APPENDIX A

APPENDIX A: BACKGROUND MATERIAL

This appendix contains reports providing an overview of the data collected and reviewed as part of the *Imagine Greeley* process. The following provides an overview of the documents included in this appendix:

- Key Trends and Existing Conditions Summary Report
- Comprehensive Plan Economic Analysis
- Greeley Indicators 2016
- 2017 Annual Growth and Development Projection Report

IMAGINE GREELEY

Key Trends and Existing Conditions Summary Report

03/03/2017

City of Greeley Colorado

CITY OF GREELEY COMPREHENSIVE PLAN UPDATE

TABLE OF CONTENTS

ABOUT IMAGINE GREELEY

Since 1997, Greeley's population has increased from 70,000 to more than 100,000. By 2040, it is anticipated to reach 150,000. What do we want the Greeley of the future to look and feel like? What steps do we need to take to maintain Greeley's quality of life for future residents—many of whom will be our children and grandchildren?

Imagine Greeley was initiated by the City to help answer these and other important questions. It includes two distinct, but interrelated efforts:

- **An update to the City's 2060 Comprehensive Plan**
  A comprehensive plan is a policy guide that informs decisions about public and private growth and development within the City of Greeley over the next 10 to 20 years. It is both a statement of the community's vision for the future, as well as a set of strategies for realizing that vision. The City's current comprehensive plan, the 2060 Comprehensive Plan, was last updated in 2009. Our community has changed and evolved in the years since the 2060 Comprehensive Plan was adopted. As part of Imagine Greeley, the City is seeking input on what is working well (or not) as well as input on potential gaps to be addressed in the updated Comprehensive Plan. Key focus areas for the Imagine Greeley process include: housing access, growth and city form, economic health and diversification, livability, and public capital and operations planning.

- **Identification of priority community improvements**
  Nearly 20 years ago a group of citizens came together to identify community improvements that would maintain Greeley's quality of life for years to come. That process resulted in the construction of Greeley's Ice Haus, the Family FunPlex, Discovery Bay Waterpark and other parks and trails, the Rodarte Center expansion, Greeley Police headquarters, the Greeley History Museum, and more. As part of Imagine Greeley, the City is asking residents to share their top priorities for Greeley's to-do list over the next 20 years. This information will be used to inform capital improvement and operations planning and public investment efforts designed to fund major community improvement projects over the coming years. Initial meetings for this effort took place in October, 2016.

ABOUT THIS REPORT

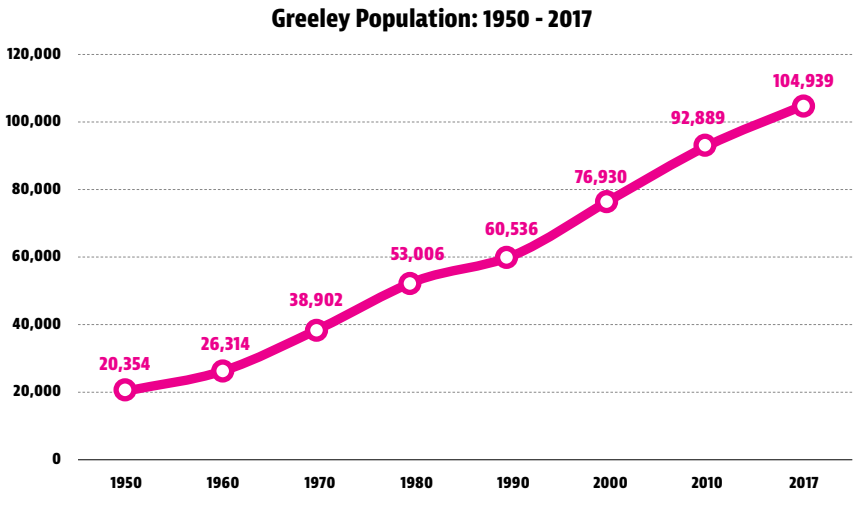
The Key Trends and Existing Conditions Summary report presents data and statistics on a range of topics and trends relevant to the Imagine Greeley process. It is intended to help inform and serve as a foundation for discussions among community members, stakeholders, City staff, elected and appointed officials, and others involved in Imagine Greeley.

The following topics are addressed in the report:

- Population
- Housing
- Economy
- Growth and Development
- Livability
- Infrastructure and Services

More information on trends can be found in the Greeley Indicators 2016 report, available on the Imagine Greeley project website (www.imaginegreeley.com).

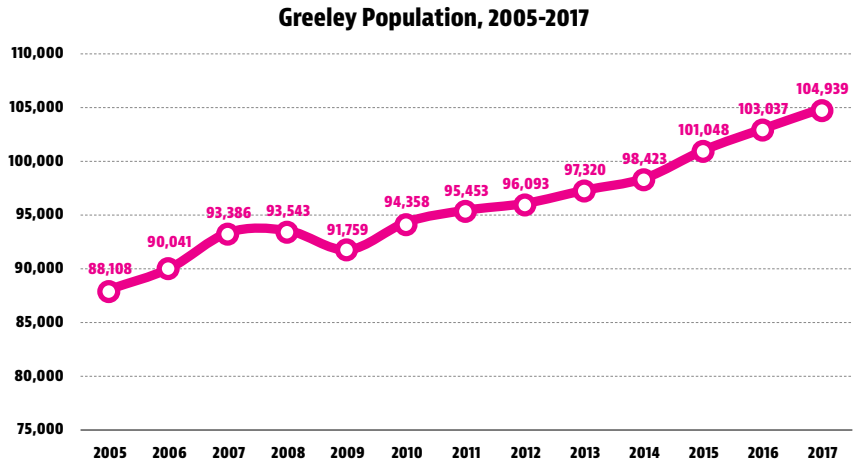
POPULATION



Sources: U.S. Census Bureau Decennial Census; City of Greeley

Population Growth

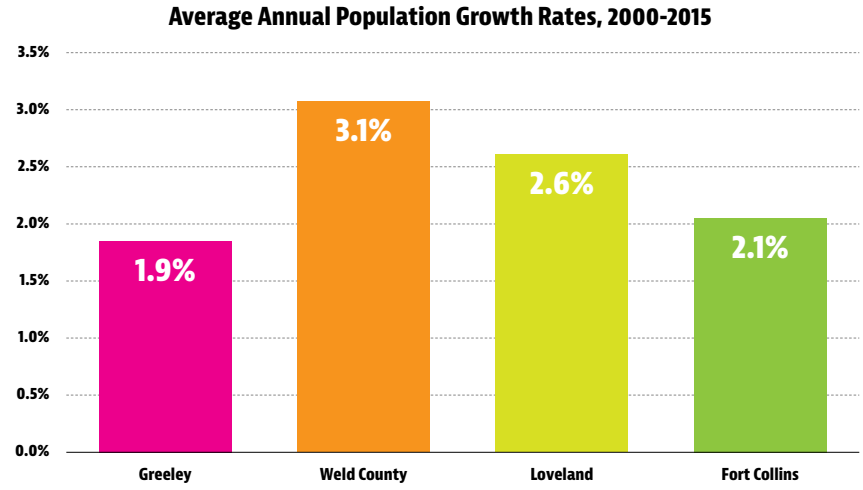
Greeley's population grew from a population of 20,354 in 1950 to an estimated population of 104,939 in 2017. Greeley was the 13th largest city in Colorado and the largest city in Weld County (excluding cities that have only portions of their municipal limits in the County).



Source: City of Greeley

Recent Population Growth

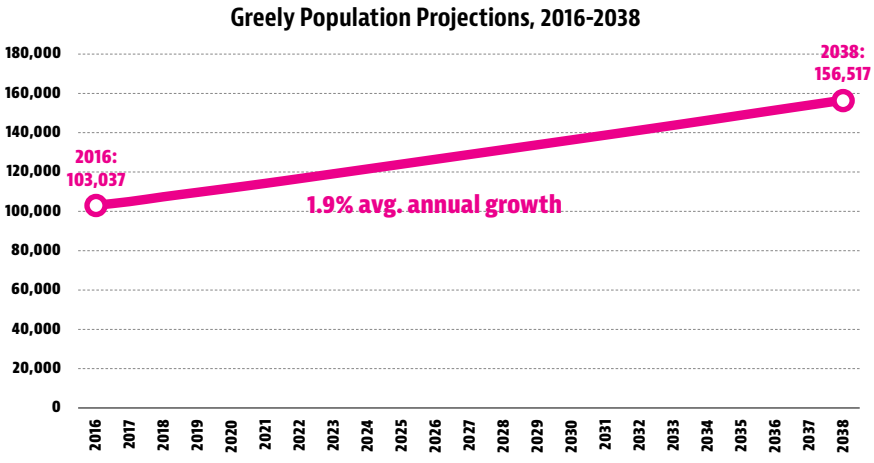
A closer look at population trends since 2005 reveals that the City's population actually decreased during 2009, in the aftermath of the Great Recession. Growth returned the following year and the City's population has continued to grow since.



Sources: U.S. Census Bureau Decennial Census; CO Department of Local Affairs

Population Growth Rates

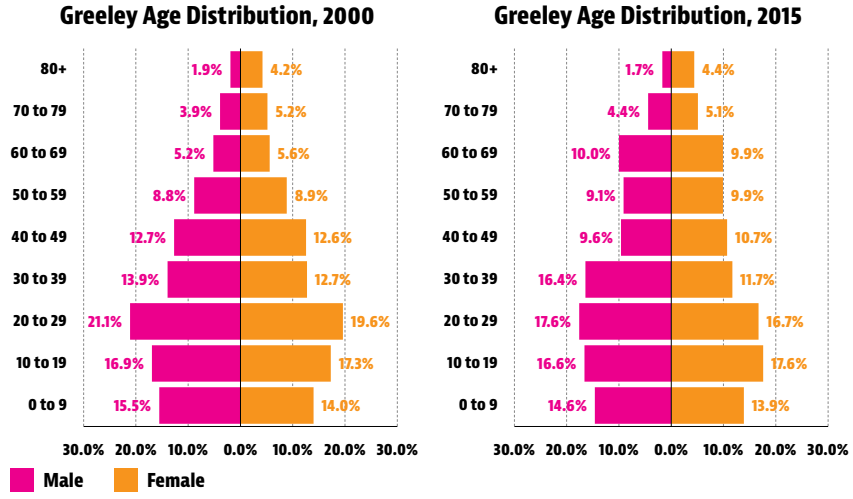
Greeley's population increased at an average annual rate of 1.9% between 2000 and 2015. This rate of growth was slower than that seen in Weld County as a whole, as well as slower than in surrounding communities. However, population growth in the region is likely to have impacts on the City's current and future residents, such as through increased traffic on regional and interstate roadways.



Sources: City of Greeley; Colorado Department of Local Affairs

Projected Population Growth

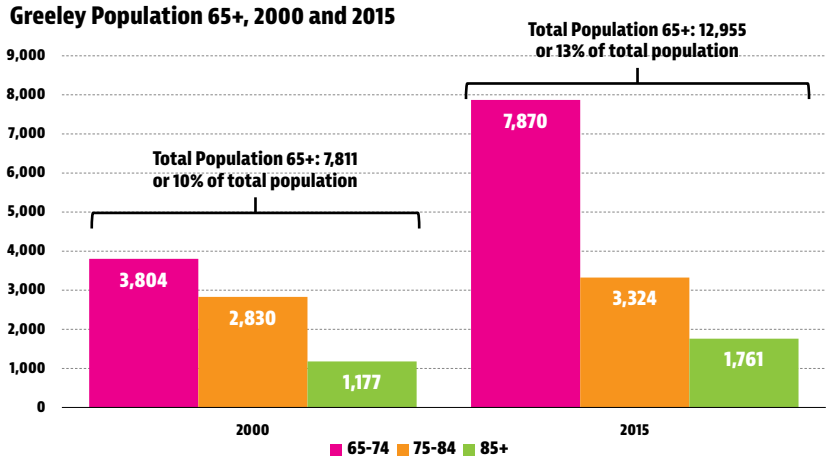
According to analysis completed by City staff, the population of Greeley is estimated to reach 156,517 by 2038, and increase of over 50,000 residents. This equates to an annual average growth rate of 1.9%, a similar rate to that experienced between 2000 and 2015.



Sources: U.S. Census Bureau Decennial Census; American Community Survey, 5-Year Estimate

Age Distribution

The distribution of Greeley's population by 10-year age groups did not change drastically between 2000 and 2015. However, certain age groups saw their share of the total population grow (such as 60- to 69-year olds), while others saw declines (such as 20- to 29-year olds). These trends mirror the general aging of the population experienced in communities across the country. The median age of a Greeley resident was 31-years old in 2015, younger than in Weld County (34-years old). However, this is older than Greeley's median age of 28.5 in 2000.



65+ average annual growth, 2000 – 2015: **3.4%** | Total population average annual growth, 2000-2015: **1.9%**

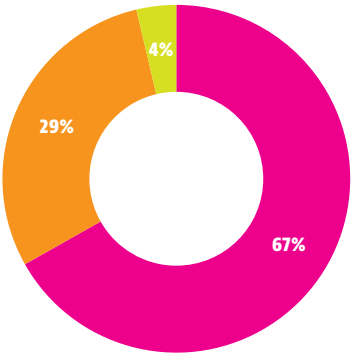
Sources: U.S. Census Bureau Decennial Census; American Community Survey, 5-Year Estimate

Population over 65

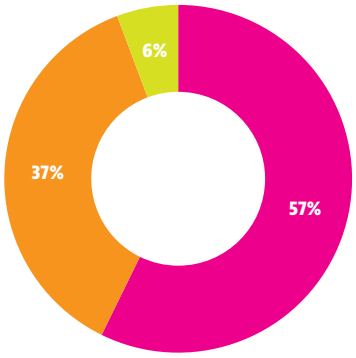
The number of Greeley residents age 65 and older increased by around 5,000 between 2000 and 2015. This equates to an average annual increase of 3.4% over that period compared to a growth rate of just 1.9% for the population as a whole.

