
2015

Owasso Economic Review and Outlook

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REGIONTRACK
Regional Economic Forecasting and Analysis

Owasso's Recovery Continues to Build

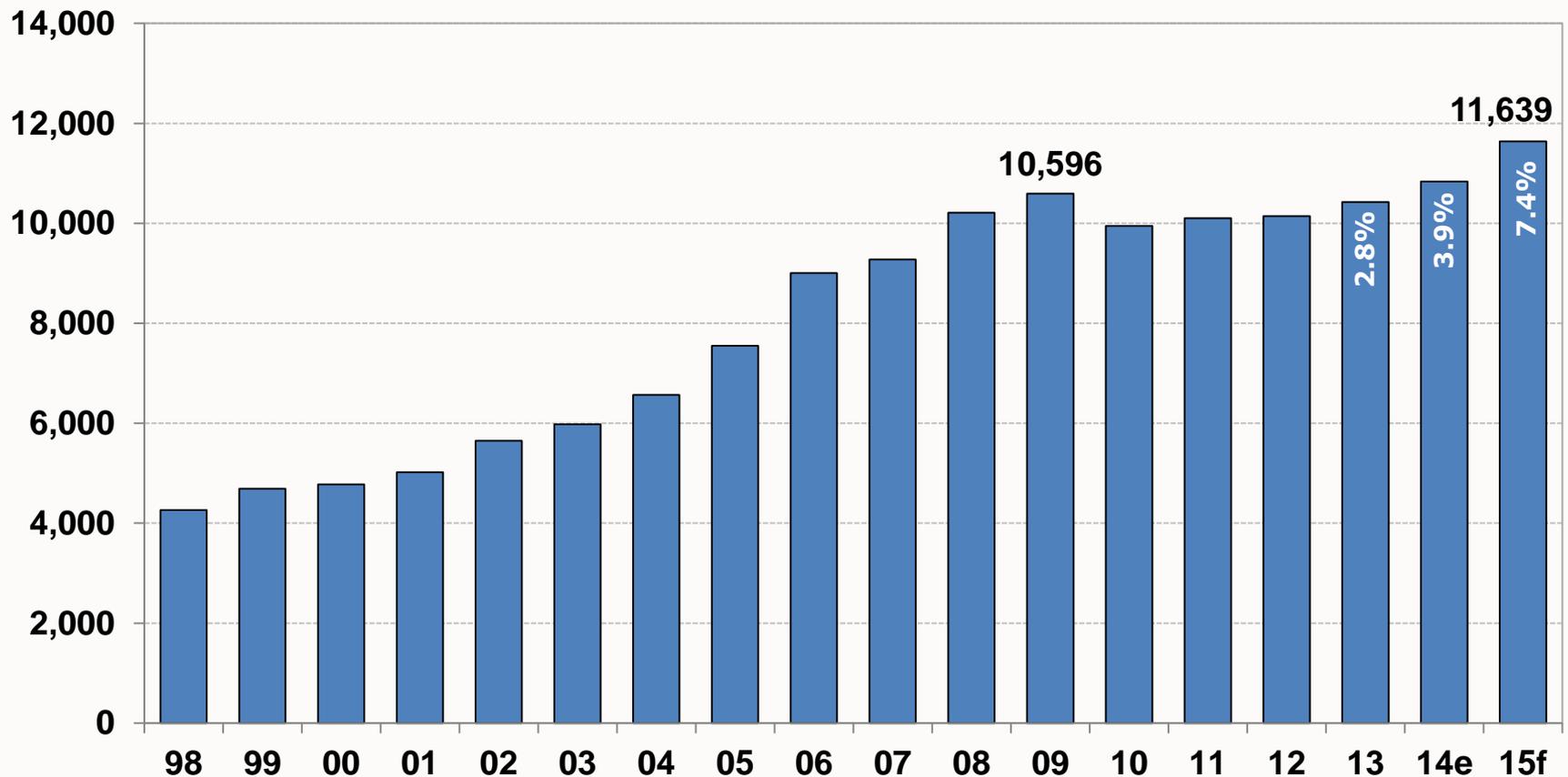
Summary:

1. Modest additional acceleration in 2014
2. City settles into new growth trend
3. Key fundamentals improved further
 - Retail sales growth remains strong
 - In-migration continues
 - Housing maintains steady rebound
 - Distribution center coming online
4. Robust outlook for 2015 – especially 2nd half
5. Some concerns over oil and gas contraction

