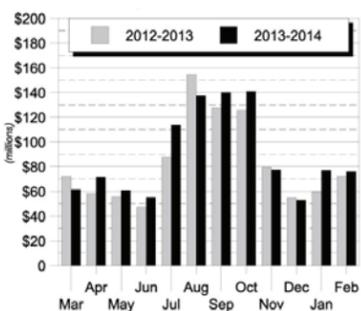


# Business

## MARKET WATCH

By Jonathan Schechter

### Teton County - February Taxable Sales



TOTAL TAXABLE SALES REPORTED TO Wyoming's Department of Revenue and Taxation in February was \$76 million, a 5 percent increase over the total reported in February 2013. A one- to two-month lag separates actual sales and when taxes are reported by the state, so February's number generally reflects sales in January, the slowest time of the winter season. Monthly sales figures vary wildly, so any one month's number needs to be taken with a huge grain of salt. For example, over the past 12 months the monthly swings have ranged from a 16 percent decrease to a 45 percent increase. Far more valuable is to look at 12-month running totals. During the fiscal year ending in February, all taxable sales totaled \$1.06 billion, a 7 percent increase over the previous 12 months.

Source: State of Wyoming

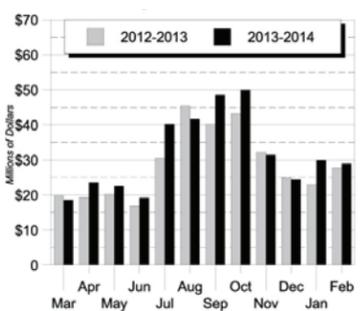
### Teton County - Total Taxable Sales



LOOKING AT LONGER-TERM TAXABLE sales trends, the graph above shows the last six years of total taxable sales in Teton County. Taxable sales grew steadily through the fall of 2008, then started their precipitous decline. They reached their nadir in July 2010 and stayed relatively flat until the summer of 2011. After growing for around a year, sales once again flattened, then began growing again last spring. Big picture: In the 18 months between the fall of 2008 and the spring of 2010, we gave up what took us the previous 36 months to gain. Today we're back to about where we were five years ago.

Source: State of Wyoming

### Teton County - Total Retail Sales



RETAIL SALES ARE THE BIGGEST CATEGORY of Teton County's total taxable sales. Retail sales reported in February totaled \$28.9 million, a 4 percent increase over February 2012. Retail sales reported during the fiscal year ending in February totaled \$379 million, an 8.2 percent increase over the same period one year earlier. The big story with the retail sector is that it includes building materials, which have been in the toilet for a few years. Back that out and retail is not just growing, but it is growing at an even more rapid clip.

Source: State of Wyoming

## App brings stories to cellphones

TravelStorysGPS gives you a tour guide in your car.

By Richard Anderson

Anyone who has driven I-80 through southern Wyoming knows the journey can be numbingly dull.

Unless you know the stories behind the scenery and sights.

TravelStorysGPS is a free smartphone app that makes that sort of information available to travelers.

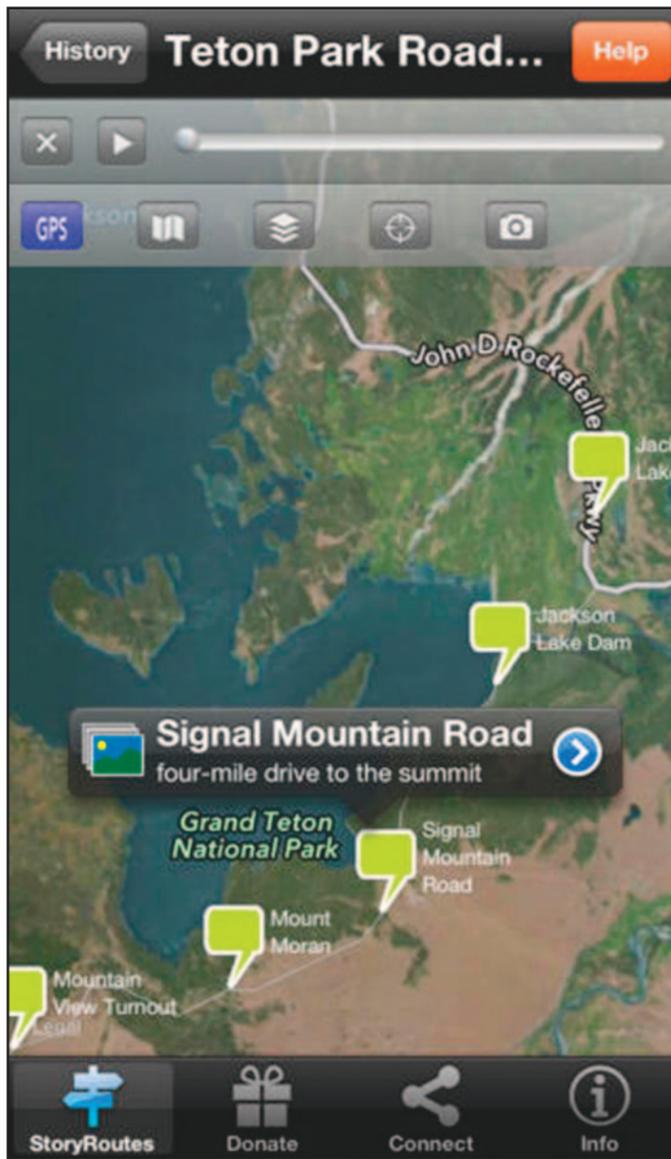
"These are GPS-triggered audio tours," said Story Clark, founder and CEO of TravelStorys. "As you drive or walk or float past a site of interest, the audio automatically comes on," along with photographs or video snippets.