POPULATION

Greeley Race and Ethnicity, 2000



Greeley Race and Ethnicity, 2015



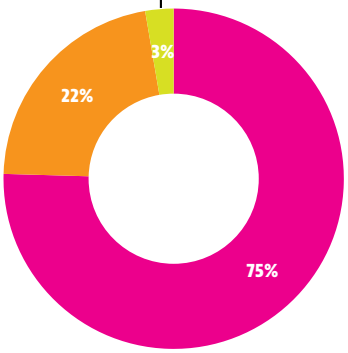
White Hispanic/Latino All other

Sources: U.S. Census Bureau Decennial Census; American Community Survey, 5-Year Estimate

Race and Ethnicity

The population of non-white residents in Greeley has increased as a percentage of the total population since 2000, up to 43% of the population in 2015. That year, the largest minority group in the City was residents of Hispanic/Latino background at 37% of the population, followed by Blacks/African American residents, who accounted for approximately 2% of the population in 2015.

Languages Spoken at Home, 2015



"Other" includes:

- African languages (484 residents)
- German (410 residents)
- Chinese (288 residents)
- Vietnamese (153 residents)
- French (150 residents)
- Persian (129 residents)
- Other Asian languages (99 residents)
- Other Pacific Islander languages (85 residents)
- Portuguese (83 residents)
- Arabic (74 residents)
- Japanese (50 residents)
- And more...

English only Spanish Other

Sources: U.S. Census Bureau American Community Survey, 5-Year Estimate

Languages Spoken at Home

In addition to becoming more racially/ethnically diverse, Greeley's residents speak a range of languages besides English at home. According to the US Census Bureau, residents speak over 30 different languages.

KEY QUESTIONS TO BE EXPLORED AS PART OF THE IMAGINE GREELEY PROCESS:

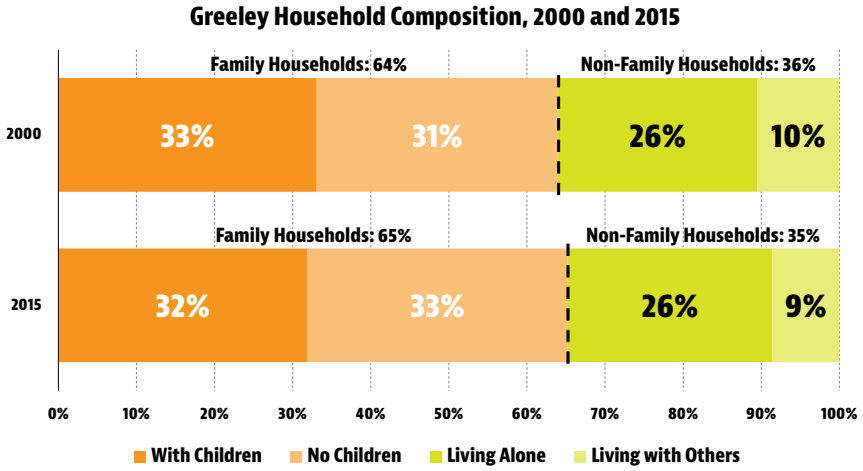
What types of housing are needed to support our changing population? (e.g., growth of seniors)

How do we maintain the qualities that make Greeley unique in the face of population growth?

How can Greeley support an aging population, and how might City services and programs adapt?

How can we remain a welcoming community to those from a range of social and economic backgrounds?

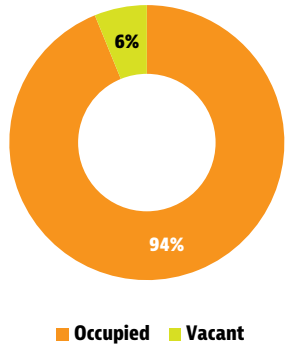
HOUSING

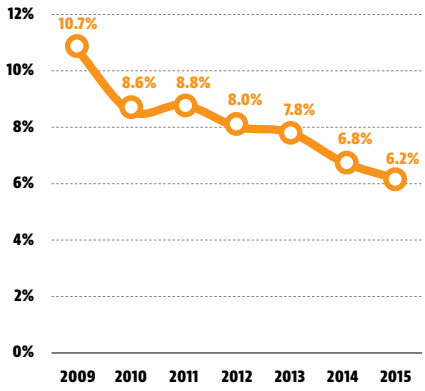


Sources: U.S. Census Bureau Decennial Census; American Community Survey, 5-Year Estimate

Household Composition

The composition of households in Greeley has remained largely unchanged since 2000. Nearly two-thirds of all households in the City are made up of families. Half of family households (or one-third of all households) are made up of families with children. 35% of households were non-family households in 2015, meaning they are made up of persons living alone, or persons living in households with people unrelated to them (e.g., students living in a house together as roommates).

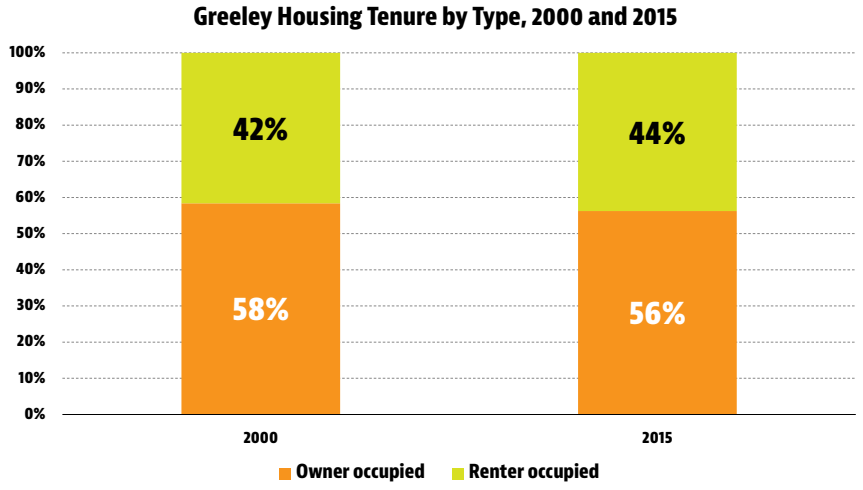




Sources: U.S. Census American Community Survey, 5-Year Estimate

Vacancy Rates

Vacancy rates for all types of housing have been dropping since 2009. Low vacancy rates are a sign of a healthy economy and real estate market. However, vacancy rates that drop too low can lead to housing shortages, meaning it is harder (and more expensive) to find housing in Greeley.

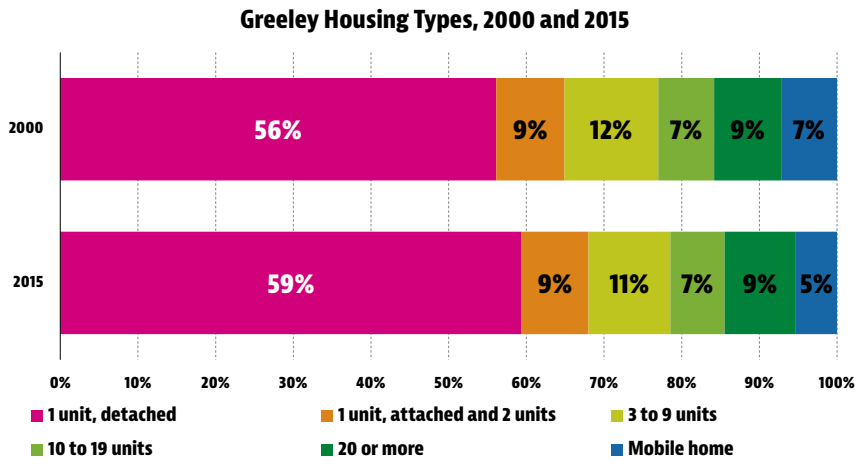


Sources: U.S. Census Decennial Census; American Community Survey, 5-Year Estimate

Housing Tenure

The majority of households in Greeley are owner-occupied, meaning the person lives in a house unit that they own themselves rather than pay rent. While 56% of households were owner-occupied in 2015, the number of renter-occupied households increased since 2000. The percentage of renter-occupied households seems likely to increase in the future given that the majority of the new housing units permitted in Greeley were for multi-family housing in 2015.

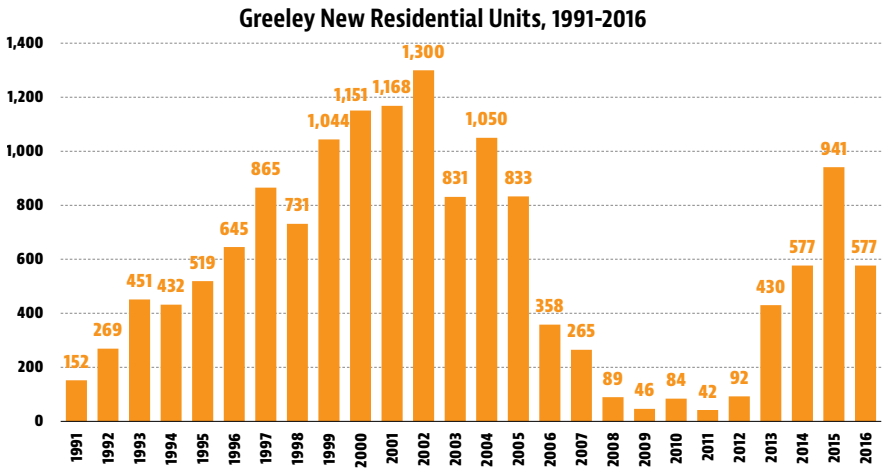
HOUSING



Sources: U.S. Census Decennial Census; American Community Survey, 5-Year Estimate

Housing Types

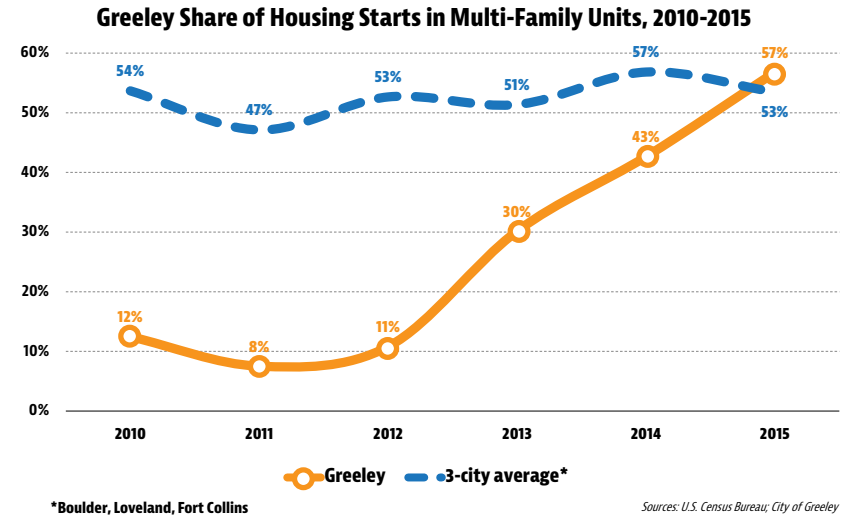
According to the U.S. Census, 1-unit detached (or single-family homes) were the most common housing type in Greeley, accounting for 59% of all housing units. This marks an increase since 2000, when single-family homes accounted for 56% of all housing units.



Source: City of Greeley

Housing Units

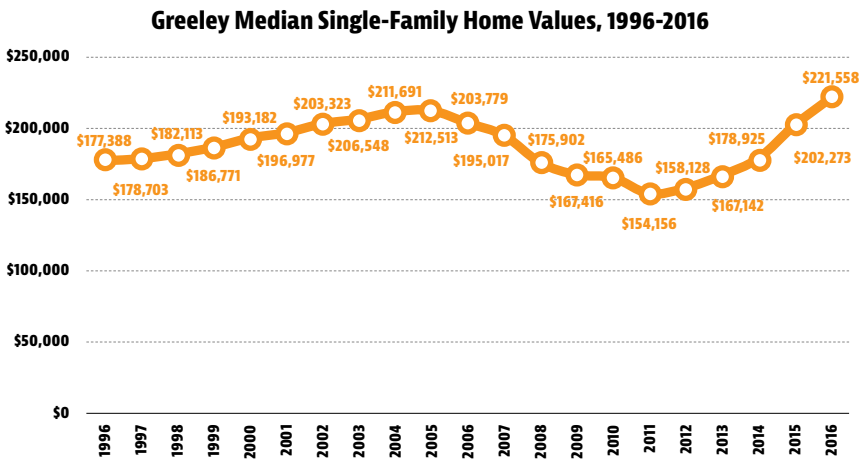
Since 1991, the number of new residential units permitted in Greeley peaked in 2002 at 1,300 units that year. The number of units permitted dropped in the year following, bottoming out at 42 units permitted in 2011. Since then, the number of new housing units permitted has increased, but has not reached the levels seen during the first half of the 2000s.



Sources: U.S. Census Bureau; City of Greeley

Multi-Family Units

While Greeley has traditionally seen less multi-family housing development than in other communities along the Front Range, the percentage of multi-family housing starts has increased substantially over the past 5 years. In 2015, multi-family housing starts accounted for over half of all housing starts, up from just 8% in 2011.