Continued steady acceleration in job growth

slight downward revision to 2013 and 2014

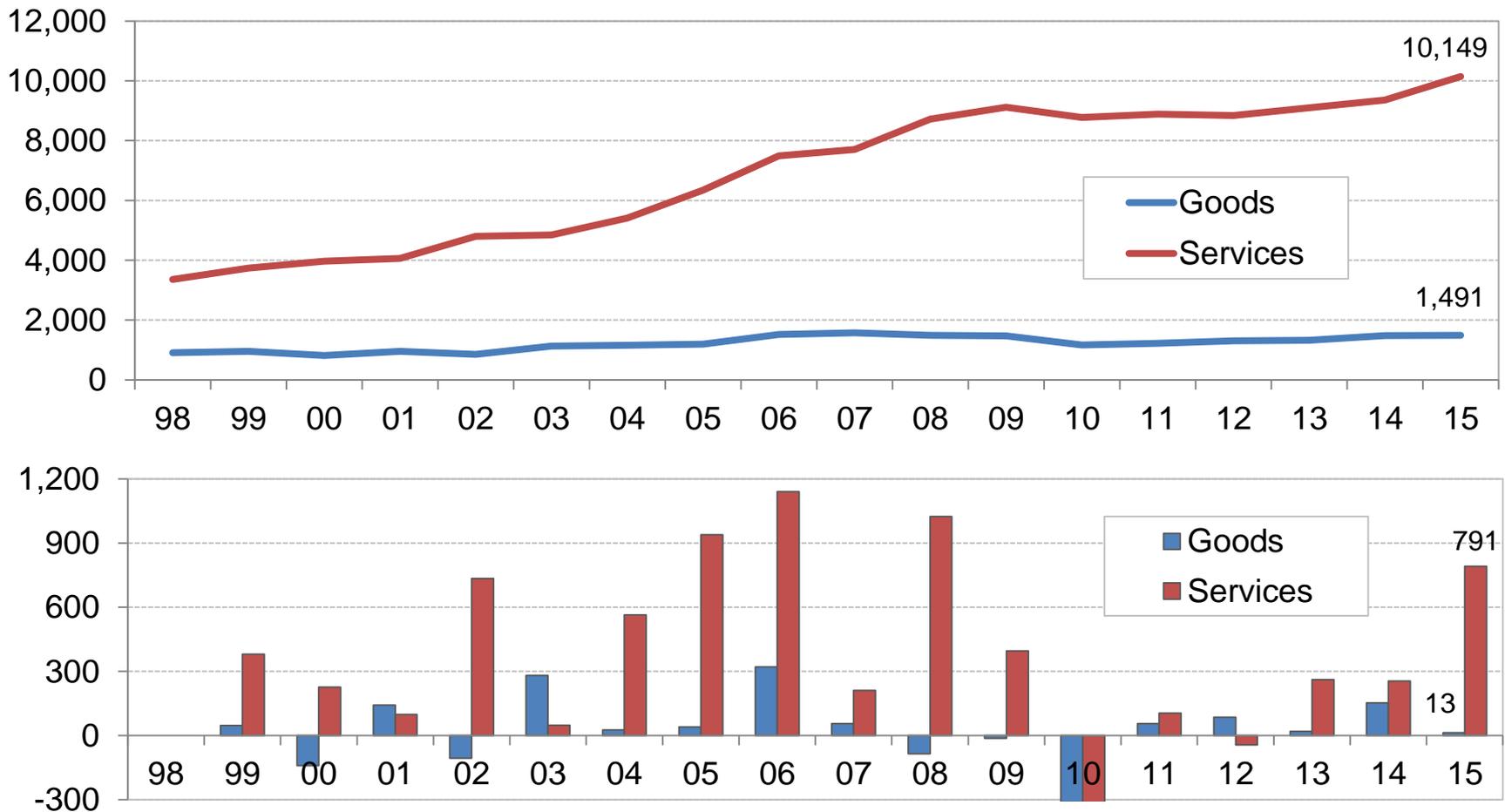
Owasso Private Wage & Salary Employment



Source: Bureau of Labor Statistics; Census Bureau; and RegionTrack

Job growth remains dominated by services

Owasso Job Formation – Goods vs. Services

