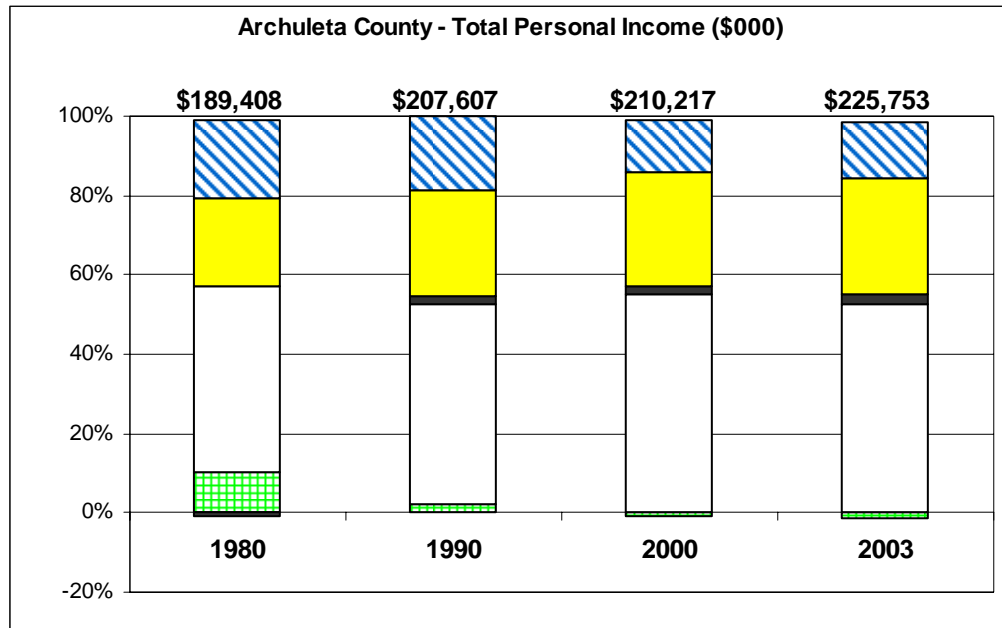


Sustainable economies should be diverse and balanced, so that if one industry declines it doesn't drastically affect the local economy. As you can see, Archuleta County is not balanced, and needs to work hard to bring in more companies that can help balance out the Tourism industry.

## Total Personal Income

In addition to employment income, money enters the local economy from other sources. Total Personal Income (TPI) is the sum of all personal income that flows into the county. The following chart examines the components of TPI and how the proportions of this income have changed over time.

-  **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 nonprofit institutions.
  
-  **Dividend income** is income that is paid in cash or other assets to stockholders by corporations in the U.S. or abroad. **Interest** income consists of monies received from money market mutual funds and interest from other sources. **Rental** income consists of income from the rental of real property, the net income of owner - occupants of non-farm dwellings, and the royalties received from patents, copyrights, and from the rights to natural resources.
  
-  **Residency adjustments** are made when a person receives income for work performed and paid for from outside their place of residency, i.e. commuters. Negative numbers mean that more people were coming into the county for work than were commuting out.
  
-  **Non-Farm earnings** are derived from (non-agricultural) employment within the region.
  
-  **Farm earnings** are from agriculture production within the region (farming, ranching).



Generally, we see a trend of decreasing employment income, and increasing income from dividends, interest and rent, and transfer payments. Residency adjustments illustrate how the economy of each county is tied to the others as people commute to where the jobs are, but take their paychecks home. For more information regarding commuter patterns go to <http://dola.colorado.gov/demog/WorkerFlow.cfm>.

## Retail Sales

The last type of analysis worth looking at deals with retail sales. By understanding leakage and surplus areas of the retail industry, as well as understanding total sales, we can arrive at where there might be areas of focus to ensure a well balanced retail sales industry that can provide all the necessary services and products that Archuleta County requires.

If we look at the retail sectors in greater detail we can see that some groups have a surplus (drawing in shoppers for these items from outside of the area), while others show leakage (purchases of these goods are being made outside of the county). The sectors with negative numbers are not meeting their sales potential, and a closer look at them could provide opportunities for new businesses or expansion of existing businesses.

Archuleta County Retail Trade Sectors 2003	Estimated # of Firms	Average Sales per Firm	Actual Sales	Potential Sales	Surplus or Leakage	Surplus or Leakage as a % of Potential	Percent of Actual Sales
Motor Vehicles/Parts	7	\$ 433,429	\$ 3,034,000	\$ 19,672,661	\$ (16,638,661)	-85%	3%
Clothing	9	\$ 207,778	\$ 1,870,000	\$ 3,498,820	\$ (1,628,820)	-47%	2%
General Mchdse	NA		\$ 7,665,000	\$ 12,299,702	\$ (4,634,702)	-38%	8%
Furniture, etc.	12	\$ 196,667	\$ 2,360,000	\$ 3,057,428	\$ (697,428)	-23%	2%
Health Care Products	NA		\$ 2,062,000	\$ 2,060,960	\$ 1,040	0%	2%
Sport/Hobby Shops	17	\$ 216,235	\$ 3,676,000	\$ 3,233,653	\$ 442,347	14%	4%
Misc Retail Stores	32	\$ 123,563	\$ 3,954,000	\$ 3,363,604	\$ 570,396	17%	4%
Non-store Outlets	32	\$ 87,156	\$ 2,789,000	\$ 1,738,376	\$ 1,050,624	60%	3%
Food/Bev Stores	17	\$ 1,783,647	\$ 30,322,000	\$ 13,835,374	\$ 16,486,626	119%	31%
Bldg Materials/Gard	12	\$ 1,767,417	\$ 21,209,000	\$ 6,209,668	\$ 14,999,332	242%	22%
Confidential Sectors	33	\$ 560,152	\$ 18,485,000	NA	NA	NA	19%
<b>Total</b>	<b>171</b>	<b>\$ 569,743</b>	<b>\$ 97,426,000</b>				<b>100%</b>