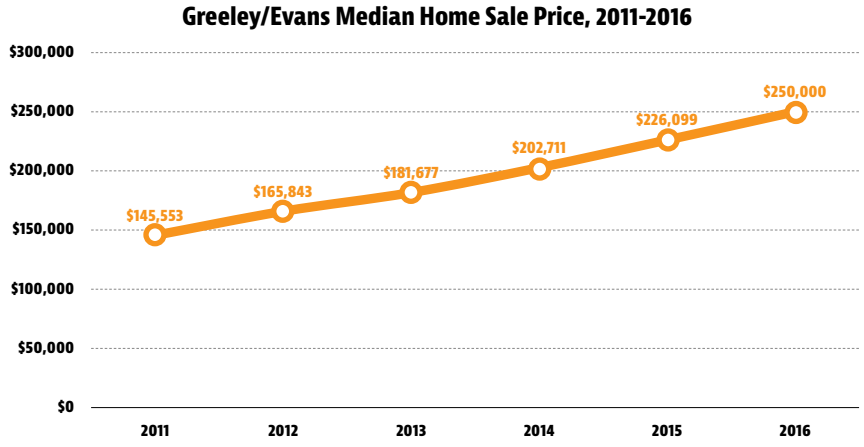


Values adjusted for inflation to 2016 Dollars

Sources: Zillow.com

Median Home Values

After a decade of consistent appreciation, the median value of single-family began to declining starting in 2006. This trend continued until 2011, when the value of homes fell to $154,156 (adjusting for inflation), the lowest value over the past 20 years. However, prices recovered in the years following 2011, surpassing the previous peak value of $212,513 (reached in 2005). In 2016, the estimated median value of a single-family home was $221,558.

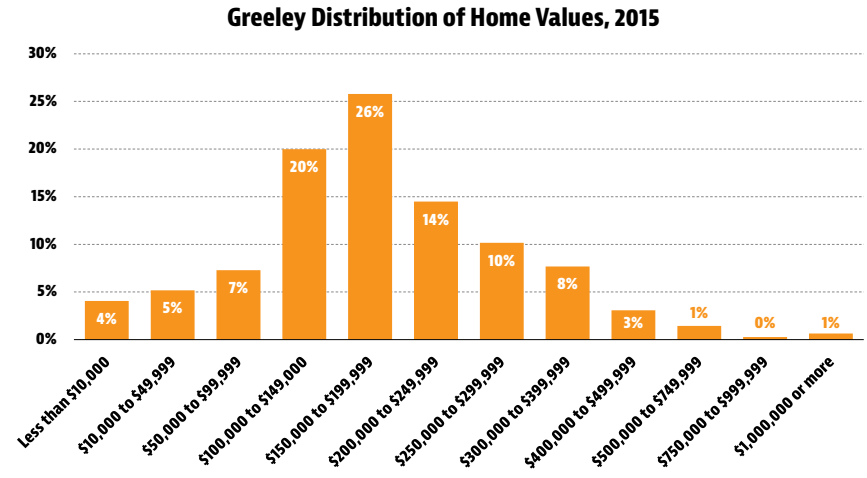


Values adjusted for inflation to 2016 Dollars

Sources: Sears Real Estate

Median Sales Price

Mirroring the trends described in the chart above, the median sales price for a home in the Greeley/Evans area has been increasing since 2011. Between 2011 and 2016, the median sales price for a home increased by $104,447, an annual average increase of nearly $21,000. Part of this increase can be attributed to the lack of available homes for sale in the area, leading to increased competition among home-buyers.

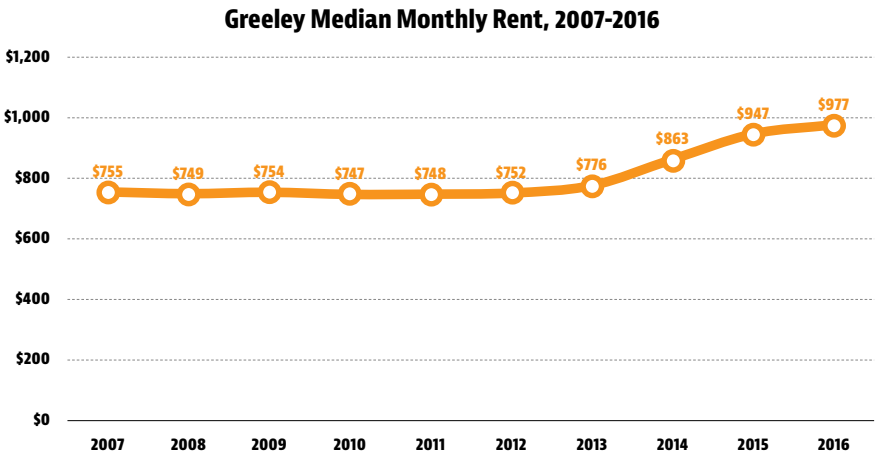


Sources: U.S. Census American Community Survey, 5-Year Estimate

Distribution of Home Values

Data from the U.S. Census Bureau indicates that the majority of homes in Greeley were valued between $100,000 and $249,999 in 2015. However, there is a lack of housing at the higher end of the price spectrum. Just 5% of homes in Greeley had a value of $400,000 or greater in 2015. While housing affordability is important, a supply of higher-end or "executive" housing can be an important draw for businesses looking to relocate to Greeley, as well as for providing housing options for high-income residents.

HOUSING

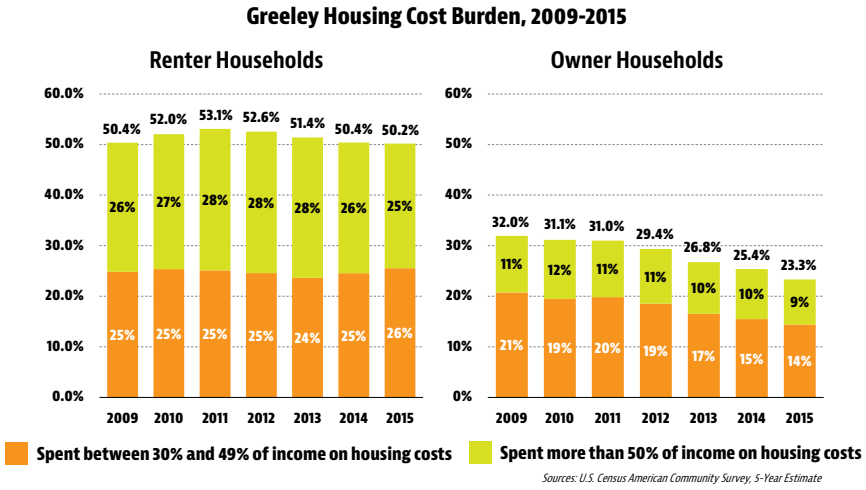


Values adjusted for inflation to 2016 Dollars

Source: Colorado Department of Local Affairs (DOLA)

Median Monthly Rents

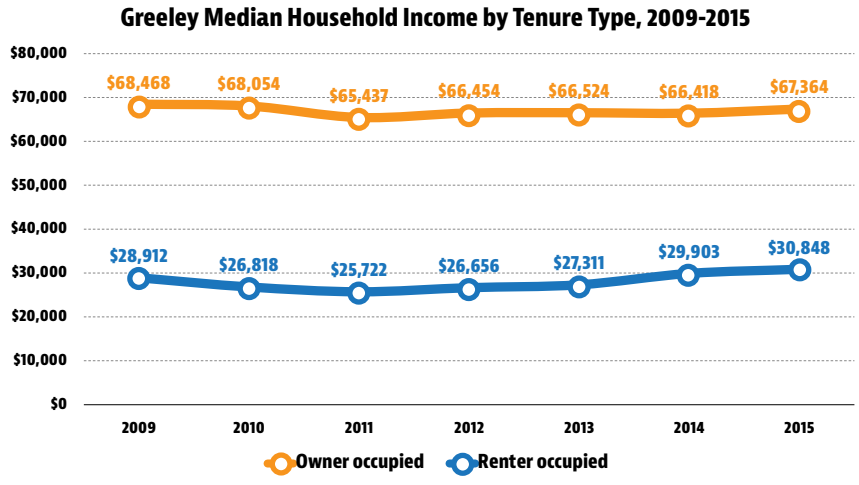
The median monthly rent in Greeley has increased over the past 5 years. While the median monthly rent remained stable between 2007 and 2013 (adjusting for inflation), rents began rising in 2013. In 2016, the median monthly rent was $977. Declining vacancy rates can have a significant impact on rental housing costs, as fewer units available for rent generally lead to higher prices.



Sources: U.S. Census American Community Survey, 5-Year Estimate

Housing Cost Burden

One measure of housing affordability is housing cost burden, or the percentage of households that spend 30% or more of their incomes on housing costs. Households are considered to be extremely cost burdened when they spend more than 50% of their incomes on housing costs. Over the past 6 years, the rate of renter households that were considered housing cost burdened remained fairly stable at around half of all households. In contrast, the incidence of housing cost burden among owner households has decreased in recent years, to around 23.3%.



Values adjusted for inflation to 2015 Dollars

Source: U.S. Census American Community Survey, 5-Year Estimate

Median Household Income by Tenure

Higher rates of housing cost burden among renter households can in part be explained by the lower median income among this segment of Greeley's population. The median income of a renter household in 2015 was about $36,500 less than that for owner households. However, both groups have not seen significant increases in median income over this period. If housing costs (for both renters and owners) continue to rise in the future, it is likely that the incidence of housing cost burden will increase if not accompanied by growth in household incomes.

KEY QUESTIONS TO BE EXPLORED AS PART OF THE IMAGINE GREELEY PROCESS:

How can we address the rising cost of housing?

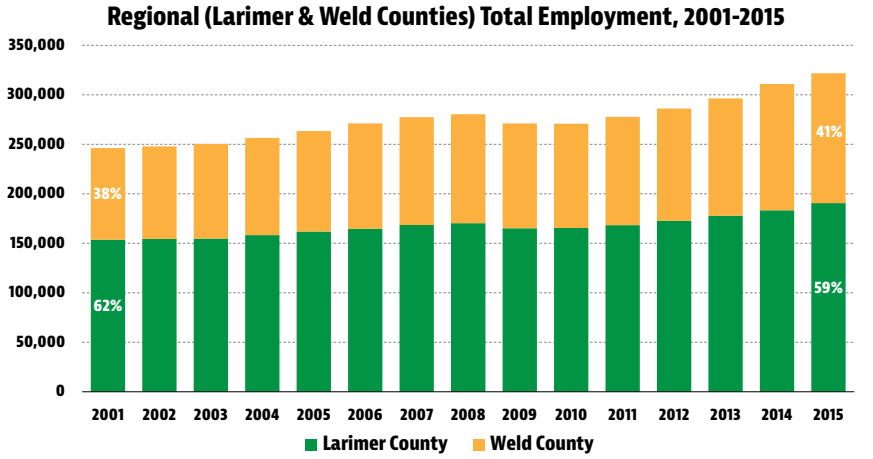
What types of housing are needed to support our changing population?

How can we remain a welcoming community to those from a range of social and economic backgrounds?

Where should the development of different types of housing be encouraged?

How can we continue to encourage the growth of quality, higher-paying jobs?

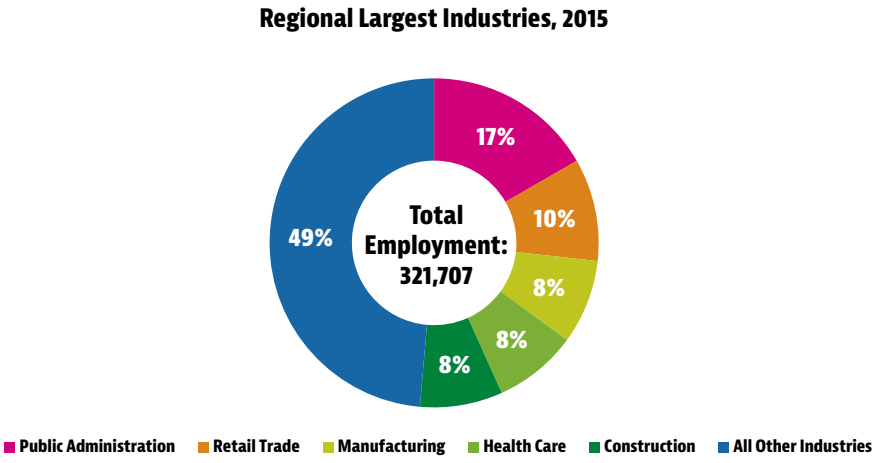
ECONOMY



Source: Colorado Department of Local Affairs; Economic & Planning Systems

Regional Employment Growth

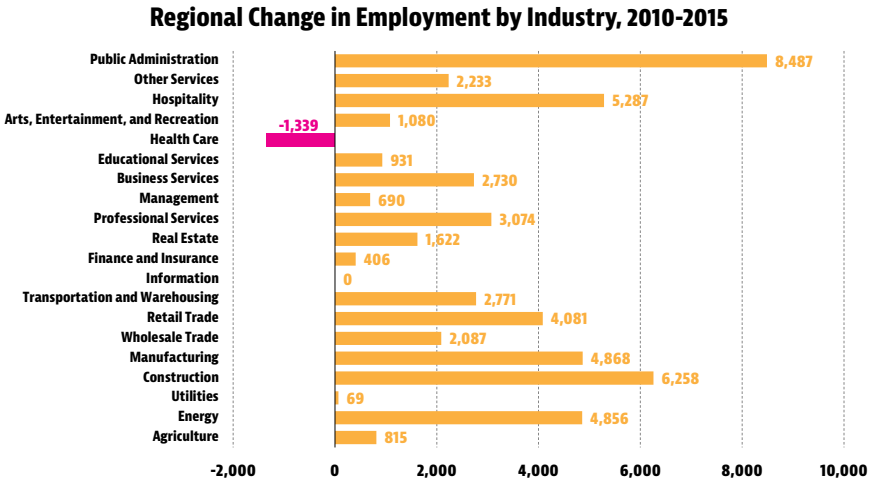
The regional economy is growing quickly, adding an average of 5,400 new jobs annually since 2001. While the region did experience job losses during the Great Recession (2009 and 2010), employment growth quickly returned, reaching pre-recession levels of employment by 2012. Since 2010, the rate of job growth has increased to nearly 10,200 jobs per year. Employment growth has been especially strong in Weld County, where the County's share of regional employment has increased from 38% in 2001 to 41% in 2015. In 2016, Weld County had an average unemployment rate of 3.4%.