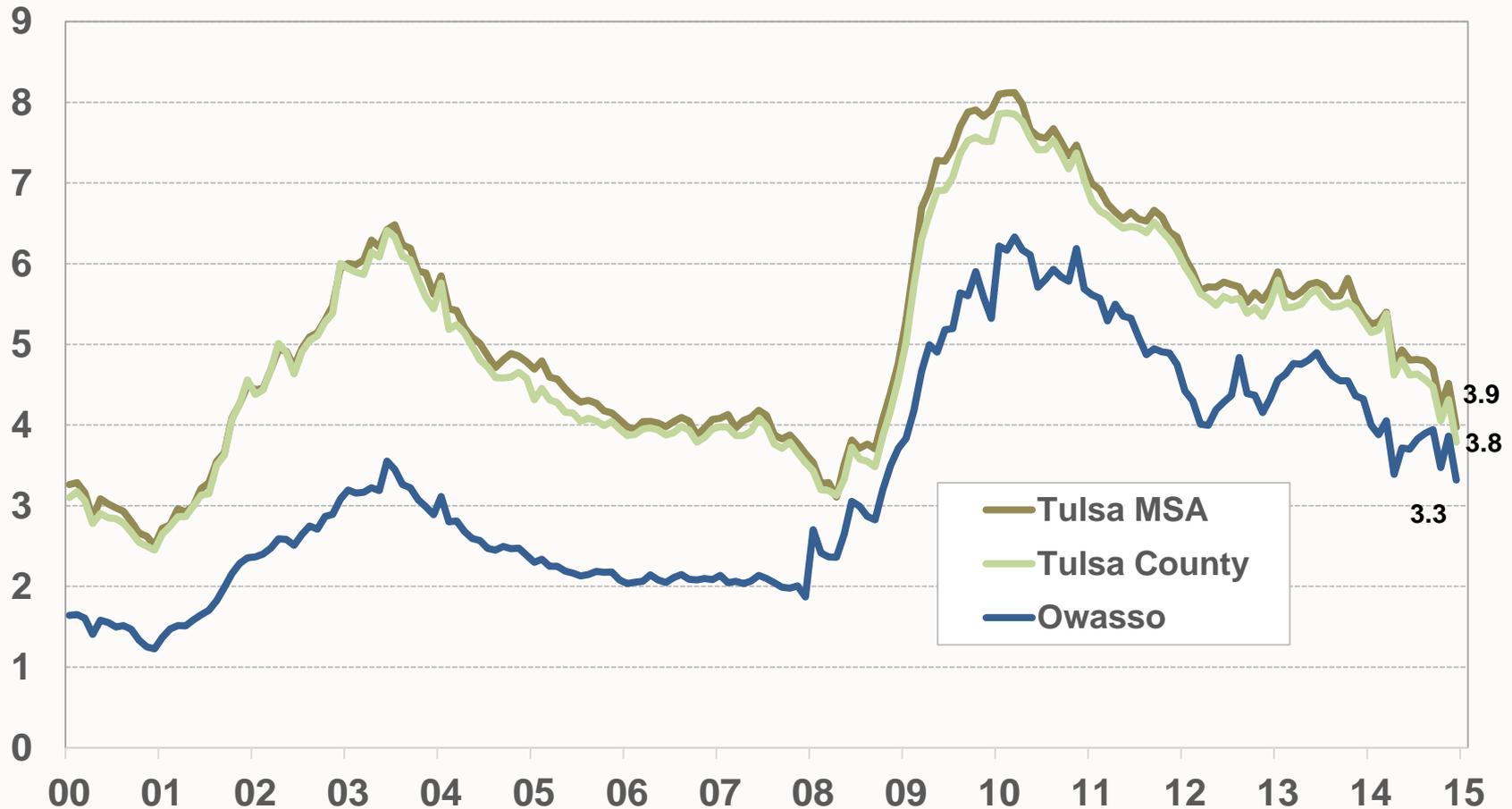


Source: Bureau of Labor Statistics; Census Bureau; RegionTrack

Owasso jobless rate converging with metro Tulsa

Tulsa is closely tracking the state

Owasso & Tulsa Area Unemployment Rates (%)



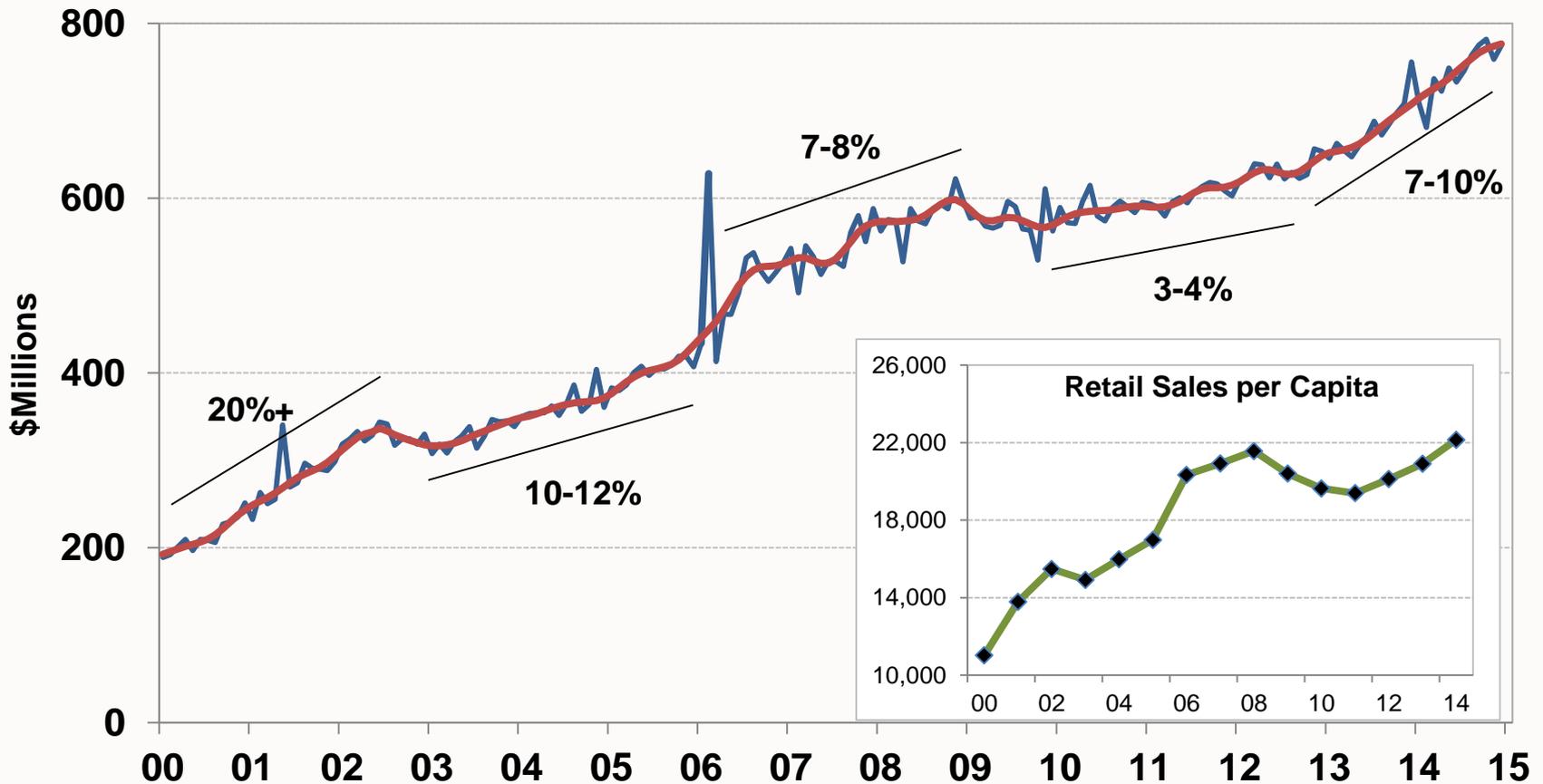
Source: Bureau of Labor Statistics and RegionTrack