While the Jackson Hole company has not developed an I-80 tour, it has two valley tours available — one for Highway 22 and one for the Teton Park Road — and is getting ready to launch more.

One, designed with help from the Jackson Hole Historic Society and Museum, leads visitors through downtown Jackson, explaining historic points of interest.

"And we're also in the midst of building a gallery tour," Clark said. In addition to talking about the role the fine arts have played in Jackson Hole culture, the app will show examples of art in participating galleries. "So you can see the exhibit even if the gallery is shut."

Another tour will escort visitors around Jackson Hole Airport. It will help them figure out where to collect their luggage, where to pick up their rental car and where to see Richard Painter's enormous burnt-wood eagle art. It also will teach them about



TravelStorysGPS mobile app uses your phone's GPS to craft personalized audio tours with stories and pictures of the area through which you are traveling.

the airport's unique location — it is the only commercial airport inside a national park — and the environmental issues visitors should be aware of.

"That will be offered in all rental cars," Clark said. "It's an opportunity for the airport to address some of their concerns and to help people get oriented as to

where the park is, where town is, and what they'll see and experience."

Yet another tour, titled Teton Adventures, will include interviews with athletes associated with the area. Visitors can hear Teton tales straight from the mouths of Paul Petzoldt, Leigh Ortenburger or Kit DesLauriers.

## Traditional retail going way of dinosaurs

In the past couple of weeks news has broken about three national retail chains with a presence in Jackson. Two of them — Staples and RadioShack — will be closing a large number of stores. The parent company of a third — Albertsons — is acquiring the Safeway chain of grocery stores.

The reason for these actions is basically the same: Nationally the retail environment is bad and getting worse, and strong actions need to be taken to shore up profitability. Retail as we've known it is a dinosaur, quickly heading for extinction thanks to the combination of two elemental forces: supply and demand, and the Internet.

The supply-and-demand problem can, in part, be traced back to California's passage of Proposition 13 in 1978. That severely restricted the revenue local government can generate from property taxes, forcing communities to become more reliant on sales tax. That got governments competing with one another for new retail space, a trend that spread across the country. As a result, in the 30 years between 1980 and 2010, the amount of retail space in shopping centers has grown at a compounded rate of 3 percent per year. At the same time, the U.S. population has grown only 1 percent per year. Do the math: Today America is home to roughly 43 square feet of retail space per capita, an increase of 30 percent since 1980.

Which is a problem, because when the amount of retail space is increasing more rapidly than the population it's hard for the stores filling all that space to see their sales grow. As Graph 1 on page 13C shows, that has been the situation over

the past decade or so: Correct U.S. retail sales for inflation and, for the country as a whole, per capita retail sales have been flat since 2000.

Put another way, over the past 13 years all growth in U.S. retail sales can be attributed to a combination of two factors: population growth and inflation.

It gets worse, at least for bricks-and-mortar retailers (retailers that have a physical presence and are not exclusively online).

As Graph 2 shows, when inflation is taken out of the equation the only real growth retail of any sort has experienced since 2000 has been in online sales. In constant dollars, bricks-and-mortar retail sales in 2013 were essentially the same as they were 13 years earlier.

Add population growth into the mix and, for the nation as a whole, per capita, per square-foot retail sales last year were only 6 percent above their level in 2000. Then factor in inflation, and 2013's per capita, per square-foot sales were 19 percent below where they were in 2000 (Graph 3).

As a result, it's pretty easy to make the argument that America has far too much retail space. As a further result, some big retailers — like Staples and RadioShack — are closing large numbers of stores, while others — like Albertsons and Safeway — are merging as a prelude to an inevitable store-closing binge.

This isn't to say that any of our local stores are on the chopping block. But it is to say that we in Jackson Hole

See SCHECHTER on 13C



Corpus Callosum

Jonathan Schechter