Source: Colorado Department of Labor; City of Greeley; Economic & Planning Systems

Regional Employment Mix

The largest industries in the region in 2015 were public administration (which includes major universities), retail trade, manufacturing, health care, and construction. Together these industries account for 51% of all regional employment.



Source: Colorado Department of Local Affairs; Economic & Planning Systems

Regional Job Growth by Industry

Nearly all industries in the region experienced job growth between 2010 and 2015, except for health care which lost 1,339 jobs. The largest increases in employment were seen in the public administration, construction, hospitality, manufacturing, and energy industries.

Regional Fastest Growing Industries, 2010-2015

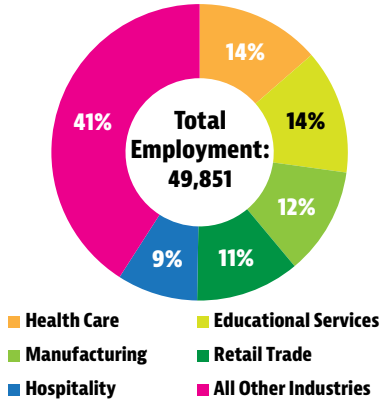
Industry	Annual Percent Growth
Energy	17.8%
Transportation & Warehousing	8.0%
Management	7.3%
Construction	5.6%
Educational Services	5.3%

Source: Colorado Department of Labor; Economic & Planning Systems

Fastest Growing Industries

Between 2010 and 2015, the energy, transportation and warehousing, management, construction, and educational services industries experienced the fastest rate of growth. Although these industries may not have added the greatest total number of new jobs, they represent industries that are creating greater opportunities and economic diversity in the region.

Greeley Employment Mix by Industry, 2015



Top 10 Employers, 2015

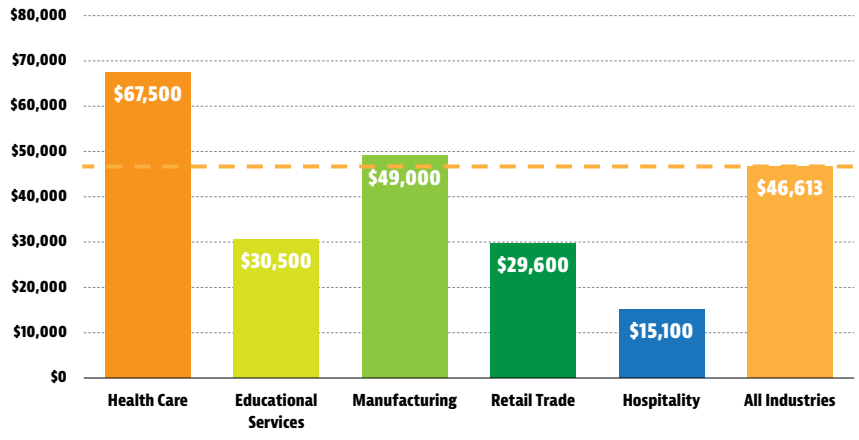
1.	JBS Swift and Co.	3,885
2.	Banner Health	3,178
3.	Greeley School District 6	2,320
4.	University of Northern Colorado	2,001
5.	Weld County	1,527
6.	City of Greeley	1,268
7.	State Farm	1,193
8.	Teletech Services	662
9.	Aims Community College	609
10.	Colorado Premium Foods	423

Source: Colorado Department of Labor; City of Greeley; Economic & Planning Systems

Greeley Employment Mix

Total employment in Greeley in 2015 was 49,851. The top five largest industries were health care, educational services, manufacturing, retail trade, and hospitality. Together, these industries accounted for around 60% of all jobs in Greeley. Greeley's largest employer in 2015 was JBS Swift and Company, employing 3,885 workers. In all, Greeley's top ten largest employers accounted for 35% of all jobs in the City.

Weld County Average Annual Wages, 2015

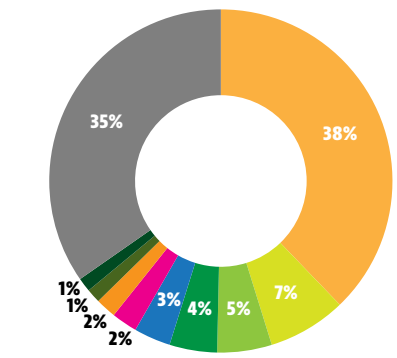


Source: Colorado Department of Labor; Economic & Planning Systems

Average Wages

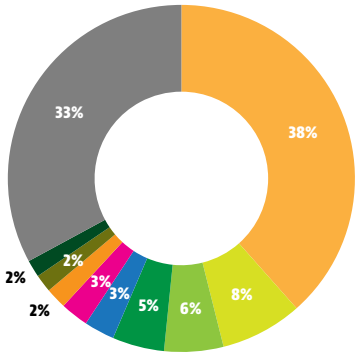
The wages paid by Greeley's top 5 largest industries (by employment) varied considerably in 2016. Looking at the average annual wages paid by employers within these industries in Weld County (the smallest geographic area for which this data is available) shows that jobs in health care paid the most, followed by jobs in manufacturing and educational services. However, only health care and manufacturing jobs paid more than the average for all industries in Weld County ($46,613 per year).

Where Greeley's Workers Live



Greeley Evans Fort Collins Loveland Windsor
Denver Aurora Johnstown Eaton Other

Where Greeley's Residents Work



Greeley Denver Fort Collins Loveland Evans
Aurora Windsor Longmont Westminster Other

Employment and Commuting

38% of workers employed in Greeley also lived in Greeley in 2015. Residents make up the largest share of people employed in the City. Among workers who commute to Greeley for work, the majority live in Evans, Fort Collins, Loveland, and other North Front Range communities. 38% of Greeley's residents also work in Greeley. Denver, Fort Collins, and Loveland were the next most common places of work for residents of the City.

KEY QUESTIONS TO BE EXPLORED AS PART OF THE IMAGINE GREELEY PROCESS:

How can we continue to diversify our economy?

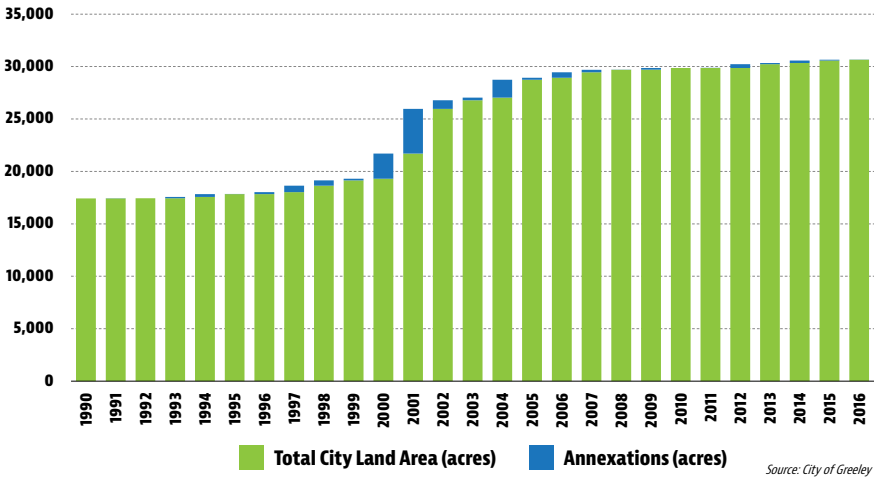
Where should City resources be directed to best support economic development?

What types of businesses should Greeley target with its economic development strategy?

How can we continue to encourage the growth of quality, higher-paying jobs?

GROWTH & DEVELOPMENT

Greeley Annexations and Municipal Growth, 1990-2016 (in acres)

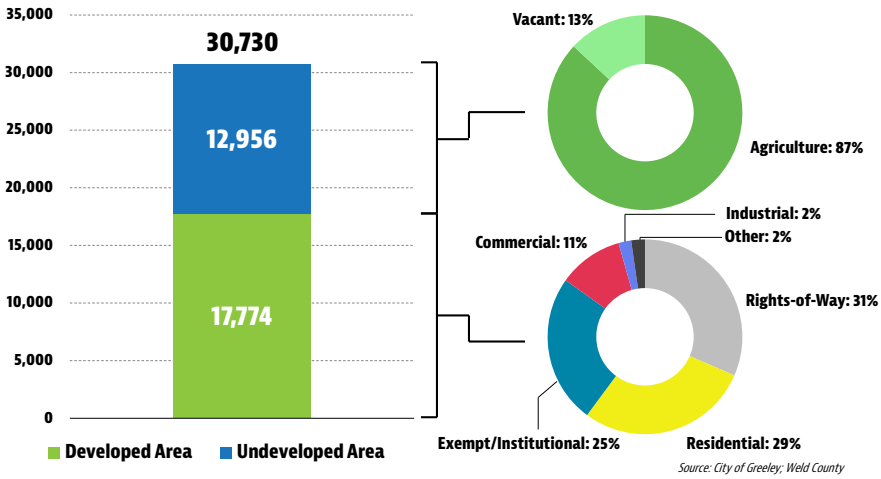


Source: City of Greeley

Annexations and Growth of the City

Greeley's total land area was approximately 30,730 acres (or 48 square miles) as of 2016. This marks an increase of over 13,000 acres since 1990. The largest period of annexations occurred during the 2000s, when the average annexation was approximately 1,055 acres. In contrast, between 1990 and 2000 and 2011 and 2016 the average annexation was 209 acres and 114 acres, respectively.

Greeley Distribution of Current Land Use, 2017 (in acres)

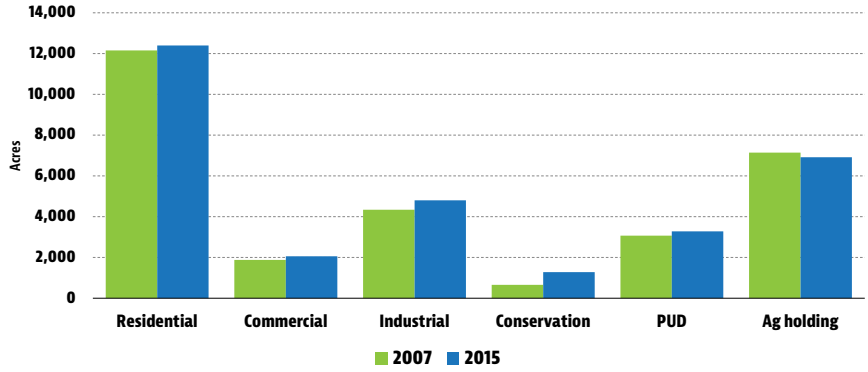


Source: City of Greeley; Weld County

Current Land Use

Of Greeley's total land area (30,730 acres), 58% was considered to be "developed" in 2017. Within this developed area, the largest land use, as recorded by the Weld County assessor, is rights-of-way (streets, railroads, etc.), followed by residential land uses. Greeley also has a large percentage of land considered property tax exempt/institutional. The remaining 42% of Greeley's land area is considered "undeveloped" and is predominantly used for agriculture. While this land is undeveloped today, it may be developed in the future unless preserved in some manner.

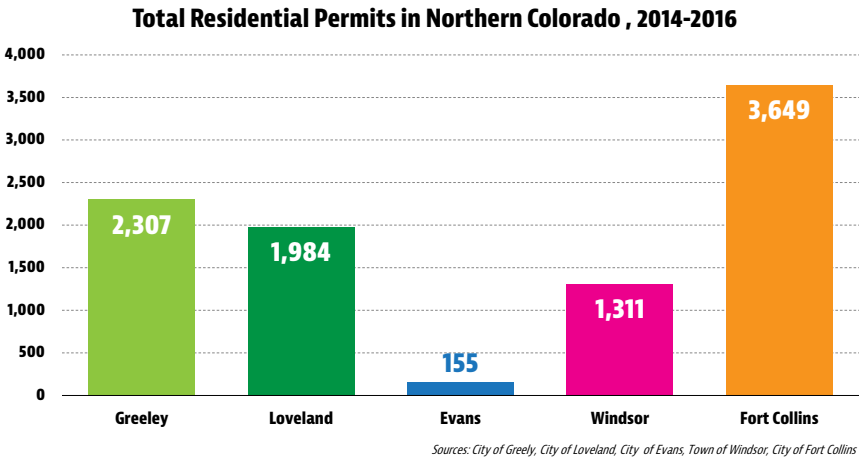
Greeley Distribution of Land Uses by Zoning Categories, 2007 and 2015



Source: City of Greeley

Zoned Land

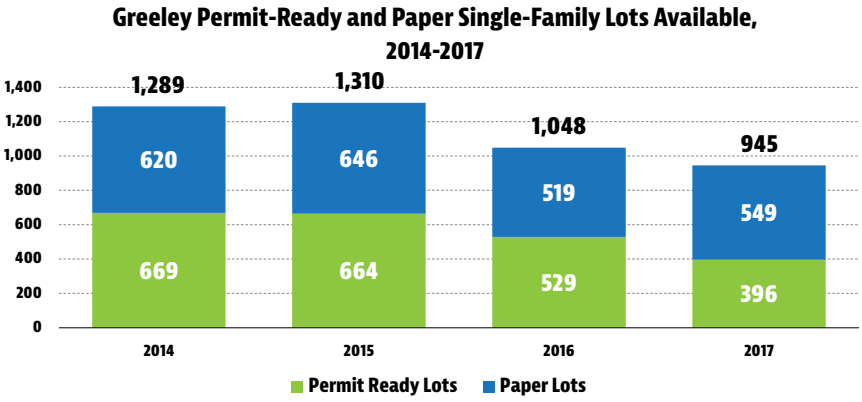
The City of Greeley zoning code regulates the types of uses that may occur in specific locations of the City (as well as regulating how such uses may be built). In 2015, the majority of land in Greeley was zoned for residential uses. Agricultural/Holding was the next largest zone district by land area. They were the only ones to see decreases in area between 2007 and 2015, likely due to rezoning that occurred as agricultural lands were developed for other uses, such as residential uses.