Retail sales gains accelerated in 2014

per capita sales set new high in '14

Owasso Sales Tax Base and Growth Rates

sales subject to use tax, seasonally adjusted annual rate, with X-12 trend

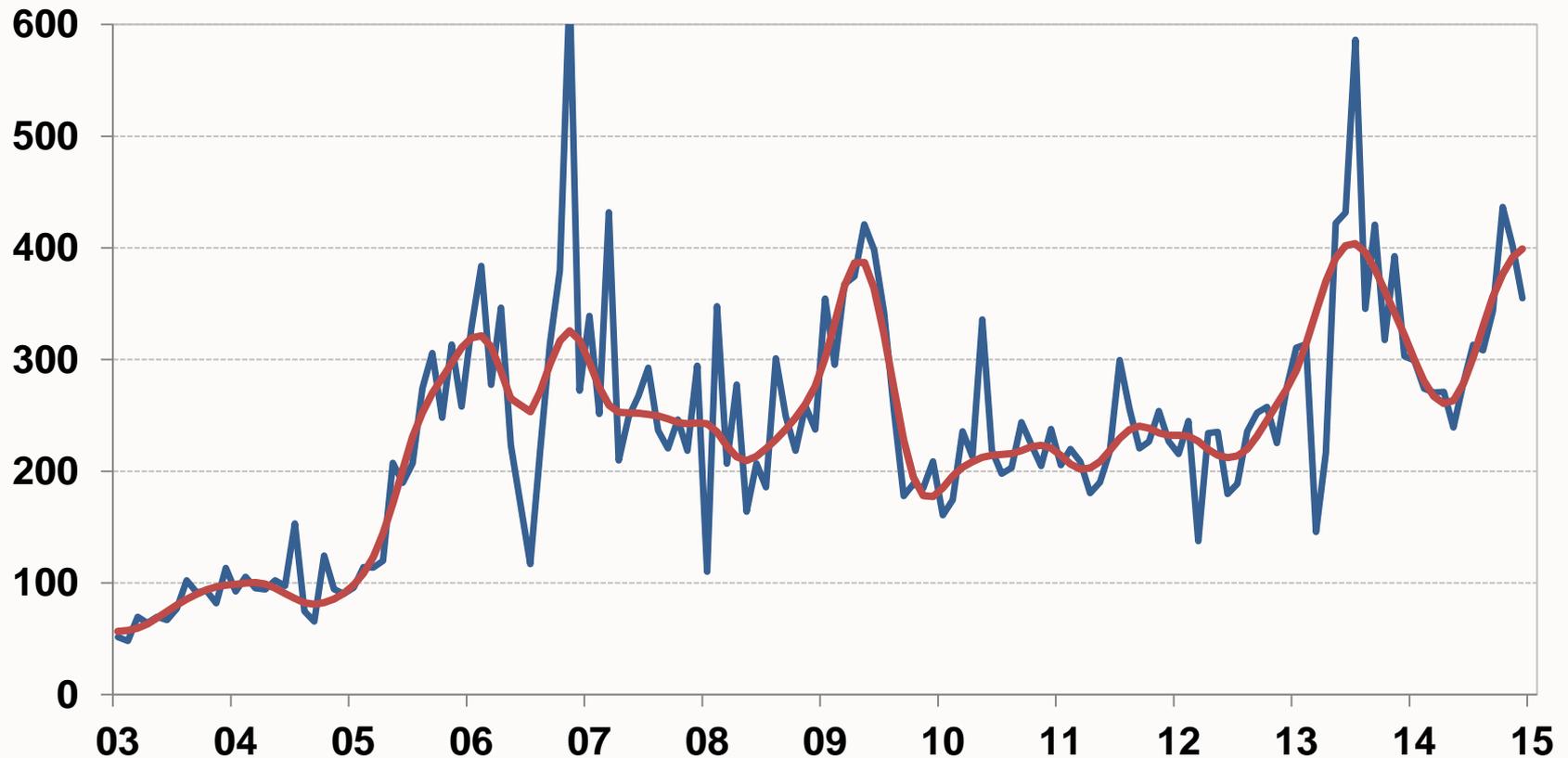


Source: Oklahoma Tax Commission and RegionTrack Oklahoma Retail Outlook

Use tax again pushing toward record highs in 2015

Owasso Use Tax Base

Sales subject to use tax, seasonally adjusted annual rate, with X-12 trend



Source: Oklahoma Tax Commission and RegionTrack Oklahoma Retail Outlook

Owasso retail growth 2nd fastest among large markets

11th largest city retail market in the state

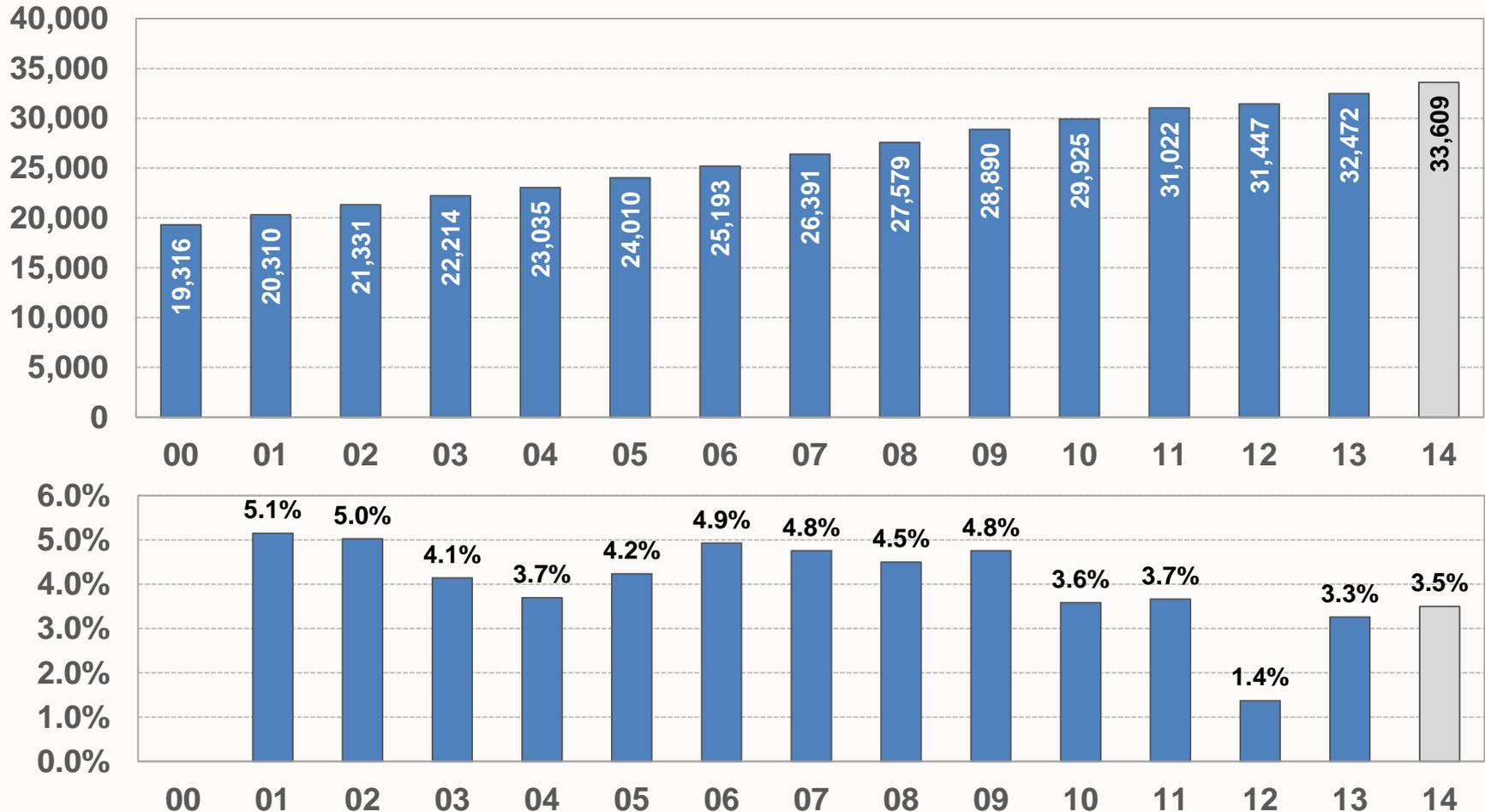
City Retail Sales Growth Past 12 Months

*Cities with current monthly retail sales above \$15 million

Rank	City*	12-mo Total Dec-14	12-mo %chg	Rank	City*	12-mo Total Dec-14	12-mo %chg
