

2016 Colorado Planning & Management Region Report

Region 2 – Larimer and Weld counties

INTRODUCTION

The North Central portion of the State, consisting of Larimer and Weld counties, is a combination of expansive rural, agricultural and concentrated urban areas. There is a transition from rural to urban at the fringe of many municipalities, a trend which is placing increasing demands on current infrastructure.

The September 2013 flood impacted the region, and changed connections between communities and temporarily displaced many people. The movement of people, goods and services on the region's roads was significantly impacted. Permanent repairs have been made on many homes, businesses, roads and bridges, and these repairs will continue at least through 2017.

Another factor affecting Weld County in particular has been the dramatic decline in oil prices, which has significantly impacted employment. The change in the presence of the oil and gas industry impacts the availability of housing, demand for goods and services, and demand on the region's transportation infrastructure.

Population:

County	Census 2010	July 2015	% Change
Larimer	299,630	332,832	11.08%
Weld	252,825	284,876	12.68%
Colorado	5,029,196	5,456,584	8.50%

Source: State Demography Office

JOBS & THE ECONOMY

The unemployment rate for the Fort Collins-Loveland MSA and the Greeley MSA continues to be near the National and State unemployment rates. The August 2016 unemployment rate for the Larimer County was 2.9% and 3.5% for Weld, compared to the State of Colorado at 3.3 percent.

Firms with 1,000 or more employees include: Banner Health Medical Centers; Center Partners, Inc.; Colorado State University; City of Fort Collins; City of Greeley; ConAgra Beef; U.S. Department of Agriculture; Greeley School District 6; Hewlett Packard Company; JBS USA & Affiliates; Larimer County; Lutheran Health Systems; Poudre School District RE-1; Poudre Valley Health System; State Farm Insurance Company; Thompson Valley School District; University of Northern Colorado; Walmart Stores; Weld County; Woodward, Inc.; and Hensel Phelps Construction. A lot of the employment activity in the region is being driven by the health care industry.

The majority of oil and gas production in Region 2 occurs in Weld County. According to the Colorado Oil and Gas Commission, 89 percent of all oil produced in Colorado in 2015 came from Weld County. Oil production in the region continued to increase, with a 37.6 percent increase from 2014 to 2015, while natural gas production decreased by 15.9 percent.

HOUSING

The housing industry in Larimer and Weld counties continues to improve at a steady pace. In 2014, single family house prices averaged \$317,000 in Larimer County and \$249,600 in Weld County. The

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region's single-family home inventory has seen a modest increase. Rents in the same area have increased faster than home prices in part due to the displacements caused by the 2013 flood.

Between 2014 and 2015, the number of building permits in the Fort Collins-Loveland MSA declined by 2.5 percent and increased by 17.8 percent in the Greeley MSA. The majority of building permits for multiple units were located in Fort Collins and Greeley. The Fort Collins-Loveland MSA issued 743 multiple family building permits and 1,720 single family building permits. The Greeley MSA issued 610 multiple family building permits and 2,624 single family building permits. The increase in oil and gas employees looking for housing in conjunction with a low supply of homes and apartments is one reason for the increase in multiple unit building permits.

Availability of housing choices is also important. In the 1st quarter of 2015, apartment vacancy rates were 0.5 percent in the Fort Collins-Loveland MSA and 2.3 percent in the Greeley MSA.

AGRICULTURE

Weld County's primary crops are wheat and corn, with a large poultry and cattle output as well. In 2015 farm and ranch income faced downward pressure due to flat cattle prices and significant declines in commodity prices. Corn production was unchanged from 2014 as higher yields offset a 7,600 drop in planted acres, while wheat production fell substantially as a result of lower yields and prices. In 2015, the total cattle and calves count in Weld County declined from 490,000 to 485,000; however, the number of dairy cows increased by 3,000 to 81,000. The number of dairy cows in Weld County has increased by 16 percent from 2012 to 2015.

Larimer County produces corn and wheat at a smaller scale than Weld County, while producing smaller numbers of cattle and milk from cows. Corn production in Larimer was off 13 percent in 2015 as fewer acres were harvested and yields were lower. Unlike Weld, wheat production in Larimer rose by 16 percent with a 48 percent increase in planted acreage offsetting a 25 percent drop in yields. The total number of cows and calves remained unchanged at 42,000 in 2015, but both beef and dairy cows increased by 200.

NEW PROJECTS

In Fort Collins, Woodward, Inc., formerly Woodward Governor, continues construction on a new global headquarters. A 275,000-square-foot Industrial Turbo Machinery Systems building and 60,000-square-foot corporate headquarters are scheduled to be completed by the end of 2016. Upon completion the new facility will add an additional 1,000 employees.

The MAX bus rapid transit line opened along the Mason Corridor in May 2014. Multiple transit-oriented developments (TOD) are occurring along the route. Fort Collins is beginning to study potential MAX extensions for future implementation.

Costco Wholesale Club, including a food store, tire center, liquor store and gas station, opened on October 2, 2014 in Timnath adjacent to Fort Collins.

Multiple solar projects are being completed in Northern Colorado, expanding alternative energy options. In 2015, the Poudre Valley Rural Electric Association (PVREA) opened a solar farm along Riverside

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Avenue in Fort Collins. PVREA developed two solar projects in Weld County with up to 35,000 solar panels, both of which should be operational by the end of 2015. Additionally, Platte River Power Authority will build a solar energy facility at the Rawhide Energy Station north of Wellington, which will produce enough electricity to power 7,000 homes.