
2014

Owasso Economic Outlook

March 14, 2014

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The Owasso outlook continues to strengthen

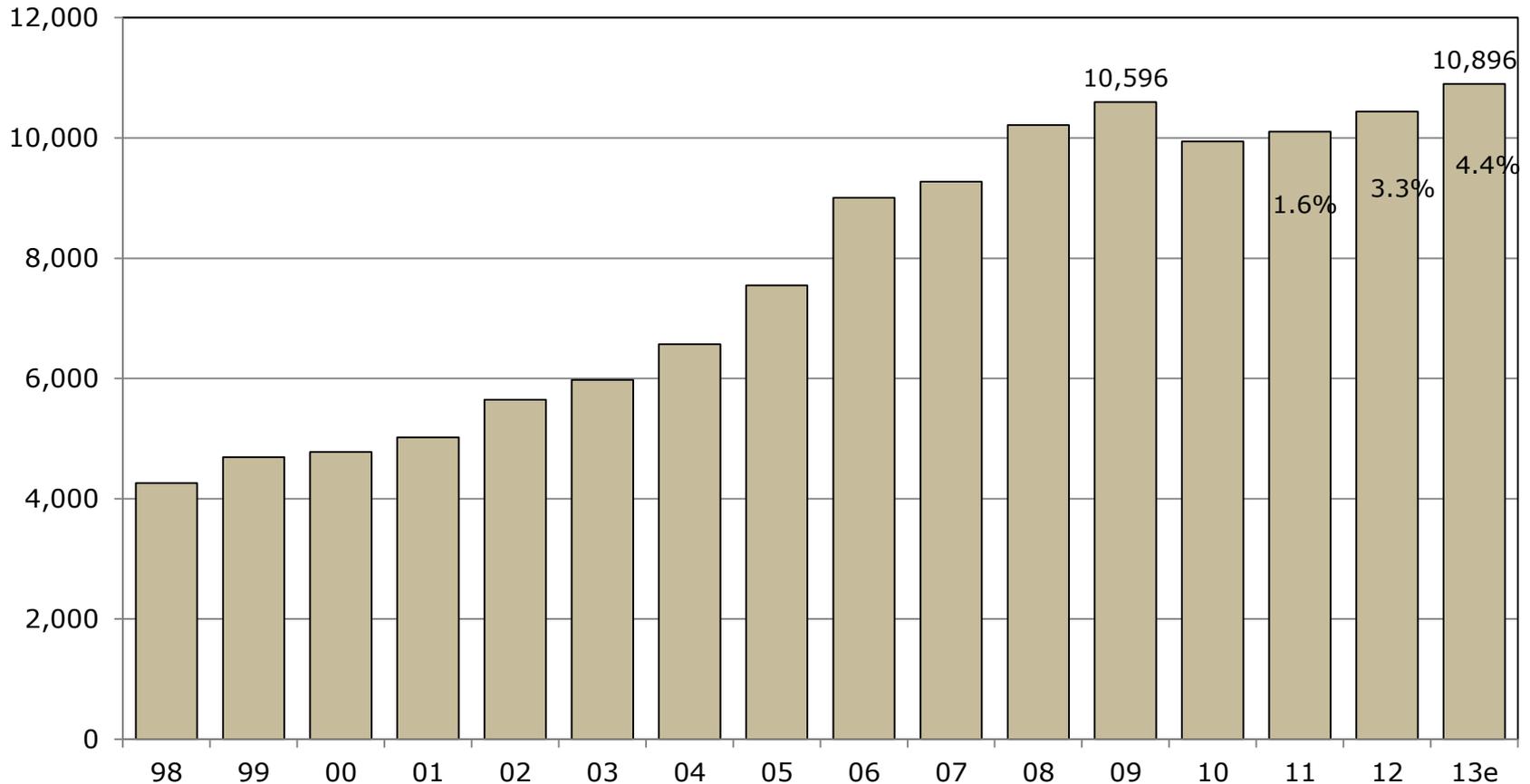
Summary:

1. Acceleration in local economic activity in 2013
2. Key fundamentals improved
 - Job growth accelerating
 - Sharp retail rebound
 - Upward population revisions
 - Housing maintains steady growth
3. Robust outlook for 2014 – near pre-recession pace
4. Growth should carryover into 2015 – new projects