Sources: City of Greely, City of Loveland, City of Evans, Town of Windsor, City of Fort Collins

Residential Development

Between 2014 and 2016, the City of Greeley issued 2,307 permits for residential construction, more than its immediate neighbors, Evans and Windsor. Greeley also saw more residential permits issued over this period than did Loveland, but Fort Collins saw the greatest number, at 3,649.



Source: City of Greeley

Residential Land Supply

Not all of the lots approved for development in Greeley are ready to support residential development. Of the lots approved for single-family development in Greeley, 42% are considered "permit ready," or lots approved for development and with the necessary infrastructure in place. The remaining 58% of lots are approved on paper, but do not have the needed infrastructure and services in place to support development. In recent years, the availability of single-family lots has decreased, and is estimated to provide an adequate supply to meet the City's demand for just over two years.

KEY QUESTIONS TO BE EXPLORED AS PART OF THE IMAGINE GREELEY PROCESS:

Where should the development of different types of new housing be encouraged?

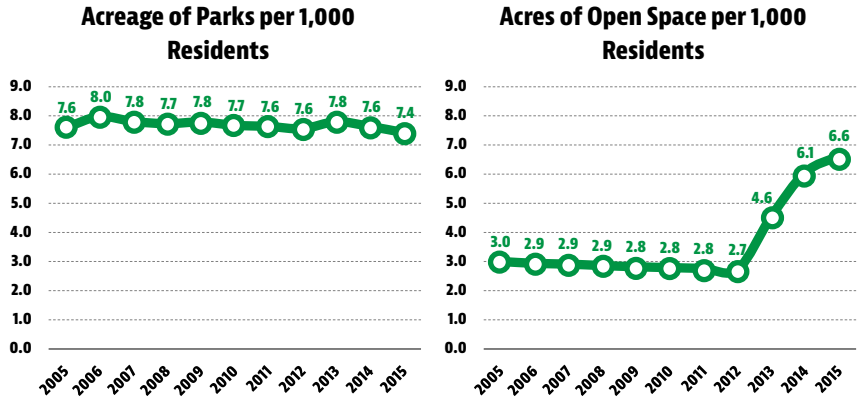
What patterns of growth and development do we want to encourage in different areas?

What types of land uses do we want to prioritize in different locations? What steps are needed to implement these concepts?

What characteristics of established neighborhoods or areas do we want to preserve in the face of growth pressures?

What types of infrastructure and services will be needed to support our growth?

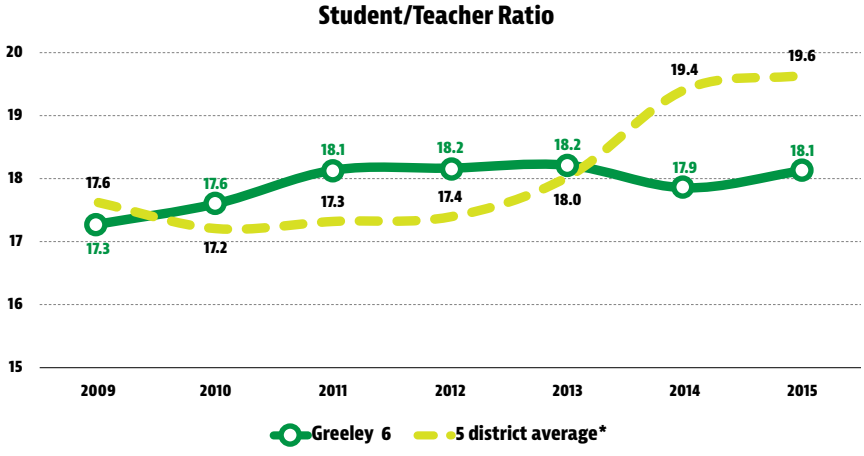
LIVABILITY



Source: City of Greeley

Parks and Open Space

The amount of parkland per capita in Greeley remained fairly steady between 2005 and 2015, despite an increase of around 20,000 residents over this period. However, recent years have seen a slight decrease in this indicator. The amount of open space per capita increased significantly since 2012, but still lags behind Loveland and Fort Collins. The City of Greeley recently adopted a Parks, Trails, and Open Lands Master Plan to identify specific needs and community priorities.

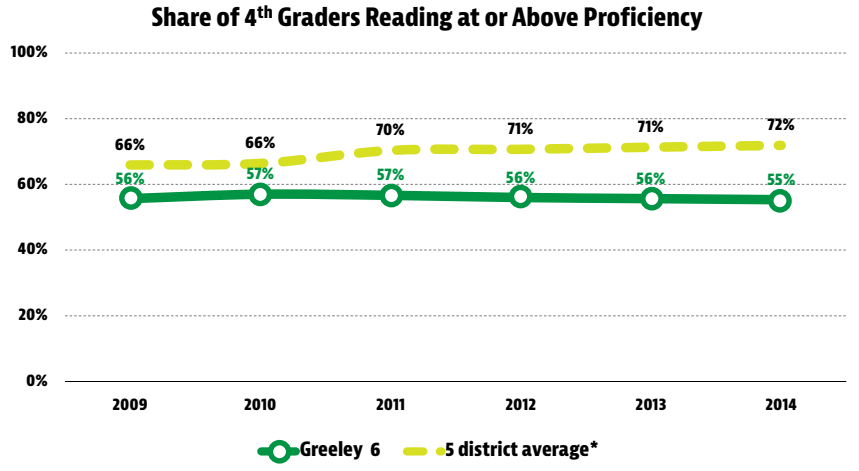


*Boulder Valley, St. Vrain Valley, Poudre R-1, Pueblo City 60, Mesa County Valley

Source: Colorado Department of Education

Student/Teacher Ratios

The student/teacher ratio for the Greeley-Evans School District has not changed significantly over the past 6 years, indicating the school district has done a good job of keeping up with recent population growth in terms of teacher hiring. This trend differs from other school districts in the region and state, which have seen their student/teacher ratios increase since 2013. Note: Pueblo and Grand Junction school districts are included in this analysis since their students share a similar ethnic and economic background as students in Greeley-Evans.

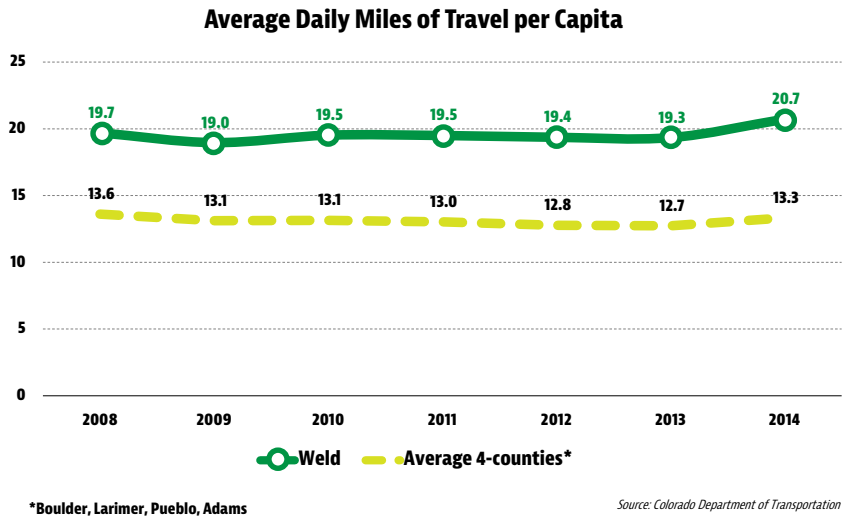


*Boulder Valley, St. Vrain Valley, Poudre R-1, Pueblo City 60, Mesa County Valley

Source: Colorado Department of Education

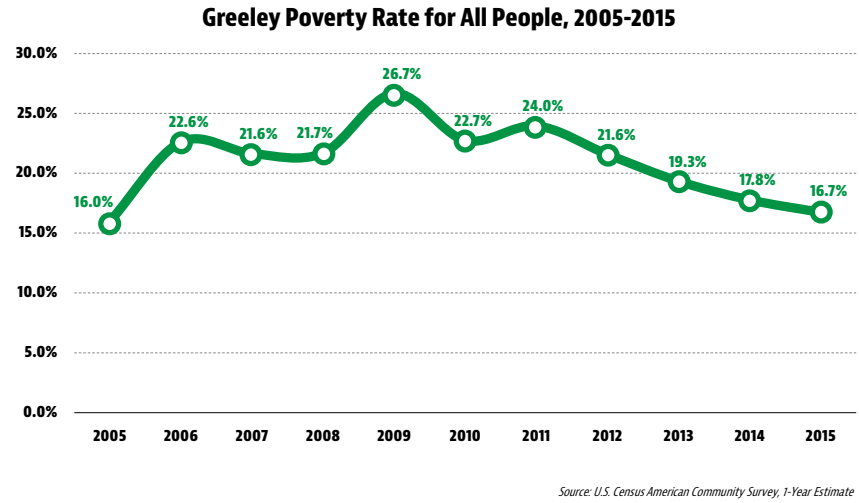
Fourth Grade Reading Proficiency

Fourth graders in Greeley, on average, perform below fourth graders in other school districts in the region and state on the state-administered CSAP reading proficiency test. Since this is a district-wide average, it does not capture the variation in proficiency levels that exist among different schools in the district. Many of these outperform the state average. That said, such high levels of variation suggest that not all students in Greeley receive the same level/quality of education, and that some schools have concentrations of under-performing students.



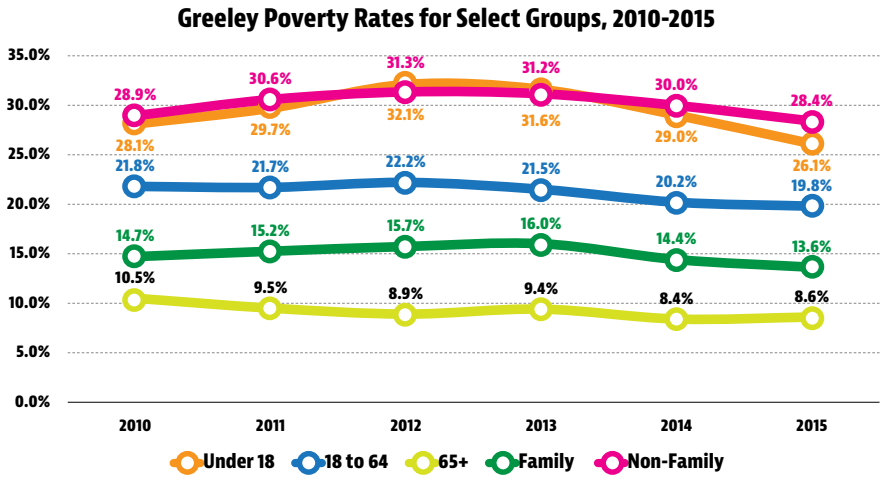
Automobile Use

Private vehicle use in Weld County has been greater than in other counties along the Front Range between 2008 and 2014. While some of this can be explained by the rural nature of Weld County, it is also indicative of the low-density pattern of development that has occurred in more urban parts of the County. Increased car usage is likely to lead to higher incidences of traffic and congestion on major roadways in the County (including in Greeley), meaning residents may spend more time sitting in traffic in the future.



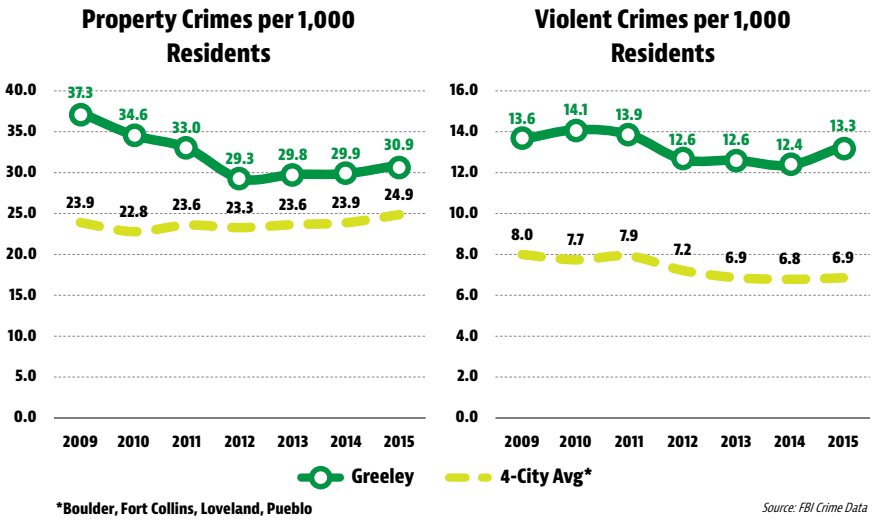
Overall Poverty Rate

The poverty rate among all residents in Greeley has been declining in recent years, from its 10-year peak of 26.7% of the population in 2009. According to the U.S. Census Bureau 16.7% of all residents were considered to be living in poverty in 2015. Poverty can have a large influence on a number of livability factors, such as health and educational performance, as well as on job performance. High rate of poverty can also lead to higher rates of crime and homelessness.



