

2014 Colorado Planning & Management Region Report

Region 1 – Logan, Morgan, Phillips, Sedgwick, Washington and Yuma Counties

INTRODUCTION

Northeastern Colorado is a 9,300 square mile geographic area including Logan, Morgan, Phillips, Sedgwick, Washington and Yuma Counties and the 22 incorporated municipalities in the region. Most of the region is primarily agriculture, but in recent years the counties have been working to diversify their economic base, exploring industries and new jobs that are suited for the area. The region saw an overall decrease of 1% between the 2010 Census and July 2013. Logan County had the largest decrease at 3.75%. Morgan and Yuma were the only counties to experience an increase, both at less than 1%.

County	Census 2010	July 2013	% Change
Logan	22,709	21,858	-3.75%
Morgan	28,159	28,311	0.54%
Phillips	4,442	4,346	-2.16%
Sedgwick	2,379	2,340	-1.64%
Washington	4,814	4,772	-0.87%
Yuma	10,043	10,114	0.71%
Colorado	5,029,196	5,264,890	4.69%

Source: State Demography Office

JOBS & THE ECONOMY

Over the next five to ten years, irrigated cropland in the Eastern South Platte Basin will be reduced by 150,000 acres. This reduction of cropland will have a direct and indirect economic impact of \$77,948,551 on Northeastern Colorado. The economic impact of this loss of revenue could include fewer employees in agricultural production and fewer employees in the manufacturing plants that are dependent upon agricultural production. The loss of jobs or reduced income in the agricultural sector of the economy could result in less disposable income for the purchase of goods and services.

HOUSING

Even though housing prices have not increased substantially for a number of years, the major driver of new demand in our region is an increase in the number of oil and gas industry jobs (including alternative energy). This demand factor is difficult to predict as jobs tend to be transient. High salaried oil and gas employees are contributing to high rental rates and low vacancies. With strong demand on a limited housing inventory, it doesn't take much to price local wage earners out of that market.

These challenges are being faced by many communities in the western US. Extraction and service industries place heavy burdens on the housing supply and government services needed to support the houses. The boom and bust nature of the resource economy creates high housing prices followed by a surplus of housing when the particular boom subsides. Many westerners are puzzled by expensive building site prices in northeastern Colorado communities when hundreds of miles of vacant land surround the developed areas.

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AGRICULTURE

Agriculture is the economic base of our region. It has provided the stability and kept this region going during the tough economic times, but there are concerns as to the future. “Dry up”, the drying up of farmland to provide water for other uses, has become a common occurrence across our region, resulting in a smaller agriculture industry. Farms and water rights are being purchased by Front Range interest groups to serve municipality water needs. At the same time, family farmers have needed to grow their operations to thousands of acres to remain financially viable.

Our region is also a major provider to beef feedlots, hog farms and dairies. There is potential for growth if we are able to increase our supply, but that requires water which is a precious resource at this time. The dairy industry continues to experience growth and expansion in support of the Leprino cheese production plants in both Fort Morgan and Greeley.

CLEAN ENERGY

The Florida Power and Light Company (now Next Era Energy) has invested more than \$1 billion in constructing 427 wind turbines and a 70 mile transmission line on the Peetz plateau in Northern Logan County. British Petroleum Alternative Energy/Babcock and Brown have invested millions in the Cedar Creek Wind Project in Northern Weld County. Combined, the 825 megawatts (MW) from these two projects generate power to service 300,000 homes. There will be about 50 permanent wind technicians to maintain the estimated 824 wind towers when the two projects are completed. In addition, Logan County has permitted another 325 turbines planned for future years.

Two ethanol plants have been constructed in the cities of Yuma and Sterling and produce 50 million gallons of ethanol per year. Employment is about 30 per plant or 60 employees total.

Facilities to capture wind energy, bio-diesel and other alternate sources of energy have been constructed in Northeastern Colorado. The development of energy alternatives could result in 400-500 construction jobs and the creation of 100 new permanent jobs when the facilities are operational. With the expected future development of wind energy and the transmission grid build-out to export renewable energy to major markets, we also believe solar will be an important source of energy.

GOALS FOR THE UPCOMING YEAR

Northeastern Colorado Association of Local Governments (NECALG) has completed the Community Economic Development Strategy (CEDs), and in August of 2014 received designation as an “Economic Development District” by the Economic Development Administration. NECALG will work with local economic development offices, Workforce Centers, Community Colleges, and key businesses to further enhance a regional approach to economic growth. Additionally, NECALG is currently undertaking a strategic study of broadband services within the Region, working towards an overall plan detailing availability versus need and identify gaps in service to foster growth in the area.