Acceleration in job growth in 2013

now far outpacing the state and Tulsa region

Owasso Private Wage & Salary Employment

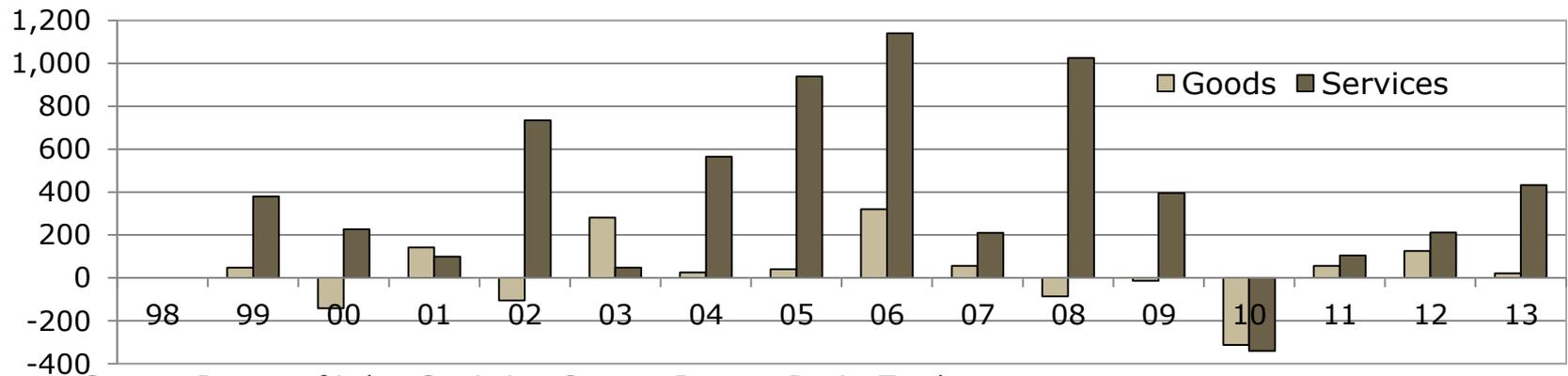
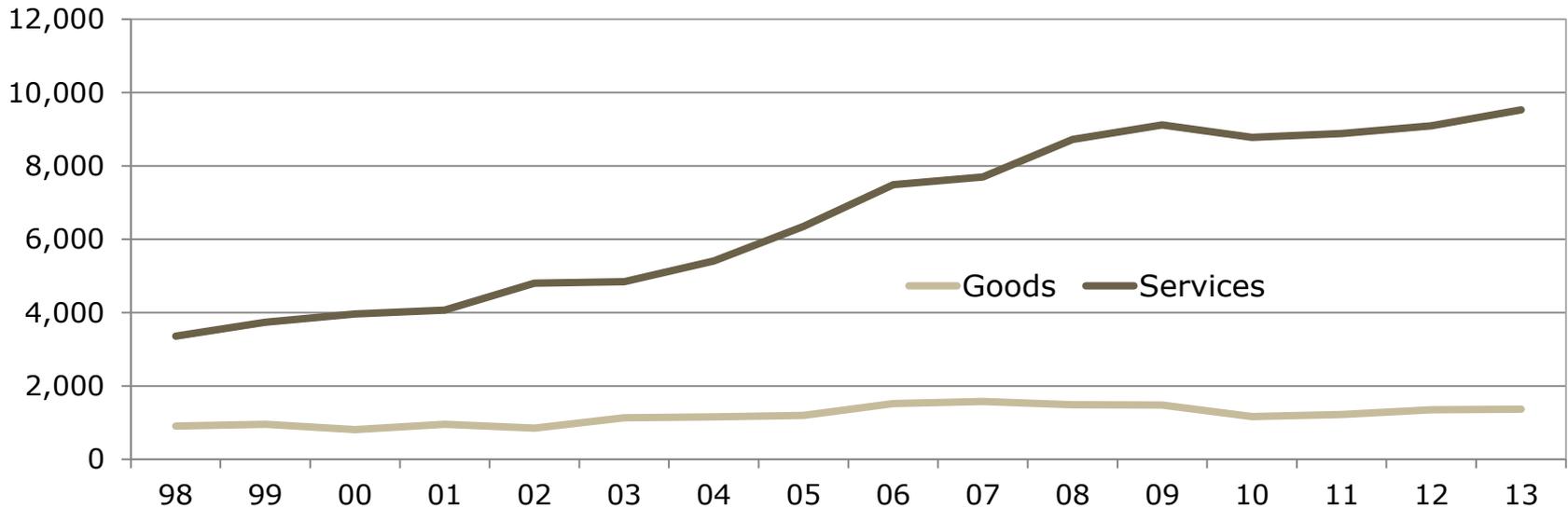