1	Chickasha	298,441,364	12.9%	16	McAlester	390,922,592	3.0%
2	OWASSO	744,246,653	9.6%	17	Sapulpa	300,572,030	2.8%
3	Duncan	440,817,998	7.8%	18	Altus	255,120,988	2.7%
4	Ardmore	575,934,130	6.4%	19	Yukon	474,327,132	2.5%
5	Broken Arrow	1,274,486,530	6.0%	20	Muskogee	599,100,744	2.2%
6	Edmond	1,668,323,015	5.6%	21	Moore	813,646,071	1.7%
7	Ponca City	400,444,859	5.6%	22	Tahlequah	282,043,987	1.4%
8	Sand Springs	307,257,742	4.6%	23	Bartlesville	561,917,987	1.2%
9	Oklahoma City	10,972,558,512	4.6%	24	Elk City	422,660,392	1.0%
10	Ada	381,235,331	4.5%	25	Claremore	365,069,935	0.8%
11	Norman	1,860,159,152	4.4%	26	Woodward	375,398,770	0.2%
12	Durant	335,748,358	4.3%	27	Midwest City	843,626,429	-0.1%
13	Stillwater	844,051,072	3.5%	28	Enid	890,042,142	-1.0%
14	Tulsa	7,570,062,848	3.4%	29	El Reno	234,392,268	-1.4%
15	Lawton	1,111,746,240	3.2%	30	Shawnee	576,081,057	-2.1%