Poverty Rates for Select Groups

Rates of poverty can vary significantly among different groups in society. For example, 28.4% of non-family households were estimated to be living in poverty in 2015 compared to 13.6% of family households. Age groups in Greeley also experience different rates of poverty, with the highest rate of poverty found among residents 18 and under, and the lowest among residents 65 and over.



Crime Rates

Rates of property crime per 1,000 residents in Greeley are lower than in the past, but remain above the rate seen among the comparison cities. Despite these lower rates, incidences of property crime have seen a slight increase since 2012. Violent crimes dropped from 2012 to 2014, but increased in 2015. Rates of violent crime in Greeley are above those experienced in the comparison cities.

KEY QUESTIONS TO BE EXPLORED AS PART OF THE IMAGINE GREELEY PROCESS:

How can we address the rising cost of housing?

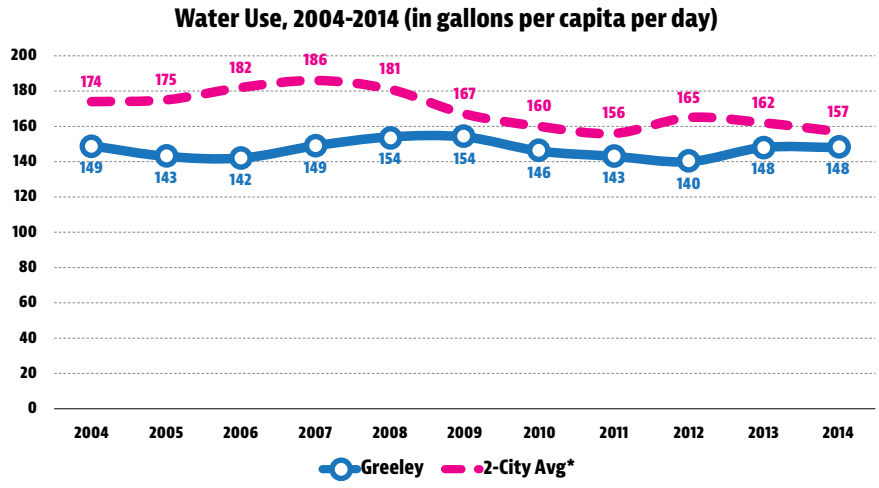
How can we continue to encourage the growth of quality, higher-paying jobs?

How do we maintain the qualities that make Greeley unique in the face of population growth?

What should our priorities be for City services, programs, and investments?

What steps should we take to improve/maintain community livability?

INFRASTRUCTURE & SERVICES

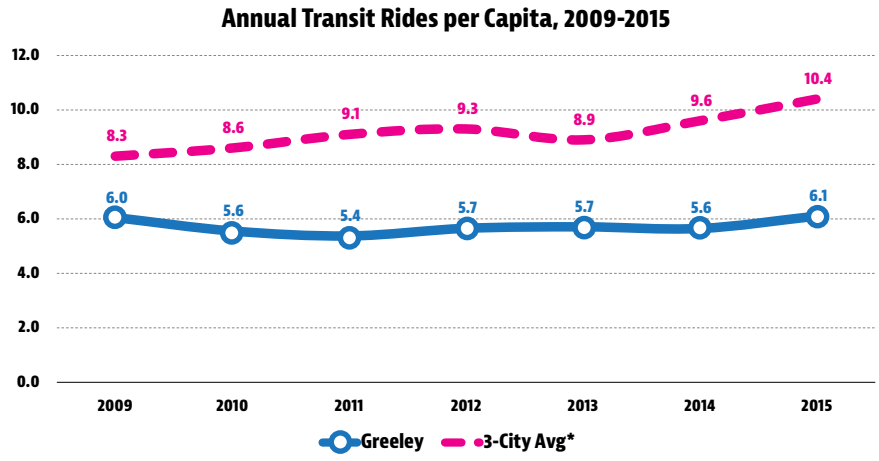


*Fort Collins, Loveland

Sources: City of Greeley; City of Fort Collins; City of Loveland

Water Usage

Water usage per capita per day in Greeley has remained steady since 2004, and was at a similar rate of use in 2014 as in 2004. Greeley residents use less water per capita than residents of Fort Collins and Loveland. Water usage in Greeley should continue to remain steady, if not decline in the coming years as the City continues to implement water efficiency programs such as the "Water Budget" approach to structuring rates for single-family residential accounts.

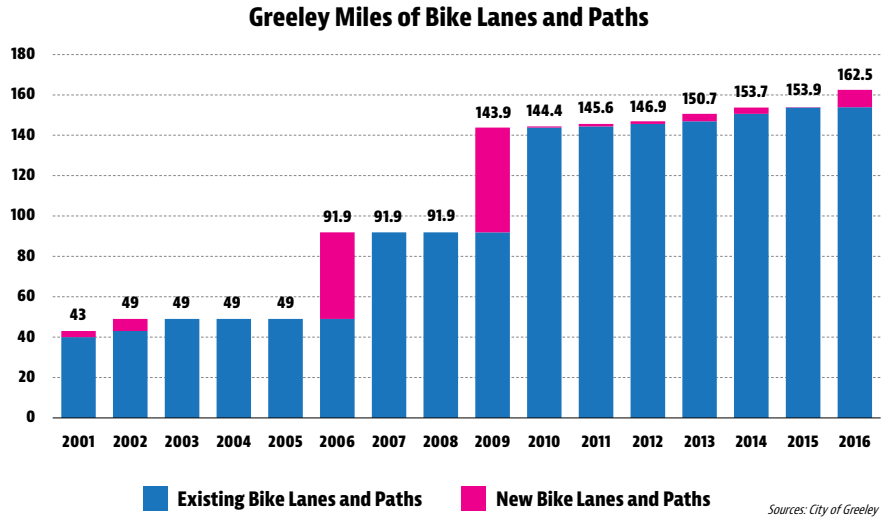


*Fort Collins, Loveland, Pueblo

Source: Federal Transit Administration; North Front Range Metropolitan Planning Organization

Transit Ridership

While transit services increased significantly since 2011, ridership remains just above the number of per capita transit rides taken in 2009. Rates of ridership per capita in Greeley are also lower than for other transit networks in the region, which had higher rates of ridership in 2015 than in 2009.

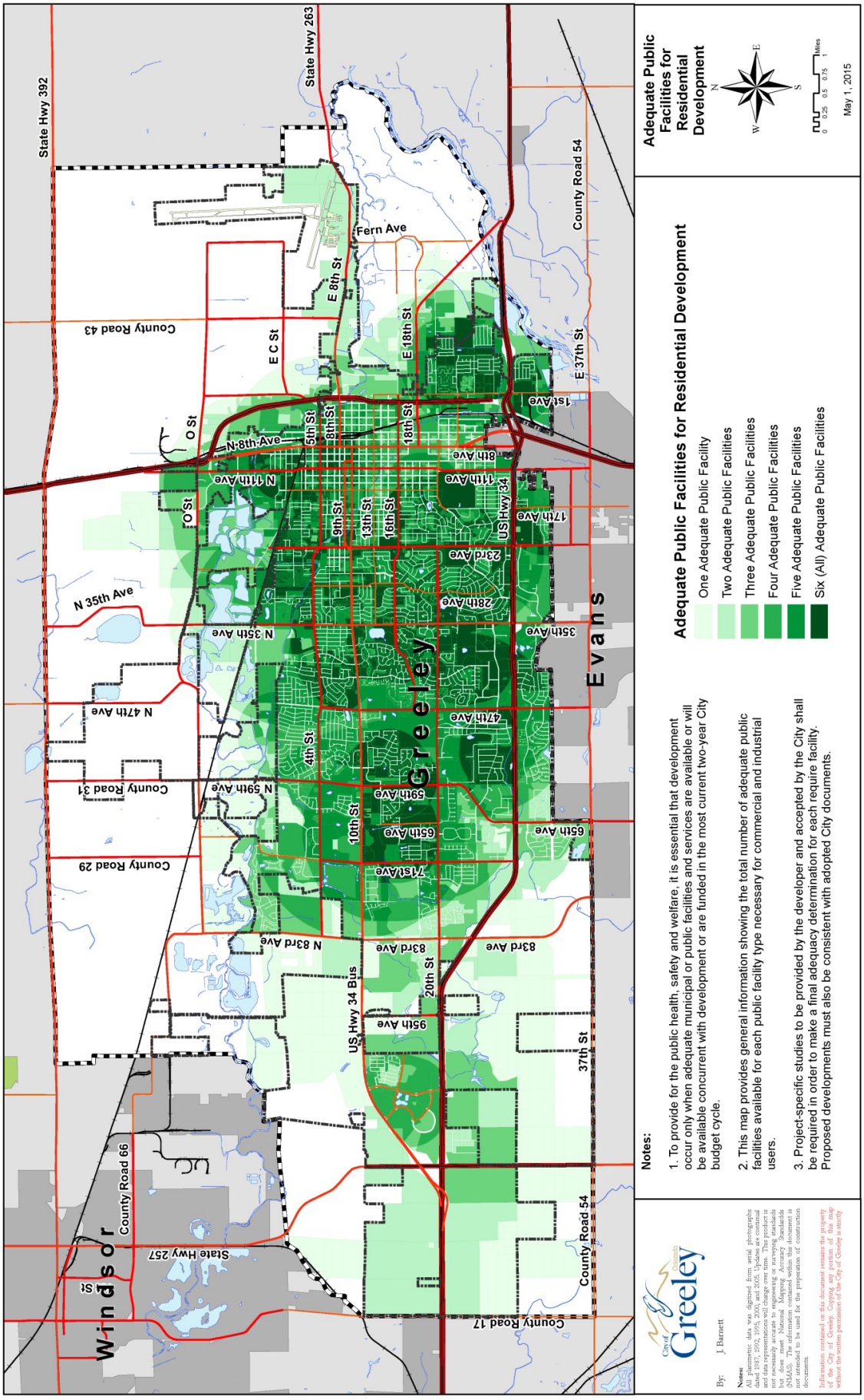


Sources: City of Greeley

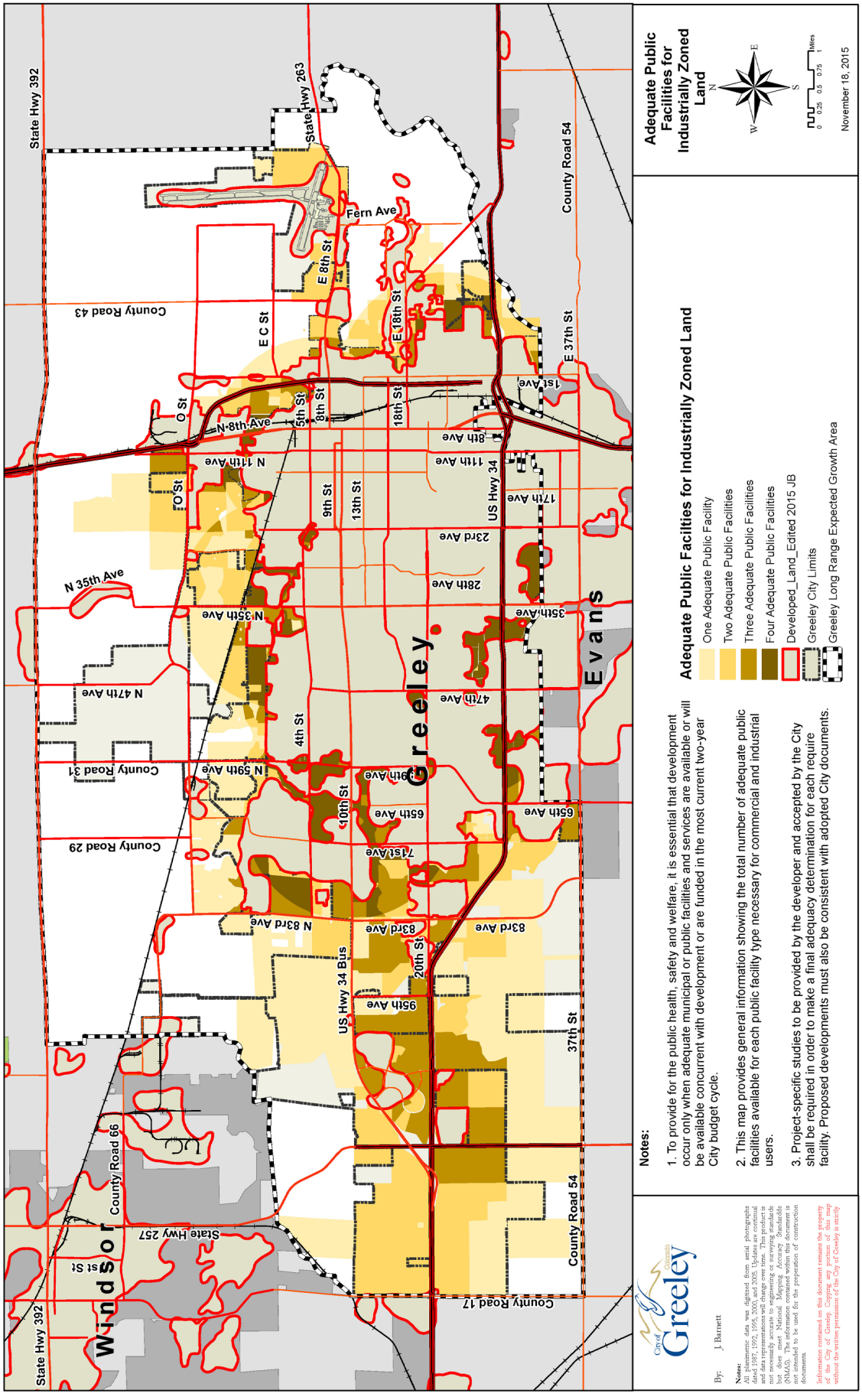
Bike Lanes and Paths

The miles of bike lanes and paths in Greeley has increased by over 120 miles since 2001, an average rate of 8 miles per year. However, this rate has not been constant since 2001. 2006 and 2009 saw large increases in the miles of bike lanes and paths in the City.

