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 2016, the population of the overall region grew by 1,556 - or 0.7% annually. Cheyenne and Lincoln counties each posted modest gains, while Elbert County led growth in the region. The majority of this growth took place in the northwest corner of Elbert County, within commuting distance of metro Denver.

Population: County	Census 2010	July 2016	Annual Change
Cheyenne	1,836	1,853	0.2%
Elbert	23,086	25,169	1.5%
Kit Carson	8,270	7,639	-1.3%
Lincoln	5,467	5,554	0.3%
Region 5	38,659	40,215	0.7%
Colorado	5,029,196	5,538,180	1.6%

Source: State Demography Office

JOBS & THE ECONOMY

Unemployment throughout the region has shown improvement and is even lower than at the State level (2.2%). Cheyenne showed the greatest improvement from August 2016 to August 2017, with a (1.2%) drop in the County's unemployment rate resulting in a countywide rate of 1.3%. Elbert (1.9%) and Lincoln (1.8%) Counties' unemployment rates are both just below 2%, while Kit Carson's unemployment rate for August 2017 was 1.4%.

enempie, mene			
County	August 2016	August 2017	% Change
Cheyenne	2.5%	1.3%	-1.2%
Elbert	2.6%	1.9%	-0.7%
Kit Carson	1.8%	1.4%	-0.4%
Lincoln	2.4%	1.8%	-0.6%
Colorado	3.2%	2.2%	-1.0%
		_	

Unemployment:

Source: Labor Market Information

HOUSING

Suburban development in western Elbert County is changing the overall housing profile for the region. Housing stock for Elbert County and the other counties within this region is affordable, but generally older. This available and attainable housing is a leading asset for the region's proposed population

2017 Colorado Planning & Management Region Report

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

attraction strategy. Fair market work force rental housing continued to be very limited throughout all four counties and, when available, it is more expensive than locals feel the market can justify. Other critical infrastructure ranging from water supply to schools has adequate surplus capacity to absorb most levels of growth. School systems throughout the Region have difficulty in attracting and retaining teachers.

AGRICULTURE

The agricultural economy throughout the region was severely impacted by the 2011-2012 droughts. While parts of the region remained under drought conditions through 2013, the region as a whole has seen great improvement through late summer of 2017. The 2017 wheat crop (planted in the fall of 2016) was again far above average. 2017 fall crops (particularly dryland corn) could result in yields that are the highest in years because of much higher than average rainfall during late spring and summer. Cattle herds that were liquidated due to lack of (or high cost of) feed during the two-year drought period have been built back up - but the overall prices of corn, wheat, and cattle continue to be much lower than average. This limits the positive impacts of the higher-than-usual moisture for crops and grazing lands.

CLEAN ENERGY

Lincoln County <u>voted in summer 2017</u> to push the development of wind turbines to at least ½ mile from all habitable dwellings in the County. The move places into question the development of a 300 megawatt, 150 turbine wind farm, though the County continues to house a significant portion of the State's turbines.

Invenergy (Xcel) has begun construction of two wind farm projects transcending Elbert, Lincoln, and Cheyenne counties. When completed, Rush Creek I and Rush Creek II will result in an additional 300 Vestas V110 wind turbines with combined output of 600MW. The project is estimated to increase wind energy production in Colorado by at least 20%.

FOREIGN TRADE ZONE DESIGNATION

Limon received designation as a Foreign Trade Zone by the U.S. Department of Commerce in August of 2015. The zone means this small eastern Colorado town and surrounding counties can offer incentives to both large and small businesses by allowing companies to defer, reduce, or eliminate tariffs on the parts and supplies they import until the final products are sold in the U.S. market. If products are exported, the manufacturer won't pay the tariff at all. Limon's Zone includes Adams and Arapahoe Counties as well as portions of Morgan, Lincoln, and Elbert Counties. A marketing plan for the Zone was completed with assistance from Blueprint/OEDIT in early 2017.

2017 Colorado Planning & Management Region Report

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

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

ECONOMIC DEVELOPMENT PROJECTS

<u>Home Sweet Prairies</u> – an organization dedicated to the promotion and service of residents in Region 5 – continued to be built upon. The four counties are promoting the availability of affordable housing units throughout Colorado's Central Plains. This <u>grassroots economic development effort</u> capitalizes on the homes and the area's traditional and valued rural lifestyle. The initiative targets retirees and those who seek to live outside of – but not too far – from Colorado's city centers. A Regional Broadband Plan is nearing completion and the region will be working toward implementing portions of the plan to improve Broadband services. The cooperative region Heritage Tourism marketing effort of the four counties and fifteen towns will also continue to be built upon.

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; 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 continue. A new five-year regional Comprehensive Economic Development Strategy (CEDS) was completed in 2015 and the region began work in 2017 towards implementation of strategies that were identified as priorities. This will continue into 2018.

The area, through its various economic development organizations, will work in 2018 to promote the East Central Enterprise Zone and to increase awareness of the various financing programs for small businesses. The various economic development interests in Kit Carson and Cheyenne Counties will work with the State to develop alternative uses for the recently closed correctional facility near Burlington, including increasing tourism/travel to Burlington.

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.