Source: Bureau of Labor Statistics, Census, Bureau, RegionTrack

Recovery has been balanced and broad-based

more 'services-heavy' in 2013

Owasso Job Formation – Goods vs. Services

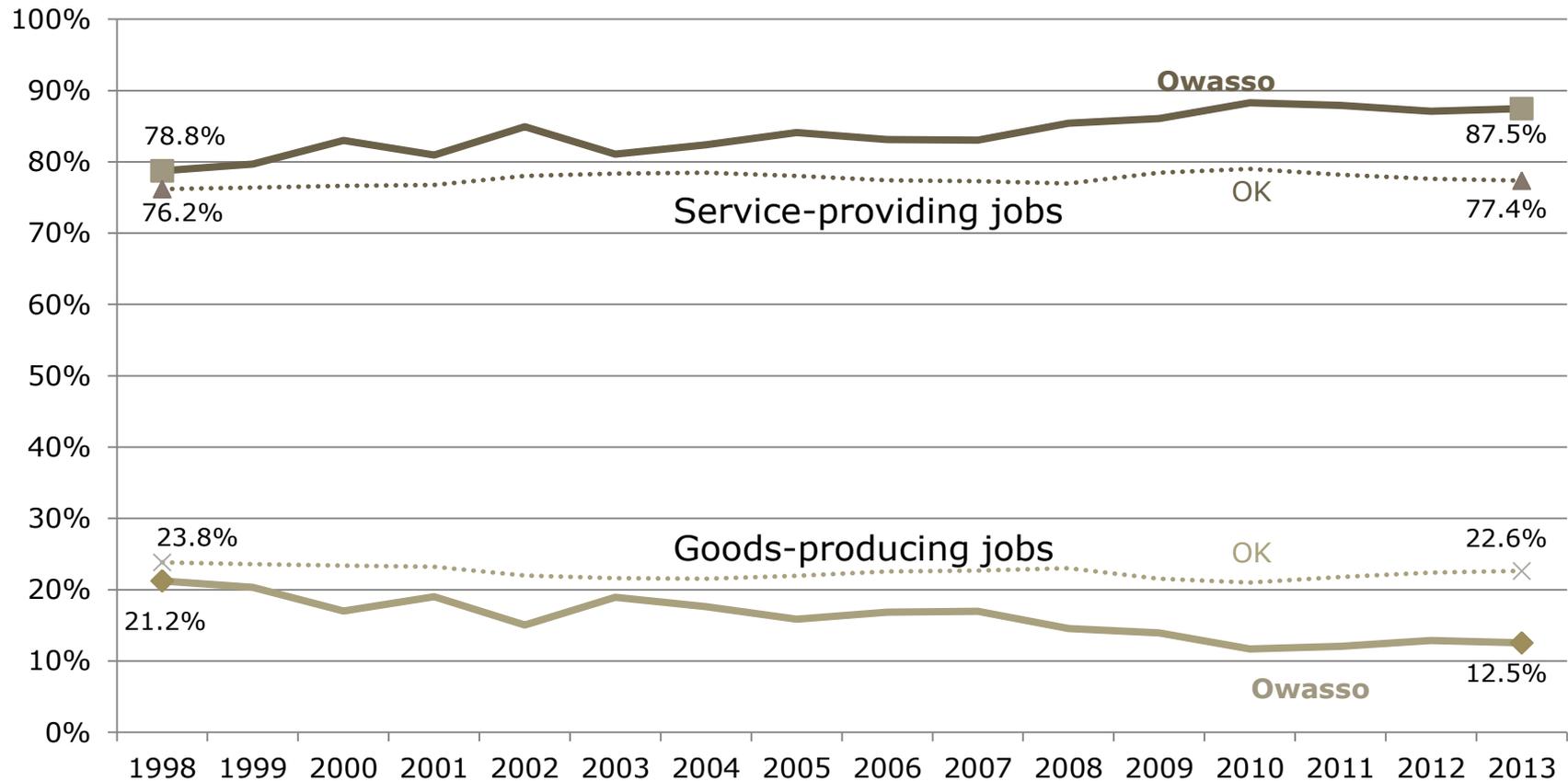


Source: Bureau of Labor Statistics, Census, Bureau, RegionTrack

Industry structure shifting slowly toward services

local shift to services more national-like than state

