

# 2012 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. Per the 2011 population estimates, the total population has grown to 38,577, a 6.56% increase from 2000. Between 2000 and 2011, Elbert was the only county in the region to experience significant growth. The majority of this growth took place in the northwest corner of the county, within commuting distance of metro Denver. Kit Carson increased by less than 2%, while Cheyenne and Lincoln counties experienced double digit net declines.

County	Census 2000	July 2011	% Change
Cheyenne	2,231	1,872	-16.09%
Elbert	19,872	23,156	16.53%
Kit Carson	8,011	8,150	1.74%
Lincoln	6,087	5,399	-11.30%
<b>Colorado</b>	<b>4,301,261</b>	<b>5,118,526</b>	<b>19.00%</b>

*Source: State Demography Office*

### JOBS & THE ECONOMY

The principal employers in all four counties are public: schools, health services, and local and county governments. The Limon Correctional Facility is also public. The Kit Carson County Correctional Facility is the largest private employer in the region with 175-200 full time employees depending on the inmate count. The tax base throughout the region is predicated on agriculture. Farming is preeminent in Kit Carson County, whereas ranching is primary in the other three; nevertheless, all four counties exhibit a mixture of both farms and ranches.

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 just recently to great extent Elbert County) are unstable but drilling activity has increased substantially during the latter part of 2011 and through the first three quarters of 2012 in Lincoln, Cheyenne and Elbert counties.

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### **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. Fair market rental housing continued to be very limited and when available more expensive than the market can justify. 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.

### **AGRICULTURE**

The agricultural economy throughout the region is severely impacted by the current drought (which is projected to continue). The 2012 wheat crop was better than anticipated and wheat prices are the highest in this decade. However, the 2012 fall crops were almost non-existent. Dry land corn crops failed throughout the counties and the yields on irrigated corn were far less than necessary to cover expenses. Pastures dried up and feed crops also failed because of lack of moisture. This, combined with the lack of corn for feed, has devastated the cattle industry in Colorado's Central Plains. The lack of moisture also negatively impacts the winter wheat crop; wheat scheduled to be harvested in June or July 2013. Therefore, the immediate economic impact on agriculture could be minor compared to the impact in 2013. All four counties have received federal disaster declarations.

### **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 throughout the region. 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 are substantial but there will be far less permanent jobs once the farms are in operation. Strategies must be developed that will creatively capitalize on this new industry. In late 2011 the Cedar Point wind project (a joint effort between Enbridge and Renewable Energy Systems Americas, Inc.) completed 139 turbines capable of generating up to 252 megawatts of electrical power. The towers are located in both Lincoln and Elbert Counties, north and west of Limon. The Next Era wind project brought another 225 wind turbines to Lincoln County. New Era will be completed and on line by the end of 2012.

Solar farms and bio-diesel plants also are realistic industries to capture and develop in the coming years. Ethanol has never been a target industry due to its dependence on corn. As alternatives to corn are developed for Ethanol, it may become an emerging industry, but that is still doubtful due to the high water needs.

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### **OTHER**

The second largest Helium production facility in the nation is located near Cheyenne Wells. As the DCP Midstream Ladder Creek plant is not currently operating at capacity, there exists the strong possibility that additional helium supplies will be developed, increasing the plant's production.

### **NEW PROJECTS**

Home Sweet Prairies ([www.homesweetprairies.com](http://www.homesweetprairies.com)), a new regional project in 2011, continued to be built upon. The four counties are promoting the availability of affordable housing units throughout Colorado's Central Plains. This grass roots economic development effort capitalizes on the homes and the area's traditional and valued rural lifestyle. The target audiences are retirees and "lone eagles" wanting to work from home. The website is updated once a month to include new and additional properties.

### **GOALS FOR THE UPCOMING 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 and retention and expansion of existing businesses are the primary goals. 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 must also be continued.

In 2013, drought mitigation alternatives need to be explored, selected and implemented.

The area, through its various economic development organizations, will work in 2013 to try and simplify the access for businesses to the complex network of financing programs for small business.

Additional Partnerships should be explored among communities within the region. Some of the smallest towns must consider becoming great neighborhoods to the larger communities down the road. Standing and working together is even more important in these difficult economic times.