Adequate Public Facilities 2015



Adequate Public Facilities 2015



Adequate Public Facilities

The maps on the preceding pages illustrate where there is necessary services and infrastructure to support residential and industrial/commercial development. As illustrated by the white areas, a large portion of Greeley's Long Range Expected Growth Area (particularly south of State Highway 392) are not currently served. Infrastructure and services will need to be expanded to these areas in the future if they are to support residential, commercial, and/or industrial development in the future.

KEY QUESTIONS TO BE EXPLORED AS PART OF THE IMAGINE GREELEY PROCESS:

What types of land uses do we want to prioritize in different locations? What steps are needed to implement these concepts?

Where should resources be directed to best support economic development?

What should our priorities be for City services, programs, and investments?

What types of infrastructure and services will be needed to support our growth vision?

What types of facilities will be need to be built or expanded to support growth without impacting levels of service for existing residents?

Final Report

Comprehensive Plan Economic Analysis

The Economics of Land Use

Prepared for:

City of Greeley

Prepared by:

Economic & Planning Systems, Inc.

June 30, 2017

EPS #173003

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1. INTRODUCTION AND SUMMARY OF FINDINGS

Project Introduction and Approach

The City of Greeley (the City) is currently updating its comprehensive plan. As part of that update, the City wanted to have an economic analysis completed that will augment the economic-related policies and implementation actions in the plan. The City's long-standing economic development goals have centered on primary business attraction and retention. To understand the future growth opportunities the City may have related to primary business attraction, five geographic areas were identified as potential focus areas for economic development efforts aimed at attracting and growing primary employers. The areas analyzed in this report are:

- Northeast Quadrant of the City
- North-central "Budweiser Annexation" area
- Northwest Greeley Rail Corridor
- "Old H-P" site on 10th Street at 71st Avenue
- Promontory – High Pointe – West Highway 34

Greeley has traditionally followed the philosophy that "growth pays for growth"—meaning growth pays its own way. However, the City is interested in exploring alternatives to better understand the merits of making targeted investments to spur economic development. The City would like to explore the following questions as part of the economic analysis:

1. Given the City has limited resources, where should the City make investments (likely infrastructure investments) to spur economic development?
2. What industries/businesses should Greeley target?

The analysis provided below is designed to address these questions as input to the comprehensive plan. The City has an *Economic Development Strategic Plan* (completed in 2009), but this document does not provide the detail needed to address these questions. As well, the City's economic development approach and staff has shifted in recent years. As such, this analysis focuses on current employment conditions (and recent trends) in the City and northern Colorado region (Weld and Larimer Counties) and the existing conditions of the City's five primary employment areas.

This report evaluates the economic and demographic conditions in the region, summarizes recent trends in office and industrial development, incorporates input from interviews with area stakeholders (business owners, economic development officials, and commercial/industrial brokers) and provides an overview of the City's five focus employment areas. Building on this foundation, the attributes of the employment areas are aligned with industries/businesses growing in the region. Lastly, recommendations on which areas should be prioritized by the City are provided.

Summary of Findings

1. ***Greeley has a diverse economic base anchored by its largest employers.***

   Greeley has a more diverse economic base than its neighboring communities. This diversity is driven by the presence of its largest employers within Education, Health Care, and Manufacturing. Greeley's 10 largest employers account for 35 percent of all employment in the City, which makes the City somewhat vulnerable to success of these employers.

2. ***Greeley lacks attractive existing buildings and development ready sites to attract new employers.***

   Greeley has attracted a limited amount of new office and industrial development in the past 15 years. The existing inventory in the City is less attractive as a result. Vacancy rates for industrial space in the region are very low, which makes finding existing space for new and growing businesses difficult. Greeley lacks existing development sites for industrial development that are served by needed infrastructure. The City needs to proactively engage the development community to support the creation of new sites and develop a consistent set of public financing tools and strategy they are willing to utilize to support office and industrial development.

3. ***The City should prioritize investment and attraction of employment growth in the West US 34, Northeast Quadrant, and Former HP Site employment areas.***

   These areas are along major transportation routes and have or are close to infrastructure to support development. The North Central Annexation Area and Northwest Rail Corridor lack basic infrastructure and will therefore be costlier to develop. As well, aside from the rail access, these areas are less attractive because they are further away from major transportation routes and are further from the city's and region's workforce.

4. ***Six potential target industries and employment opportunities for the City to consider supporting are; agribusiness/food manufacturing, energy, distribution/ logistics, manufacturing hub, back office and business support services, and UNC research commercialization.***

   These six opportunities were matched with the city's employment areas below in **Figure 1**.

Figure 1
Alignment of Opportunities and Employment Areas

	West US-34 Corridor	Former HP Site	Northwest Rail Corridor	North Central Annexation	Northeast Quadrant	Downtown
Agribusiness/Food Manufacturing	X		X	X	X	
Energy	X		X	X	X	
Distribution and Logistics Hub	X		X		X	
Manufacturing Hub	X		X		X	
Back Office and Business Support	X	X				X
UNC Research/Tech Transfer	X	X				X

2. ECONOMIC AND DEMOGRAPHIC FRAMEWORK

This chapter of the report summarizes economic and demographic conditions and trends for the Northern Colorado Region and the City of Greeley.

Employment Conditions and Trends

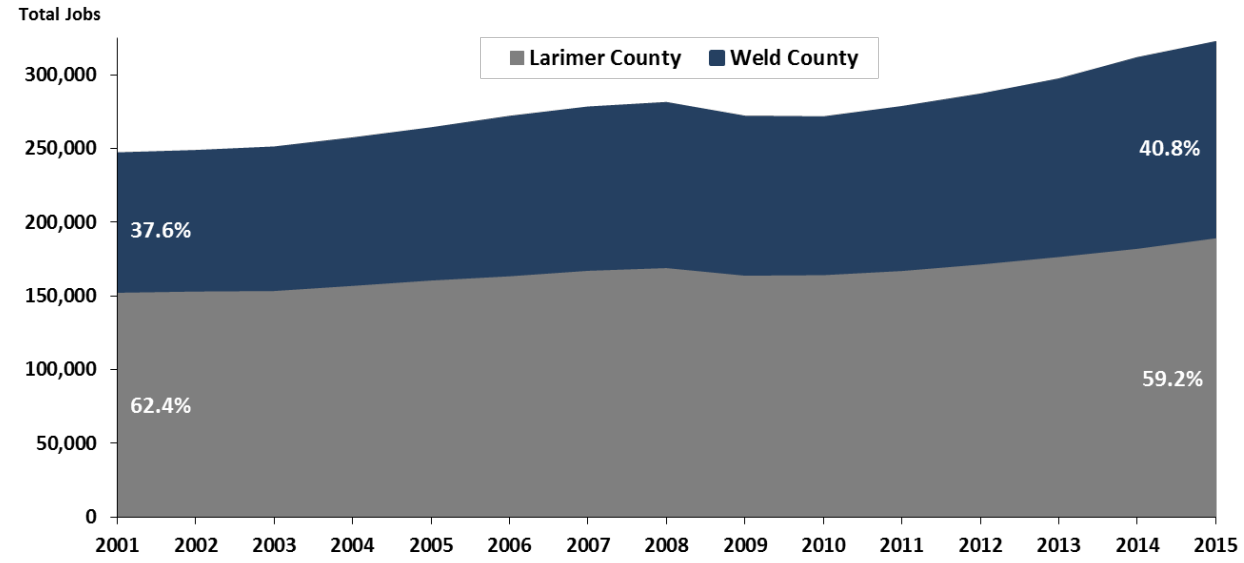
Region Employment

The Northern Colorado region, consisting of Larimer and Weld Counties, has approximately 321,700 jobs (**Table 1**). The largest industries are Retail, Manufacturing, Hospitality, Health Care, and Public Administration ranging from 8.0 percent to 16.7 percent of total jobs. From 2001 to 2015, the region added 75,500 jobs, growing at 1.9 percent per year. The top five industries with most job growth were Public Administration, Hospitality, Professional Services, Energy and Health Care. These five industries accounted for 57 percent of new jobs growth.

The fastest growing industry in region from 2001 to 2015 was Energy which grew by 11.4 percent per year. Management grew by 7.1 percent per year and Education grew by 4.6 percent. Only Manufacturing and Information showed a decline at the regional level and both declined by less than 1.0 percent annually.

Larimer County has the larger share of the region's employment base with 59 percent compared to 41 percent in Weld County (**Figure 2**). Since 2001, Weld has grown faster than Larimer as its share of the regional total has increased from 37 percent on the strength of industries such as Energy and Construction.

Figure 2
Share of Total Employment, Weld and Larimer Counties, 2001 to 2015



Source: Colorado Department of Local Affairs; Economic & Planning Systems

Table 1
Wage and Salary Employment, Weld and Larimer Counties, 2001 to 2015

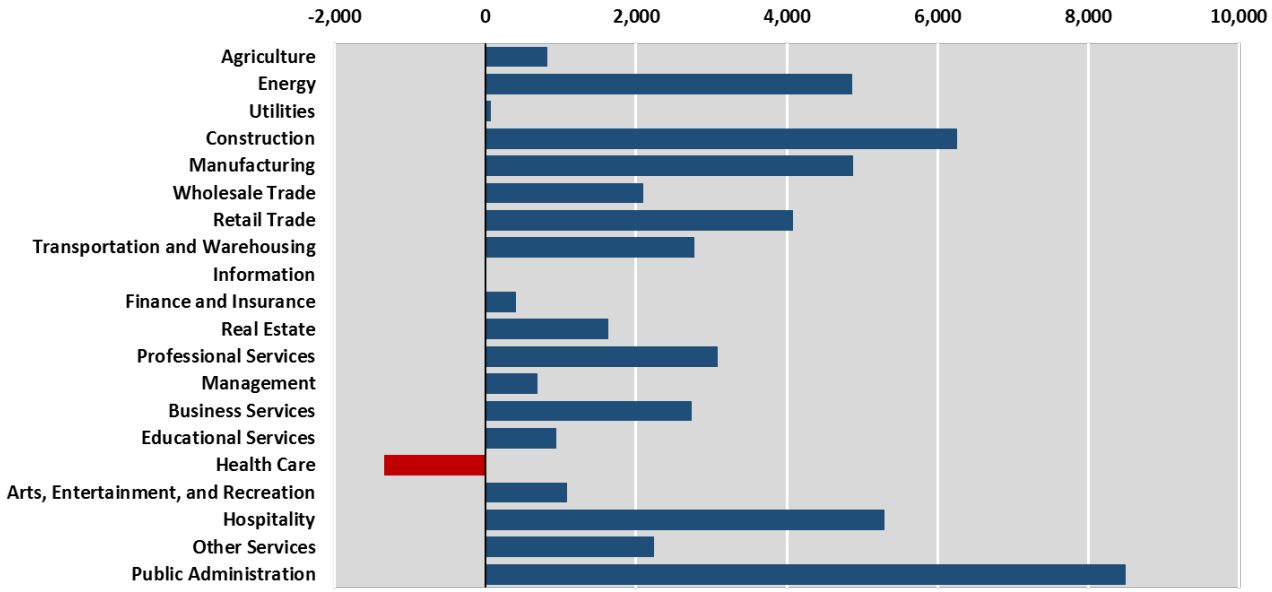
Sector	2001	2010	2015	Change 2001-2015			Change 2010-2015		
				Tot. #	Ann. #	Ann. %	Tot. #	Ann. #	Ann. %
Agriculture	8,453	8,115	8,930	477	34	0.4%	815	163	1.9%
Energy	1,909	3,822	8,678	6,769	484	11.4%	4,856	971	17.8%
Utilities	449	519	588	139	10	1.9%	69	14	2.5%
Construction	21,908	19,883	26,141	4,233	302	1.3%	6,258	1,252	5.6%
Manufacturing	29,948	21,756	26,624	-3,324	-237	-0.8%	4,868	974	4.1%
Wholesale Trade	7,133	7,301	9,388	2,255	161	2.0%	2,087	417	5.2%
Retail Trade	27,570	28,311	32,392	4,822	344	1.2%	4,081	816	2.7%
Transportation and Warehousing	5,641	5,873	8,644	3,003	215	3.1%	2,771	554	8.0%
Information	4,150	4,042	4,042	-108	-8	-0.2%	0	0	0.0%
Finance and Insurance	7,102	8,171	8,577	1,475	105	1.4%	406	81	1.0%
Real Estate	6,896	9,014	10,636	3,740	267	3.1%	1,622	324	3.4%
Professional Services	14,151	18,287	21,361	7,210	515	3.0%	3,074	615	3.2%
Management	887	1,634	2,324	1,437	103	7.1%	690	138	7.3%
Business Services	13,674	15,355	18,085	4,411	315	2.0%	2,730	546	3.3%
Educational Services	2,173	3,155	4,086	1,913	137	4.6%	931	186	5.3%
Health Care	19,905	27,782	26,443	6,538	467	2.0%	-1,339	-268	-1.0%
Arts, Entertainment, and Recreat	3,642	5,164	6,244	2,602	186	3.9%	1,080	216	3.9%
Hospitality	18,568	20,609	25,896	7,328	523	2.4%	5,287	1,057	4.7%
Other Services	13,564	16,691	18,924	5,360	383	2.4%	2,233	447	2.5%
Public Administration	38,508	45,219	53,706	15,198	1,086	2.4%	8,487	1,697	3.5%
Total	**246,231**	**270,703**	**321,707**	**75,476**	**5,391**	**1.9%**	**51,004**	**10,201**	**3.5%**