Share of Goods vs. Services Private Sector Jobs - Owasso

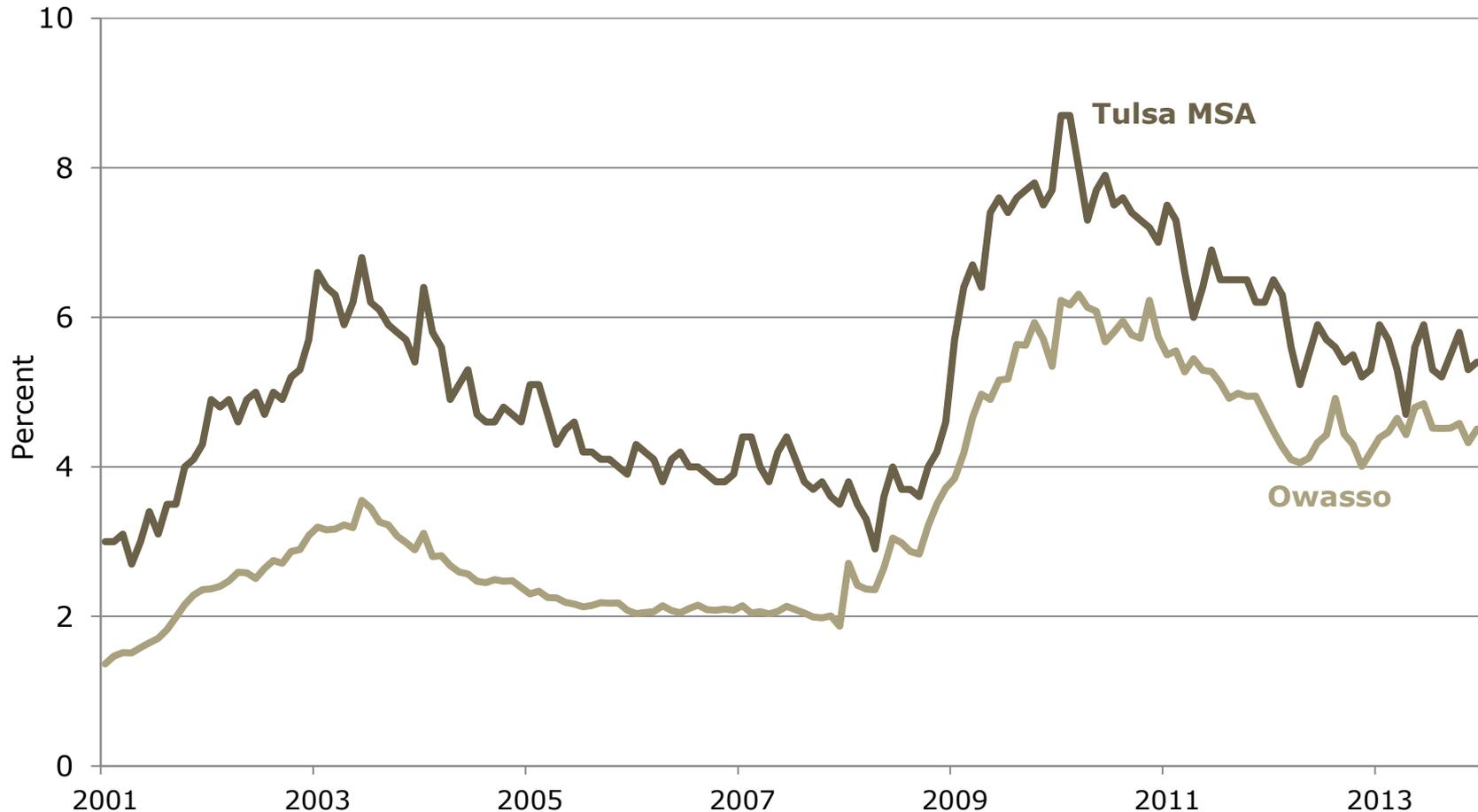


Source: Bureau of Labor Statistics, Census, Bureau, RegionTrack

Some concern over bottom in jobless rate at 4.5%

but labor force growth very positive

Owasso & Tulsa MSA Unemployment Rate



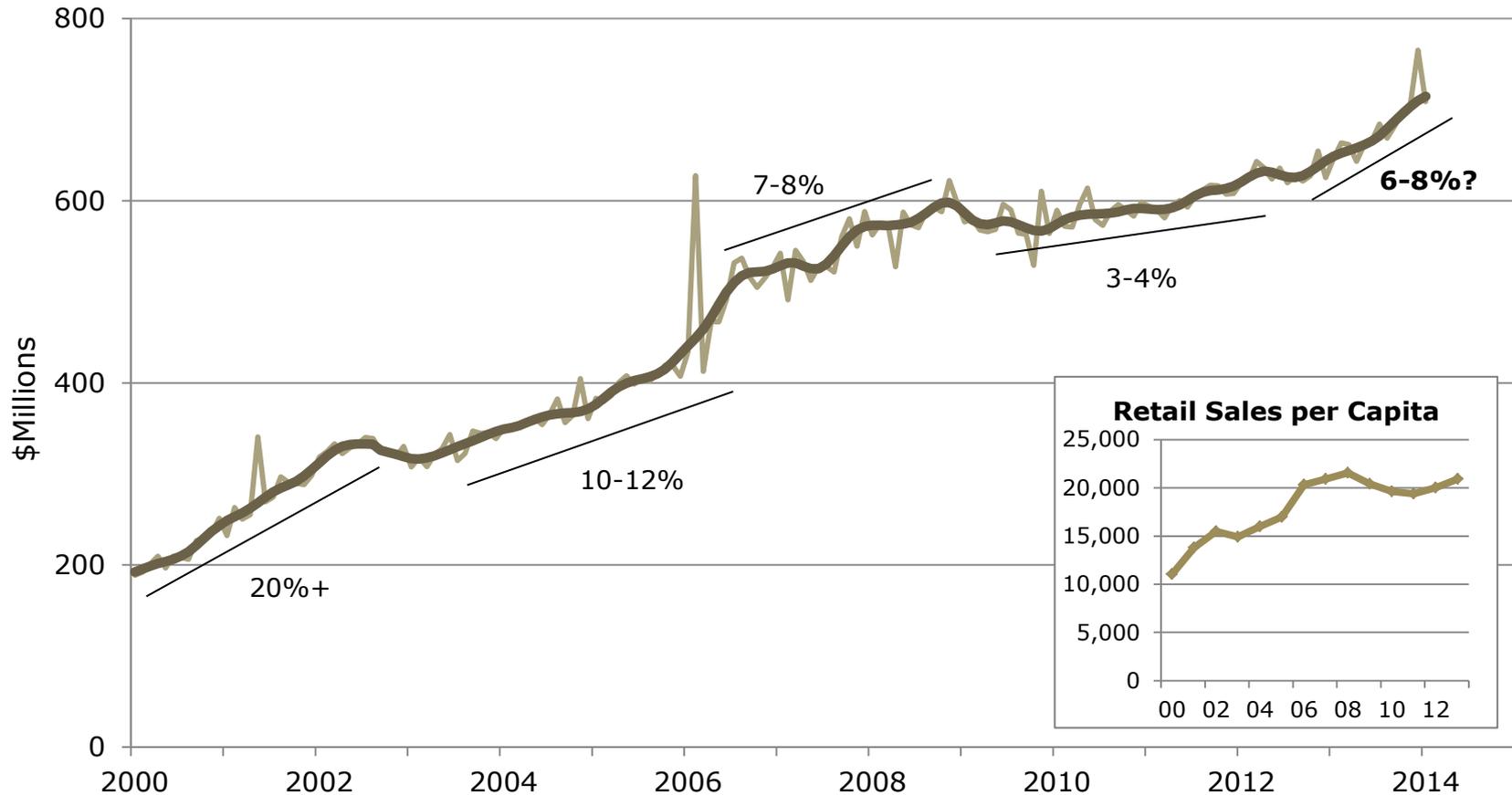
Source: Bureau of Labor Statistics, RegionTrack

