

2010 Colorado Planning & Management Region Report

Region 5 – Cheyenne, Elbert, Kit Carson and Lincoln Counties

Introduction

The East Central region of Colorado (Colorado's Central Plains) is comprised of Cheyenne, Elbert, Kit Carson and Lincoln Counties.

Agriculture is the base economic driver in each of the four counties, but the 8,000 square-mile region is very diverse. The population of the region in 1990 was 23,712. The State Demography Office's 2009 population estimate for the region is 39,792. However, 95% of that growth was concentrated in 3% of the geographical area within the region (the very northwest corner of Elbert County continues to experience high residential growth, with most of that population commuting to jobs in Denver). The other 5% growth was a result of increased or new prison populations in Lincoln and Kit Carson Counties. Cheyenne County had a decrease of 1.5% between 2000 and 2009, and Lincoln County decreased by 1% in that same period. Eight municipalities across our Region also experienced decreases. Per the 2000 Census, in 3 of our counties (Cheyenne, Elbert and Lincoln) more than 14% of the population is 65+.

The principal employer in all four counties is public. With that fact as the backdrop, it's easy to see the impact of lost revenues to the local governments. The reaction varies from county to county, with the greatest impact seen in Elbert County where the Commissioners ordered large staffing cutbacks across the board and eliminated the county's public safety dispatching service altogether, contracting with Arapahoe County for joint dispatching.

Like rural plains communities throughout the Midwest, many of Colorado's Central Plains towns have main streets filled with vacant storefronts. Households are often single older persons whose grocery and basic needs are less. As small "Mom and Pop" stores that have provided basic services for years come up for sale, there are few interested buyers. While such a business may still have cash flow under the original owner, that owner probably also has limited debt. Added debt for the new buyer plus the impact of an ever declining market means the continued existence of the small hardware stores and grocery stores in towns with a population under 1,000 becomes doubtful. The current economy makes this even more unlikely.

Oil and Gas valuations (impacting Cheyenne County and, to some extent, Elbert County) are unstable.

Housing

Suburban development in western Elbert County is changing the overall housing profile for the Region. For the balance of Elbert County and the other counties within this Region, housing stock is affordable and older. There is significant available housing that is quite affordable and is a leading

asset for the Region's proposed people attraction strategy. Even adjusting for substandard housing there is still significant room to attract new population with existing housing stock. Other critical infrastructure ranging from water supply to schools has adequate surplus capacity to absorb this level of growth. Such development could significantly enhance tax bases, workforce availability and domestic markets.

In 2008, the median value of housing stock in the Region ranged from \$62,400 to \$221,600, depending on the county. Vacancy rates averaged 11.5% for rental units and 3.2% for single-family homes.

Agriculture

In spite of external influences, the agricultural economy in the region remains fairly stable. Kit Carson County has an agricultural economy enhanced by deep well irrigation. The Republican River Compact must now be enforced and Kit Carson County farmers face the potential of shutting down hundreds of wells, with possible negative economic impacts far beyond any ever experienced in the history of the County or the Region. Farm crops also are at the mercy of destructive weather events as well as price fluctuations at the market. Commodity prices remain unstable, reaching an all time high in mid-2008, only to drop sharply (along with the rest of the economy) by the end of December of that year. In 2010, however, the crops produced above average yields and prices are somewhat above the average, as well.

Cheyenne, Lincoln, and Elbert counties are mostly dryland farming areas and are more likely to field large cattle ranches than large grain-producing farms.

Clean energy

Opportunities exist for the development of renewable energy sources on Colorado's Central Plains. Once the necessary electric power transmission lines are built, wind power will become a reality here. Farmers or ranchers who own the parcels on which the turbines are placed will benefit annually. The counties' tax bases will increase. Construction jobs related to development of wind farms will be substantial but there will be minimal permanent jobs once the farms are in operation. Strategies must be developed that will creatively capitalize on this new industry.

Under construction since the beginning of 2010, 34 wind turbines are being installed on about 6,000 acres north of Burlington. Tri-State Generation and Duke Energy are the major players in the project. The standards in Colorado call for electric cooperatives to provide 10 percent of their power through renewable resources by 2020. Tri-State is ramping up

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toward this goal on behalf of member co-ops in Colorado and in New Mexico. In 2007, Tri-State officials began researching 40 renewable energy projects. It narrowed that list to two. One of the projects approved in 2009 includes the turbines north of Burlington that are expected to generate 51 megawatts of electricity, enough to power 15,000 to 20,000 homes. The turbines are spread among seven landowners, and there is room for additional towers.

At the other end of the region, Renewable Energy Systems Americas, Inc. has executed a 20-year power purchase agreement with Public Service Company of Colorado, and commercial operation is expected in 2011. A 42-mile transmission line will be constructed across Arapahoe County, connecting the project to a Public Service Company substation. This 252.2 megawatt project consists of 139 turbines in the Cedar Point area that can produce energy to power about 68,000 homes.

Solar farms and bio-diesel plants also are realistic industries to capture and develop in the coming years.

Other

The largest Helium Production facility in the nation is near Cheyenne Wells. Opportunities should be developed to increase the helium supply to enable the facility to operate to capacity.

New projects

Heritage Tourism opportunities abound. Ways to bring more of the hundreds of thousand of persons passing through the area off highways 385, 40/287, 59, 71, 86, 24 and I-70 into the communities adjacent to them can be developed. These travelers along with thousands of Denver and Colorado Springs residents must be further enticed to come visit, “sit a spell” and spend money with existing businesses. Seasonal recreational hunting opportunities also exist...again more money in the pockets of existing businesses.

The region continues to build on the successful “Our Journey” heritage tourism marketing program, and its adjunct, “Off the Beaten Trail.” Directed at the residents of the Front Range communities, these projects have brought hundreds of people to this region each season to learn about area history and to buy lunch and a tank of gasoline.

Goals for the coming year

The greatest economic development need within the region is economic stabilization and diversification. Each area within the region needs to capitalize on its assets. Growing from within has a greater chance of success than bringing new business and industry to the area, but efforts to attract new jobs from outside the region should also continue.

Alternatives should be explored to re-design and reuse the main streets of many of the towns. Retail, as many of us knew it, is gone forever. Internet and 1-800 businesses are shipping within 24 hours. There are realistic opportunities for the region and each of the counties and most of the towns to become more economically viable by capitalizing on the resources that exist. Methods that create financing opportunities should be explored. Some of our smallest towns must consider becoming great neighborhoods to the larger communities down the road. Some economic incentives are in place, and the region has a strong history of working together to develop solutions for these issues.