

ASA Relocation Factors

- Property values in Bozeman have risen dramatically over the past decade. (See the attached Cost of Living Data Summaries). In 1999, the average value of a home in Bozeman was \$120,000, today that average has grown to \$441,700. Our current property has an expected market value in excess of 2.5 million dollars. It is difficult to guess when (or if) the Bozeman real estate market will turn or how sharply the market may fall. The Board believes that now is a prudent time to harvest the gains on our real estate investment and limit our exposure to what could become a volatile market.
- Our building is 33 years old and in need of renovation. The costs the ASA would incur to renovate the existing building will not increase the overall value of the property. In a certified appraisal of the property obtained in May of 2006, the appraiser determined that the existing improvements do not represent the highest and best use of the land because the buildings are too small, the site too large, and the land too valuable. Rather, a subsequent purchaser will likely remove the existing buildings and develop the property for other uses.
- Rather than spend a significant amount to update a 33 year old building - when the expense of renovation would not increase the total value of the property and the asset is subject to an unpredictable market - the Board believes that the best option is to obtain a new and larger facility that is more accessible to our members, customers and business partners.
- Bozeman is a beautiful area with historical value to the ASA. However, Bozeman is not an economical location for the ASA to conduct business. This represents a very significant change in circumstances from the last time the ASA explored relocation. In 2002, the ASA Assets Committee investigated other locations for the ASA's headquarters. Based on the data available then, Bozeman's low cost of living and comparatively low compensation scale made Bozeman an attractive alternative to other more central locales. That is no longer the case.
- The cost of living in Bozeman is 11% higher than Denver, 27% higher than the Kansas City metro area and between 31% to 36% higher than the outer Kansas City area. Average home prices in Bozeman far exceed average home prices in these areas even though the median family income in Bozeman is similar to or less than that found in these other places.
- Bozeman has an extremely low unemployment rate (1.5%) and a limited population base from which to draw employees. These factors make it difficult to find, hire and retain employees.
- In 2002, Bozeman's compensation levels were significantly below those of the Denver or Kansas City areas. Today, compensation levels in Bozeman are essentially equivalent to the compensation levels of the outer Kansas City Area. (See the attached 2006 Geographic Level Data Summary).
- Bozeman is a destination location serviced by a regional airport. As a result, airfares into and out of Bozeman are comparatively high per mile flown. The ASA could recognize significant travel savings if it were located in the area of an international airport that offered more flights, more airlines and more competitive fares.
- There will be costs to the ASA associated with relocation. Some longtime, valuable employees may choose not to move with the ASA. For those employees who do move, the ASA will incur additional personnel expenses to assist with relocation. Certainly, it will be a challenge to maintain services to members during the transition period. However, the Board believes that the long-term benefits to the ASA and its members from a move to a more economically competitive and central location outweigh the short-term costs of such a move.

2007 Cost of Living Data Summary¹

	Nat'l Avg	Bozeman	Denver	Kansas City	St. Joseph	Excelsior Springs
Cost of Living Index	100	114	105	80	74	79
Income per Capita	\$24,020.00	\$19,228.00	\$28,753.00	\$23,577.00	\$19,997.00	\$20,410.00
Median Family Income	\$44,684.00	\$37,794.00	\$46,391.00	\$42,331.00	\$37,237.00	\$42,536.00
Average Home Price	\$217,200.00	\$441,700.00	\$319,700.00	\$140,800.00	\$119,700.00	\$129,900.00
Property Tax Rate	\$13.28	\$9.50	\$6.53	\$12.91	\$7.34	\$10.73
Unemployment Rate	4.60	1.50	3.70	5.60	4.00	3.70
Equivalent Salary Comparison		\$45,000	\$39,913	\$32,087	\$28,957	\$30,522
Equivalent Salary Percent Difference		0%	-11.3%	-27.0%	-35.7%	-31.35%

1999 v 2007 Cost of Living Data Summary²

	Bozeman 1999	Bozeman 2007	Denver 1999	Denver 2007	Kansas City 1999	Kansas City 2007
Cost of Living Index	60	114	101.25	105	83.5	80
Median Family Income	\$26,787.00	\$37,794.00	\$39,924.00	\$46,391.00	\$30,525.50	\$42,331.00
Average Home Price	\$120,000.00	\$441,700.00	\$229,000.00	\$319,700.00	\$179,000.00	\$140,800.00
Equivalent Salary 2002	\$45,000		\$75,937.50		\$62,760.00	
Equiv Sal Diff 2002	0%		+168.7%		+139.4%	
Equivalent Salary 2007		\$45,000		\$39,913		\$32,087
Equiv Sal Diff 2007		0%		-11.3%		-27.0%

1

All data was compiled by Fast Forward, Inc. utilizing data from U.S. Census Bureau, American Community Survey, Current Population Survey, Bureau of Labor Statistics - Consumer Price Index, Consumer Expenditure Survey, Medicare and the U.S. Department of Health and Human Services, Department of Energy, Federal Travel Directory, Freddie Mac - Conventional Home Price Mortgage Index, Office of Housing Economic Oversight, National Association of Realtors, National Association of Home Builders, State Association of Realtors, Environmental Protection Agency.

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Comparison of 2007 cost of living data and 1999 cost of living data compiled in connection with the ASA's Relocation Feasibility Study from 2002.

2006 Geographic Compensation Level Data Summary³

Occupation Title (Dept of Labor Occupation Code)	Nat'l Avg	SW Montana (including Gallatin Co)	Denver - Aurora, CO	Kansas City Metro Area	Outer Kansas City (St. Joseph, MO)
All Occupations (00-0000)	\$39,190	\$31,690	\$43,990	\$39,400	\$31,040
Management Occupations (11-0000)	\$91,930	\$62,100	\$97,650	\$92,550	\$81,130
Business and Financial Operations Occupations (13-0000)	\$60,000	\$46,880	\$64,900	\$57,750	\$46,350
Computer Support Specialists (15- 1041)	\$44,350	\$35,880	\$50,210	\$42,720	\$37,760
Graphic Designers (27-1024)	\$43,830	\$26,480	\$41,460	\$41,260	\$26,870
Public Relations Specialists (27-3031)	\$53,760	\$45,580	\$58,930	\$51,330	\$51,350
Writers and Authors (27-3043)	\$58,080	\$58,990	\$65,220	\$54,710	\$40,890
Sales Representatives, Services (41- 3099)	\$56,420	\$44,990	\$56,510	\$56,390	\$42,360
Office and Administrative Support Occupations (43-0000)	\$30,370	\$25,950	\$33,760	\$30,360	\$25,920
Managers of Office and Administrative Support Workers (43-1011)	\$46,530	\$37,880	\$50,650	\$46,610	\$47,420
Customer Service Representatives (43-4051)	\$30,400	\$25,850	\$32,110	\$30,770	\$27,490
Receptionists and Information Clerks (43-4171)	\$23,810	\$20,230	\$26,520	\$24,460	\$20,780
Data Entry Keyers (43-9021)	\$25,640	\$23,230	\$25,870	\$25,940	\$23,360
Office Clerks, General (43-9061)	\$25,200	\$20,590	\$29,670	\$25,590	\$22,300