Income and spending rebound accelerates

regional sales share may be peaking

Owasso Sales Tax Base and Growth Rates

Sales at a seasonally adjusted annual rate, with X-12 trend



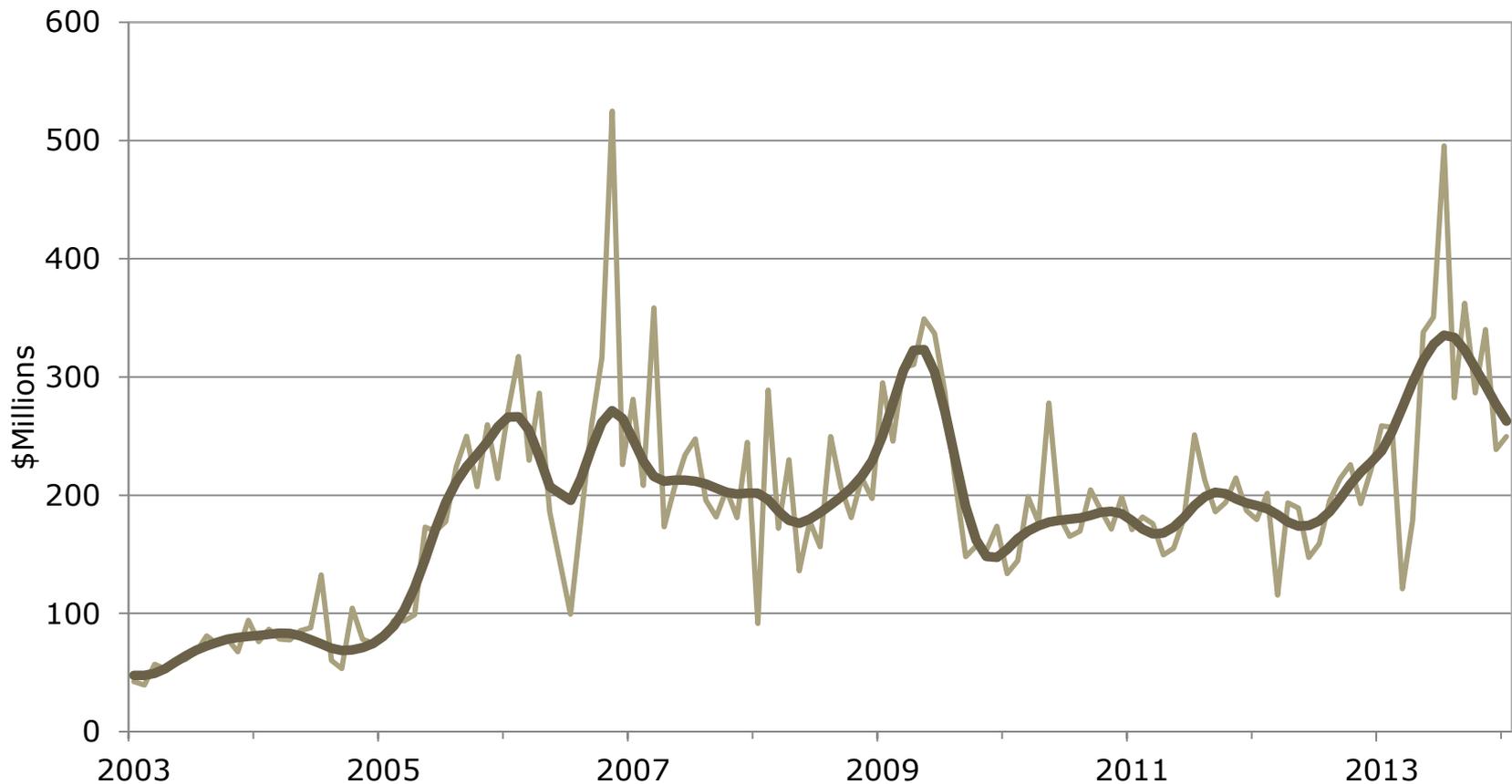
Source: Oklahoma Tax Commission, RegionTrack Oklahoma Retail Outlook

