

2014 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.

Between 2010 and 2013, the population of the overall region remained virtually unchanged with an increase of 379, or 0.98%. Cheyenne and Elbert counties each posted modest gains. The majority of this growth took place in the northwest corner of Elbert County, within commuting distance of metro Denver. Kit Carson and Lincoln each posted small declines.

County	Census 2010	July 2013	% Change
Cheyenne	1,836	1,887	2.78%
Elbert	23,086	23,679	2.57%
Kit Carson	8,270	8,052	-2.64%
Lincoln	5,467	5,420	-0.86%
Colorado	5,029,196	5,264,890	4.69%

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 more recently to both Lincoln and Elbert Counties) are unstable but drilling activity has continued to increase throughout 2013 and into 2014. New technology (particularly horizontal drilling) is enabling old fields to be reexamined and new areas to be developed.

2014 Colorado Planning & Management Region Report

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

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 but generally older. This available and attainable housing 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 was severely impacted by the 2011-2012 drought. While parts of the region remained under drought conditions through 2013, the region has a whole has seen improvement. The 2014 wheat crop (planted in the fall of 2013) was one of the best in recent history. 2014 fall crops should be average or above because of adequate moisture during late spring and summer. However, the impacts of the drought will continue. Cattle herds that were liquidated due to lack of (or high cost of) feed will continue to take several years to build back up. Crop prices continue to be high but corn is much lower than a year ago while the price of cattle during the fall of 2014 is very high. The hay production in 2014 in Colorado's Central Plains is abundant (as it is elsewhere in Colorado) thus the price of hay in 2014 is much lower than in 2013.

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. NextEra has completed construction of an additional 200 MW wind farm (125 towers) in Lincoln County and has announced plans for another 150 megawatt wind farm in Kit Carson County to begin construction in 2015. 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.

2014 Colorado Planning & Management Region Report

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

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 still exists the strong possibility that additional helium supplies will be developed, increasing the plant's production.

NEW PROJECTS

Home Sweet Prairies (www.homesweetprairies.com) 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.

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. Broadband service is minimal in parts of the region and if business and industry is to be retained and public safety needs met, Broadband services must be upgraded. The Region will undertake a Broadband analysis and develop an overall plan to address Broadband deficiencies during the last quarter of 2014. The area's CEDS (Comprehensive Economic Development Strategy) will be updated during 2015.

The area, through its various economic development organizations, will work in 2015 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 areas of limited population and services.