City population gains stabilizing around 3.5%/yr well above Tulsa and the state

Owasso Population and Growth Rates



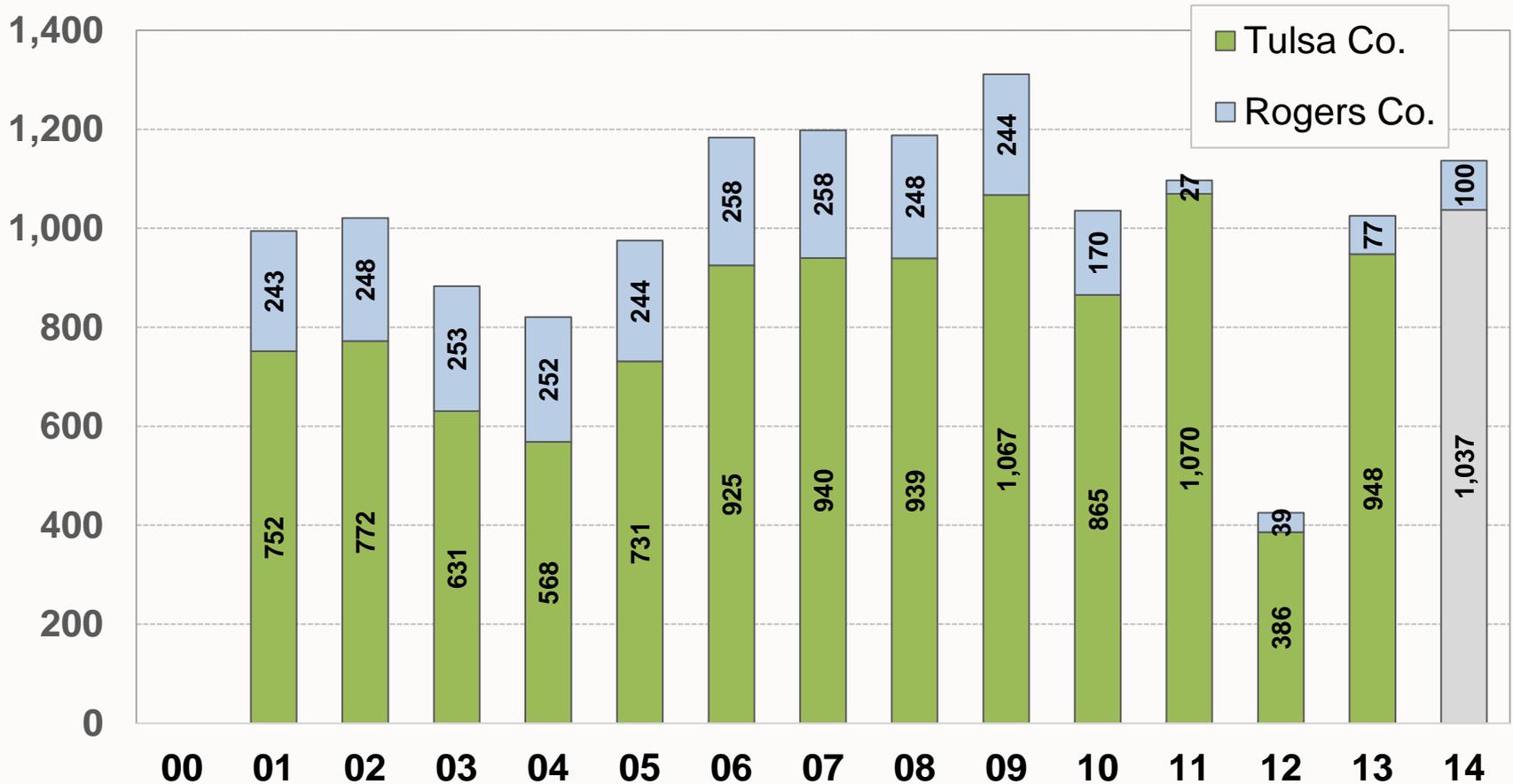
Source: Census Bureau and RegionTrack

Pop. growth remains in Tulsa Co. since recession

approximately 1,100 new residents annually

Owasso Population Gains by County

number of persons

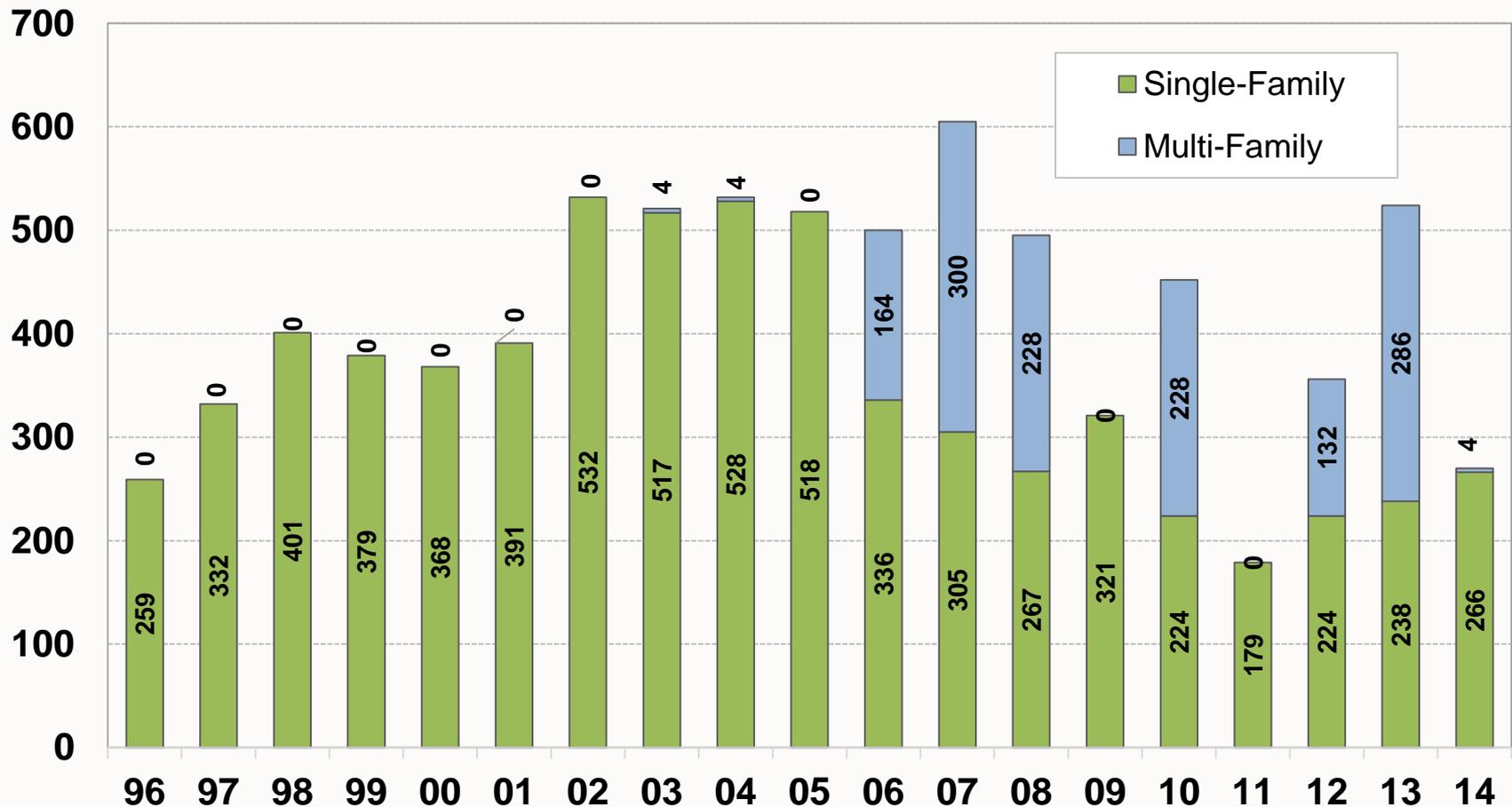


Source: Census Bureau and RegionTrack