Use taxes surge to record high in 2013

2014 projects should boost use tax stream

Owasso Use Tax Base

Sales at a seasonally adjusted annual rate, with X-12 trend



Source: Oklahoma Tax Commission, RegionTrack Oklahoma Retail Outlook

Owasso among retail growth leaders

11th largest city retail market in the state

City Retail Sales Growth Past 12 Months

*Cities with monthly retail sales above \$10 million

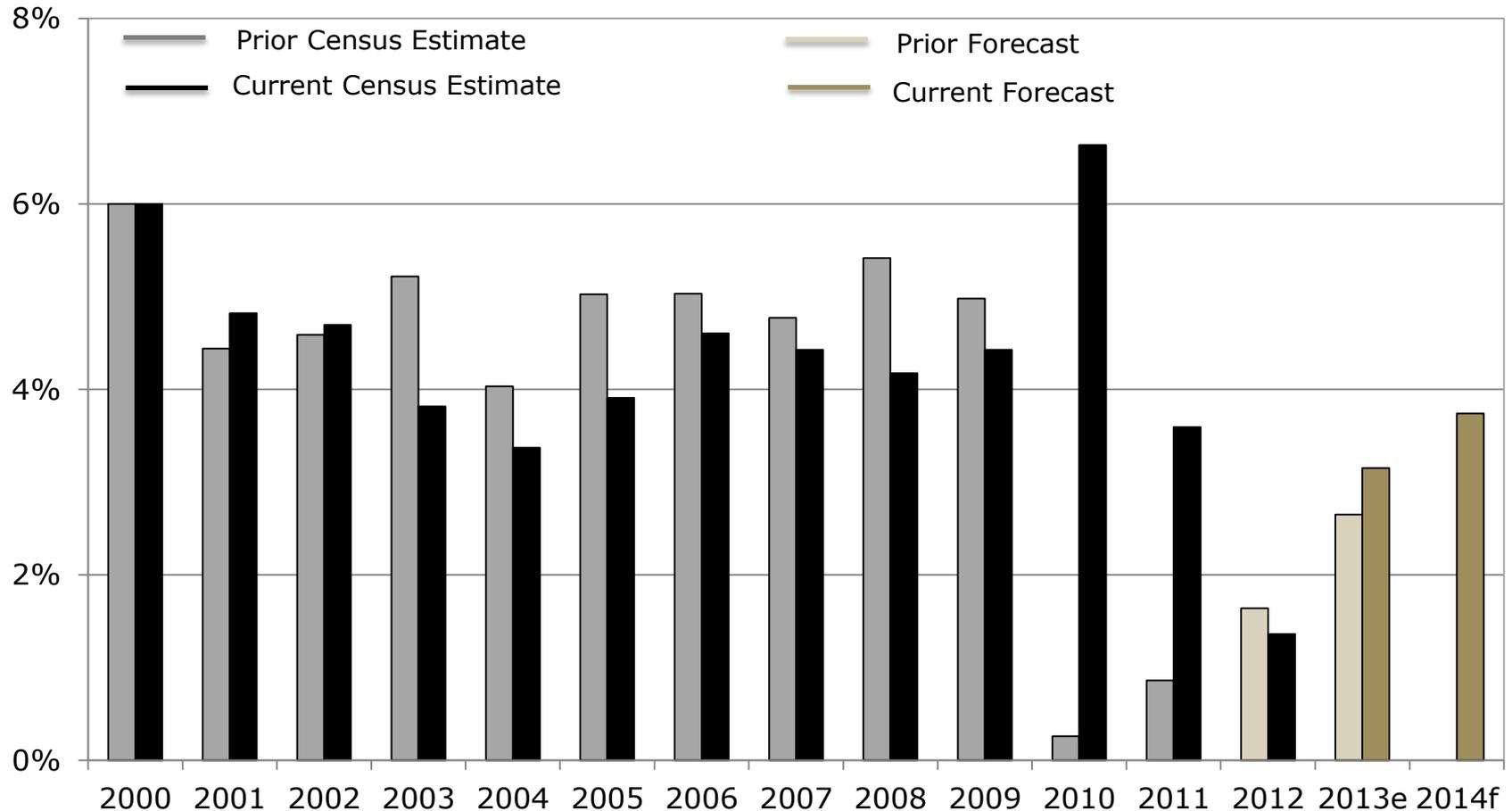
Rank	City*	12-mo Total (Jan-14)	12-mo %chg	Rank	City*	12-mo Total (Jan-14)	12-mo %chg
1	Cushing	\$176,260,374	21.8	16	Ponca City	414,602,486	5.2
2	Chickasha	290,921,058	15.3	17	Durant	350,846,188	5.1
3	Bixby	285,281,096	12.8	18	Lawton	1,171,968,452	5.0
4	Grove	189,932,108	12.2	19	Glenpool	164,732,656	5.0
5	Mustang	243,399,185	9.7	20	Altus	270,831,275	4.6
6	Owasso	746,171,159	9.5	21	Stillwater	883,676,680	4.0
7	Edmond	1,721,348,885	9.3	22	Oklahoma City	11,433,978,801	3.8
8	Ardmore	589,511,978	9.1	23	Claremore	395,207,120	3.0
9	Elk City	456,390,619	9.0	24	Midwest City	921,366,835	2.9
10	Weatherford	246,497,356	8.9	25	Yukon	504,829,034	2.6
11	Warr Acres	157,938,385	8.6	26	Guthrie	166,551,236	2.4
12	Norman	1,946,704,258	7.9	27	Sand Springs	320,354,797	2.1
13	Ada	398,331,415	7.0	28	Tulsa	7,992,123,844	2.0
14	Moore	869,264,401	6.0	29	Okmulgee	161,421,739	0.9
15	Broken Arrow	1,314,041,401	5.7	30	Duncan	444,062,298	0.5