NA=Not available

Retail sales can be broken down into 2 main categories; retail trade and retail services. Retail trade is composed of merchandise sectors such as food stores, hobby shops, etc. Retail services are businesses that provide a service, and also sell products in the course of that service. One example might be a movie theater, categorized as an arts/entertainment service that provides entertainment and also sells drinks and popcorn. The proceeds of the snack bar are reported as retail sales revenue (of course it is way more complicated than this). Non-store outlets include catalog and internet sales, businesses that come to you, as well as traveling sales, i.e. festivals and art shows. General merchandisers include stores that sell many of the goods (such as electronics/appliances) that are not meeting their potential at other outlets.

Archuleta County Retail Service Sectors 2003	Estimated # of Firms	Average Sales per Firm	Actual Sales	Potential Sales	Surplus or Leakage	Surplus or Leakage as a % of Potential	Percent of Actual Sales
Health/Social Assistance	4	\$ 237,750	\$ 951,000	\$ 4,102,632	\$ (3,151,632)	-77%	1%
Admin/Support/Waste	7	\$ 70,857	\$ 496,000	\$ 1,655,355	\$ (1,159,355)	-70%	0.7%
Finance/Insurance	18	\$ 32,722	\$ 589,000	\$ 1,533,519	\$ (944,519)	-62%	0.8%
Agricultural	3	\$ 26,667	\$ 80,000	\$ 205,342	\$ (125,342)	-61%	0.1%
Manufacturing	30	\$ 124,233	\$ 3,727,000	\$ 9,285,948	\$ (5,558,948)	-60%	5%
Information	56	\$ 85,255	\$ 4,689,000	\$ 7,621,487	\$ (2,932,487)	-38%	6%
Wholesale	30	\$ 237,000	\$ 7,110,000	\$ 11,373,742	\$ (4,263,742)	-37%	9%
Arts/Entertainment	4	\$ 186,000	\$ 744,000	\$ 1,016,200	\$ (272,200)	-27%	1.0%
Professional/Technical	37	\$ 228,351	\$ 8,449,000	\$ 8,020,824	\$ 428,376	5%	11%
Real Est/Rentals	35	\$ 155,171	\$ 5,431,000	\$ 3,936,786	\$ 1,494,214	38%	7%
Government	5	\$ 98,000	\$ 490,000	\$ 310,035	\$ 179,965	58%	0.6%
Eating/Drinking Services	43	\$ 319,884	\$ 13,755,000	\$ 8,534,870	\$ 5,220,130	61%	18%
Other Services	36	\$ 241,389	\$ 8,690,000	\$ 3,942,636	\$ 4,747,364	120%	12%
Mining	3	\$ 724,333	\$ 2,173,000	\$ 951,171	\$ 1,221,829	128%	3%
Lodging	24	\$ 306,000	\$ 7,344,000	\$ 2,921,483	\$ 4,422,517	151%	10%
Construction	21	\$ 515,333	\$ 10,822,000	\$ 3,461,035	\$ 7,360,965	213%	14%
<b>Total</b>	<b>356</b>	<b>\$ 212,789</b>	<b>\$ 75,540,000</b>	<b>\$ 68,872,865</b>	<b>\$ 6,667,135</b>		<b>100%</b>

## **Conclusion**

It is our hope that this corporate report has helped you gain a better understanding of what role Archuleta Economic Development plays in the economy here. We also hope that the economic analysis provided helped you get a general understanding of the status of our economy. In the future, we hope to develop indicators that will allow for better trending and understanding of our growth. By having better indicators, we can track our success to enable, grow and sustain economic development in Archuleta County. This will allow us to accomplish our goal of having a diverse, local year-round economy that supports the needs, values and quality of life of our community.

Our focus in 2006 is to develop a focused business attraction effort as well as continuing to further support the current businesses in Archuleta County. Through all of our activities, whether it is working with government and community officials to provide business incentives or simply providing effective business mentoring and job fairs, we strive to diversify our economic base as well as the economic stability of our citizens. By attracting key companies to our area that will provide above-average wage, we can directly influence the quality of life in Archuleta County. We look forward to being an intricate player in establishing the future of Pagosa Springs and Archuleta County and invite you to continue your support.