Single-family housing continues to rebound slowly

multi-family construction paused in 2014

Owasso Housing Permits (Units)

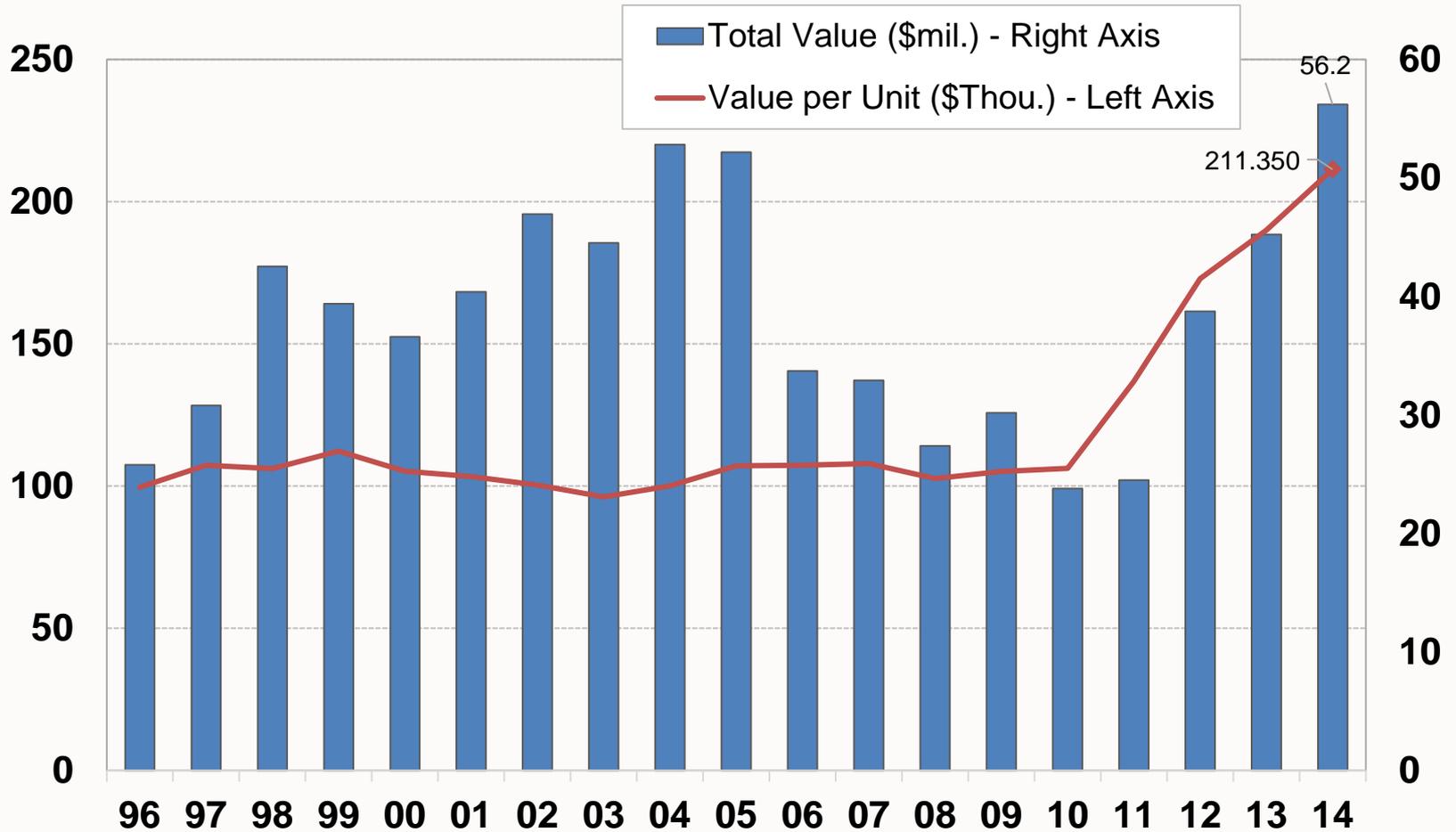


Source: Census Bureau and RegionTrack

Single-family housing quality continues to rise

average value has doubled since 2010

Owasso Single-Family Housing Permits



Source: Census Bureau and RegionTrack

Possible external risks to the local expansion

Concerns remain:

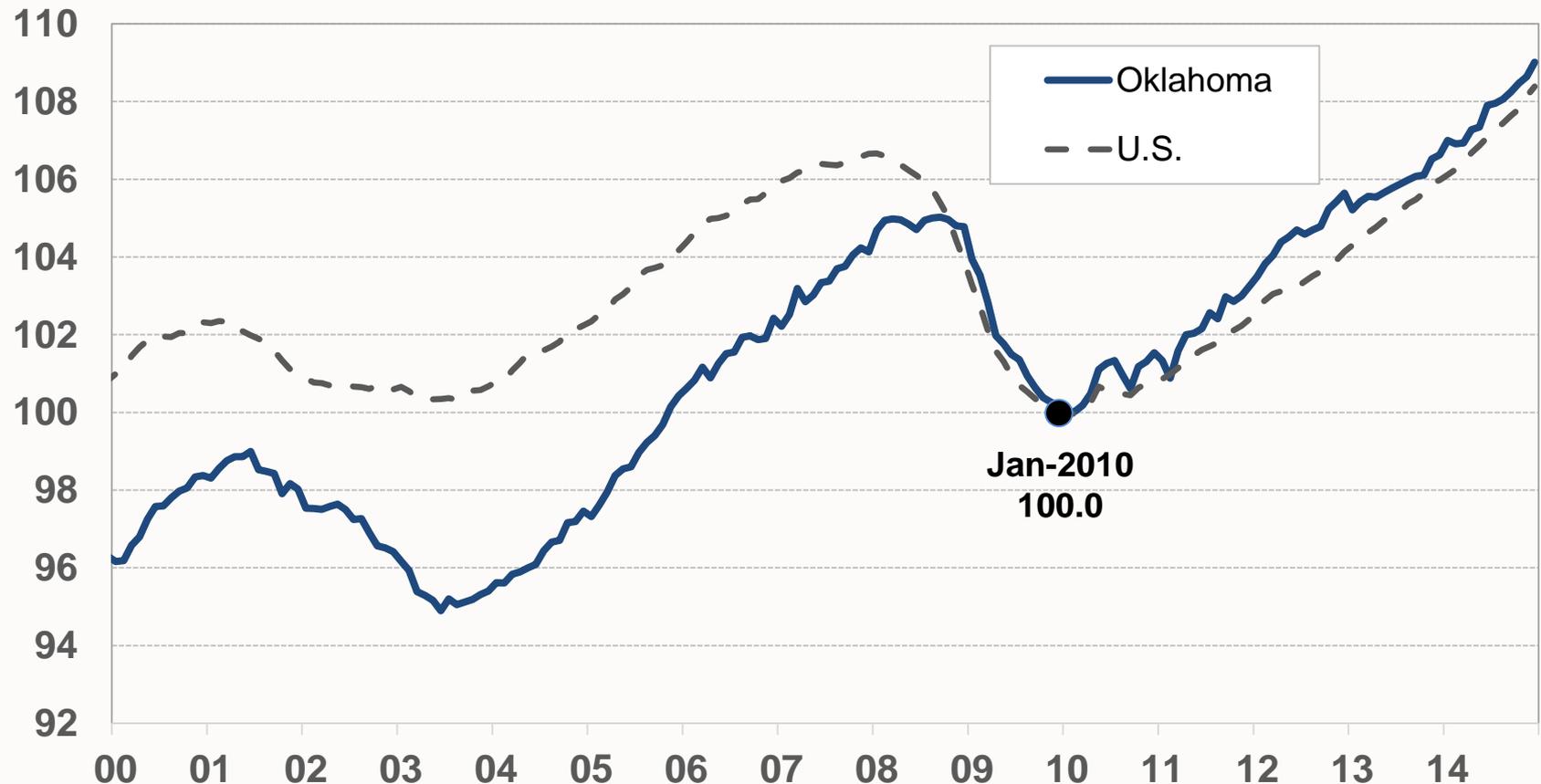
1. Severe oil shock to Oklahoma
2. U.S. expansion ages further (5.5+ years)
3. Shock from Europe still possible (risk diminishing)
4. China stable but slowing
5. Russian geopolitics remain uncertain

Oklahoma job growth matching nation since early '13

U.S. backdrop encouraging state and local growth

U.S. and Oklahoma Wage & Salary Employment

seasonally adjusted



Source: Bureau of Labor Statistics and RegionTrack

2015 Owasso Economic Outlook

Core city growth is incrementally stronger in 2015 relative to 2014

Macy's only adds to the performance

Retail and housing continue to serve as key drivers of growth

Private wage/salary job growth: 2013: 2.8% (285 jobs)
2014: 3.9% (410 jobs)
2015: 6.2% (802 jobs)

Job growth heavily back-loaded in 2nd half of year

2015 Owasso Economic Outlook (Continued)

Unemployment rate should move below 4% by mid-year 2015

Retail sales remain robust: gains expected near 10% in 2015

Expecting population growth of 3.5% in 2014 and 2015 – new core rate

Housing repeats 2014 with slight acceleration

2015 Owasso Economic Outlook (Continued)

By major industry sector:

Large gains expected in trade and transportation

- roughly half of all new jobs created
- spills into 2016 as well

Professional & business services remains a core strength of local labor market (some concern over share of temporary employment)

Retail hiring should remain quite strong given trend growth

2015 Owasso Economic Outlook (Continued)

By major industry sector (cont.):

Financial services hiring to accelerate

Health services hiring continues to accelerate statewide

Some pullback in construction hiring following major project

Statewide weakness in mining (small presence locally)

Some modest hiring gains expected in manufacturing

2015

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