Source: Oklahoma Tax Commission, RegionTrack Oklahoma Retail Outlook

Recent Census population revisions to the upside

some slowing in population gains

Owasso Population Revisions and Forecasts

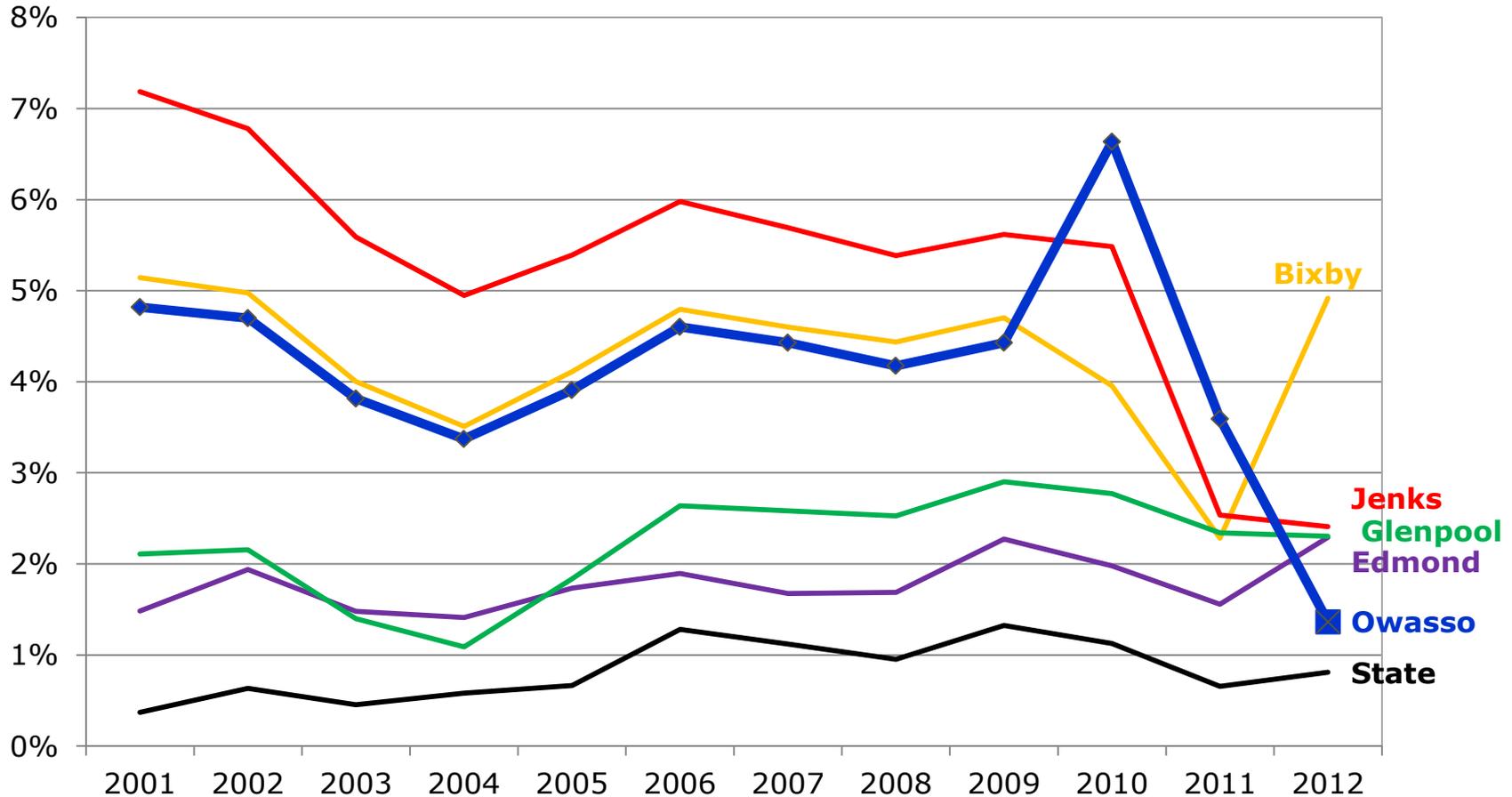


Source: Census Bureau, RegionTrack

Owasso estimates inconsistent with similar cities

upward revisions likely to 2012 population estimate

Oklahoma City-Level Population Growth

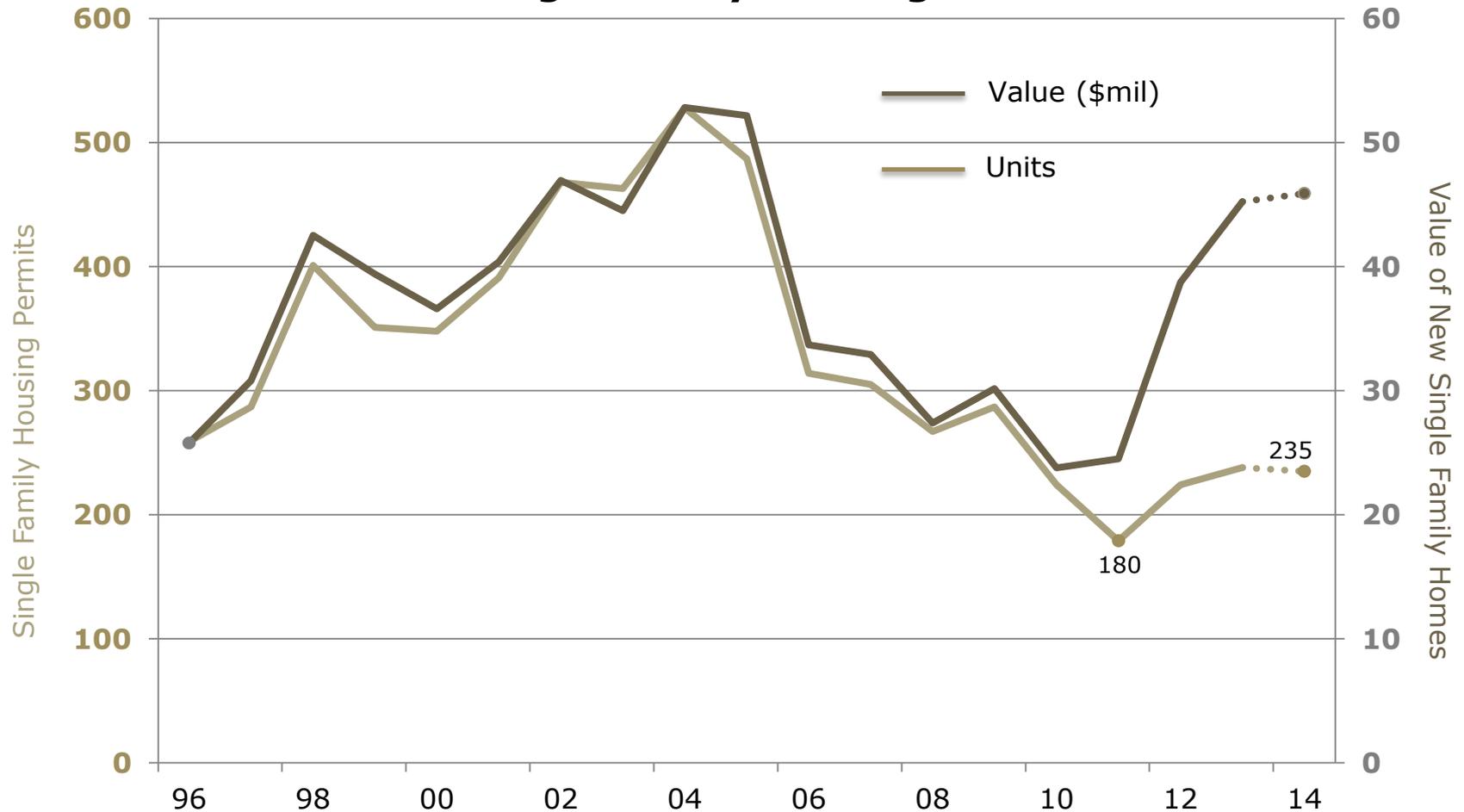


Source: Census Bureau, RegionTrack

Housing remains in recovery mode

valuation gains mask weak unit growth

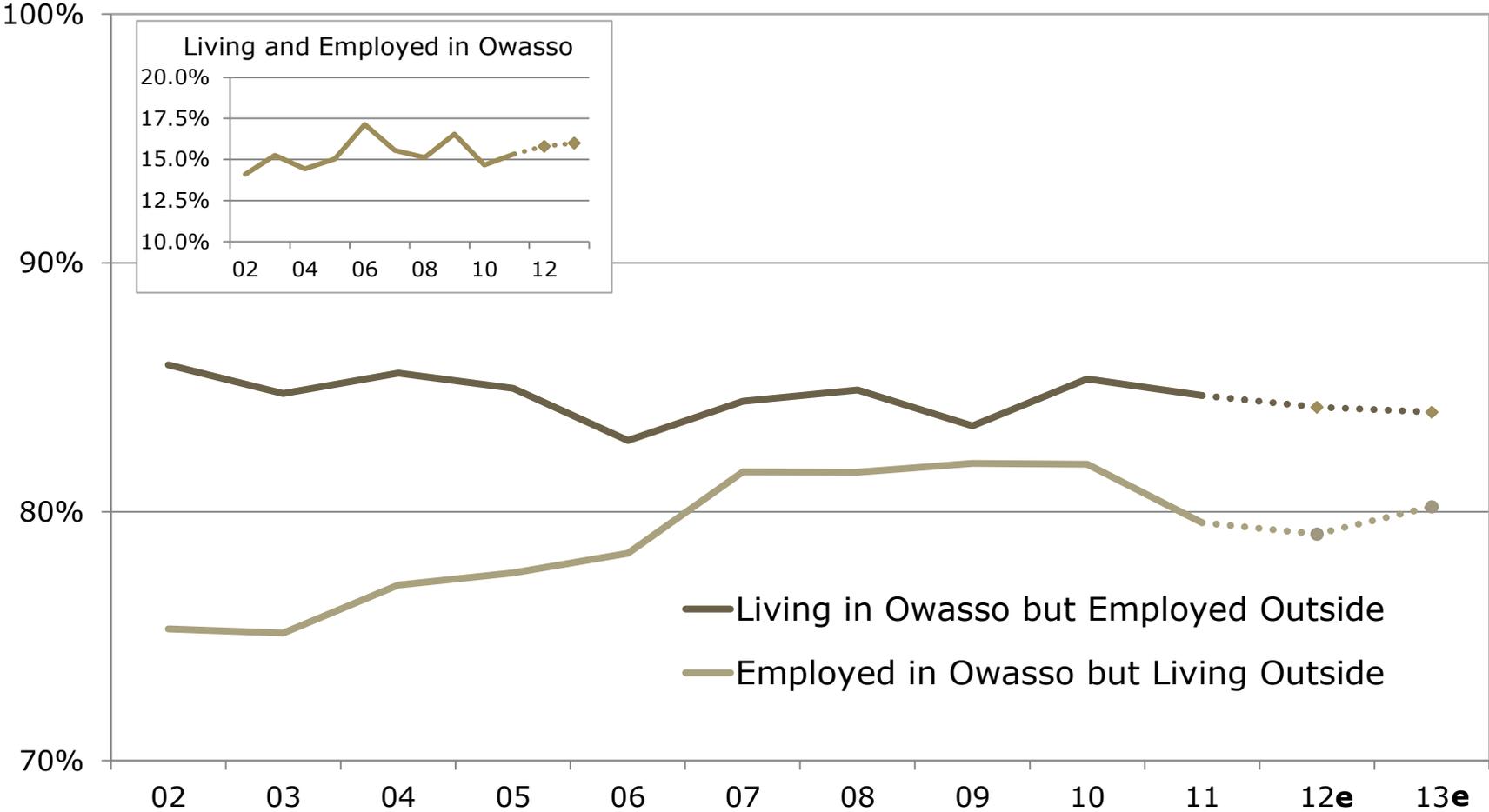
Owasso Single Family Housing Permits



Source: Census Bureau, RegionTrack

Little change expected in Owasso's status as a 'bedroom' or 'out-commuting' community

Owasso Worker Inflow/Outflow Patterns



Source: Census Bureau, RegionTrack

External risks to the local expansion

Concerns remain:

1. U.S. expansion is aging (4.5 years)
2. Shock from Europe still possible
3. Another Federal budget impasse
4. China growth implosion
5. Russian geopolitics

2014 Owasso Outlook

a slightly faster version of 2013

Owasso will far outperform the Tulsa metro area and state in job growth

Private wage/salary job growth: 2011: 1.6% (170 jobs)
2012: 3.3% (340 jobs)
2013: 4.4% (450 jobs)
2014: 6.2% (670 jobs)

Most new jobs created in construction and health care.

Further gains expected in trade, transportation, and professional & business services. Financial services continues to recover.

Few manufacturing jobs added.

Unemployment rate should move toward 4%

2014 Owasso Outlook, cont.

Retail sales robust: 8.5% in 2014 (cyclical and new retailers)

Population growth bounces to 3.7% in 2014 – more upward revisions

Housing repeats 2013 with modest activity

Conditions are setting up well for 2015

2015 Could be Strong Surge Year

Strong momentum should be in place for 2015 surge:

- continued cyclical recovery
- added retail boost
- construction and hiring impacts from distribution center
- strong sales and use tax growth
- low double-digit job growth likely

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