Source: Colorado Department of Local Affairs; Economic & Planning Systems

H:\173003-Greeley Comprehensive Plan\Reports\[173003-Greeley Tables and Charts.xlsx]Larimer Weld 2 Dig (2)

Total employment has grown a faster rate from 2010 to 2015 as compared to the entire period. Nearly 70 percent of the total job growth has occurred within the past five years as the region added 51,000 jobs, a 3.5 percent annual growth rate. Industries which have seen a significant uptick since 2010 include Energy, Construction, Manufacturing, Transportation and Warehousing, and Wholesale Trade **(Figure 3).** Health Care is the only industry to show a loss from 2010 to 2015, declining by about 1,340 jobs or 1.0 percent annually. Weld County grew by 786 jobs in Health Care from 2010 to 2015, but Larimer County lost over 2,100 jobs, which may be attributed to shifts in control and ownership of certain health providers in the County.

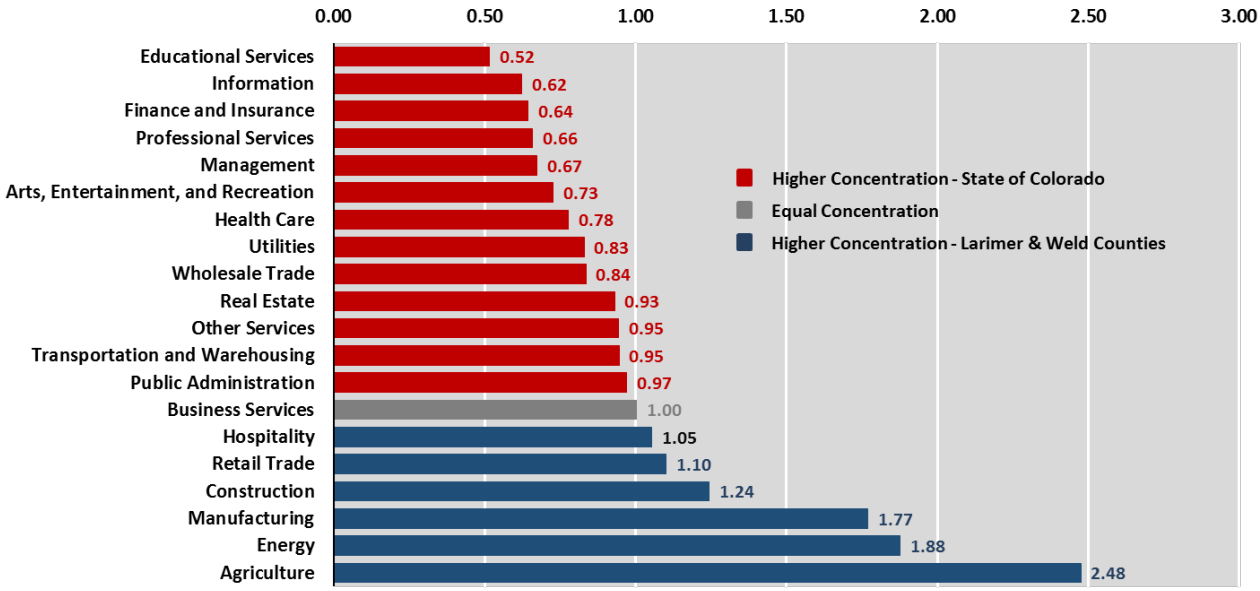
Figure 3
Total Employment Change, Weld and Larimer Counties, 2010 to 2015



Source: Colorado Department of Local Affairs; Economic & Planning Systems

The Northern Colorado Region is compared to the State as a whole using a location quotient to identify areas of relative strength. The region has a greater concentration of employment in Agriculture, Energy, and Manufacturing; by contrast, it has smaller amounts of professional office oriented industries such as Information, Finance, Professional Services, and Management which tend to be concentrated in the Denver metro area.

Figure 4
Location Quotient by Industry, Northern Colorado and Colorado, 2015



Source: Colorado Department of Local Affairs; Economic & Planning Systems

Greeley

According to U.S. Census Longitudinal Employment-Household Dynamics (LEHD) data, the City of Greeley has 45,700 wage and salary jobs in 2014, which is approximately 20 percent of the region's total of wage and salary employment (**Table 2**). The largest industries are Health Care, Educational Services, Manufacturing, and Retail Trade, all of which account for at least 10 percent of the City's total employment. From 2002 to 2014 Greeley added approximately 8,600 jobs, a growth of 1.8 percent on an annual basis which matches the regional rate. The Health Care industry added the most total jobs with 2,700 while Energy and Finance and Insurance also showed significant growth adding 1,700 and 1,000 jobs respectively.

The fastest growing industry by a wide margin was Energy, whose 1,700 new jobs represent 24.3 percent annual growth over this period. Other growth industries include Management, which grew by 5.0 percent, as well as Health Care and Finance and Insurance which both grew at about 4.5 percent annually. Among the seven industries which lost jobs, four (Agriculture, Utilities, Information, and Construction) declined by at least 1.0 percent annually.

Table 2
Wage and Salary Employment, Greeley, 2002 to 2014

Sector	2002	2010	2014	Change 2002-2014 Tot. #	Ann. #	Ann. %
Agriculture	259	150	207	-52	-4	-1.9%
Energy	135	278	1,836	1,701	142	24.3%
Utilities	145	132	124	-21	-2	-1.3%
Construction	2,810	1,379	2,493	-317	-26	-1.0%
Manufacturing	4,782	5,355	5,503	721	60	1.2%
Wholesale Trade	1,242	1,410	1,267	25	2	0.2%
Retail Trade	3,903	4,251	4,516	613	51	1.2%
Transportation and Warehousing	676	765	1,006	330	28	3.4%
Information	691	484	605	-86	-7	-1.1%
Finance and Insurance	1,408	2,534	2,424	1,016	85	4.6%
Real Estate	530	511	624	94	8	1.4%
Professional Services	1,083	919	986	-97	-8	-0.8%
Management	669	455	1,201	532	44	5.0%
Business Services	2,599	1,982	3,394	795	66	2.2%
Educational Services	4,947	4,798	5,076	129	11	0.2%
Health Care	3,973	3,860	6,680	2,707	226	4.4%
Arts, Entertainment, and Recreation	311	348	291	-20	-2	-0.6%
Hospitality	3,303	2,834	3,634	331	28	0.8%
Other Services	973	948	901	-72	-6	-0.6%
Public Administration	2,660	2,029	2,927	267	22	0.8%
Total	**37,099**	**35,422**	**45,695**	**8,596**	**716**	**1.8%**

Source: LEHD; Economic & Planning Systems

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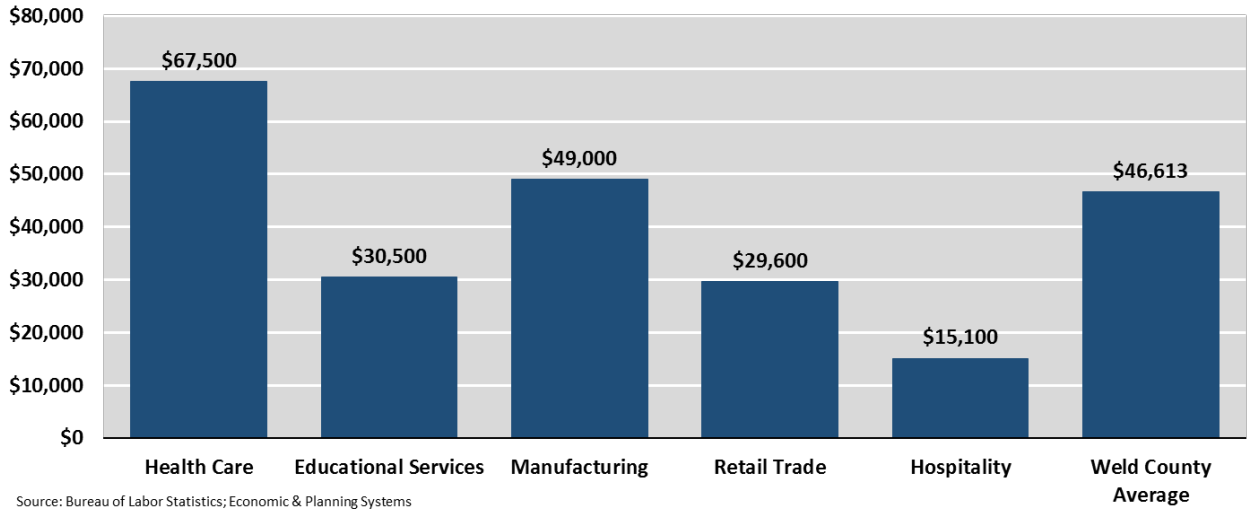
Wages

The average annual wage in Weld County in 2015 was $46,613 (**Figure 5**). Greeley's largest industries have annual average wages that are both higher and lower than the county average. Industries with higher than average wages are Health Care at $67,500 and Manufacturing at $49,000. The other three largest industries—Education, Retail Trade and Hospitality—have average wages significantly lower than the County average.

Figure 5
Average Annual Wages of Greeley's Largest Industries, 2015



Source: Bureau of Labor Statistics; Economic & Planning Systems

Largest Employers

JBS Swift and Company, a meat processing and cattle feed company, is the largest employer in Greeley with nearly 3,900 employees (**Table 3**). The City's second largest employer is Banner Health, a non-profit health system serving six western states. Although headquartered in Phoenix, the company has satellite administrative offices in Greeley employing nearly 3,200 people. Educational services providers are three of the top 10 employers in the City. Greeley Schools (Weld County District Six) (2,300 employees), University of Northern Colorado (2,000 employees), and Aims Community College (600 employees) make up approximately 10 percent of Greeley's wage and salary employment. The County and City governments combined employ about 1,800 people while other large employers include two call centers, State Farm and Teletech Services, and another meat processor, Colorado Premium Foods.

Table 3
Largest Employers, Greeley, 2015

Employer	# of Employees
JBS Swift and Company	3,885
Banner Health	3,178
Greeley School District Six	2,320
University of Northern Colorado	2,001
Weld County	1,527
City of Greeley	1,268
State Farm	1,193
Teletech Services	662
Aims Community College	609
Colorado Premium Foods	423

Source: City of Greeley 2015 CAFR; Economic & Planning Systems

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Economic Base

The employment by industry in Greeley was grouped into three categories: "Driving Industries", "Business Support Industries", and "Community Support Industries". The Driving Industries comprise those that are largely primary employment and therefore have the greatest impact on growing the area economy. The five industries driving the Greeley economic base are Agriculture, Energy, Manufacturing (anchored by food manufacturing), Educational Services (anchored by UNC and AIMS CC), and Health Care (hospitals). These five industries account for 38 percent of 50,000 jobs in the City of Greeley (**Table 4**). With 6,800 jobs, Educational Services including the University of Northern Colorado and AIMS Community College is the largest driving industry in terms of employment followed by Manufacturing with 5,900 jobs and Ambulatory Health Care and Hospitals with 4,400 jobs. Greeley has approximately 17,100 Community Support jobs, just over one-third of the City's total wage and salary employment. Retail is the largest industry in this category followed by Hospitality, Public Administration, and

Nursing and Social Assistance. The remaining 27 percent of the City's employment, approximately 13,700 jobs, is in the Business Support Industries which includes industries such as Finance and Insurance, Construction, Transportation and Warehousing, and Wholesale Trade.

Table 4
Employment by Industry Type, 2016

Sector	NAICS	2016 Jobs	Pct. of Total
Driving Industries			
Agriculture	11	356	0.7%
Energy	21	1,734	3.5%
Manufacturing	31-33	5,856	11.7%
Educational Services	61	6,771	13.6%
Ambulatory/Hospitals	621-622	4,361	8.7%
Subtotal		**19,077**	**38.3%**
Business Support Industries			
Utilities	22	93	0.2%
Construction	23	1,891	3.8%
Wholesale Trade	42	1,317	2.6%
Transportation and Warehousing	48-49	1,325	2.7%
Information	51	684	1.4%
Management	55	1,136	2.3%
Finance and Insurance	52	2,251	4.5%
Real Estate	53	676	1.4%
Professional Services	54	979	2.0%
Business Services	56	3,346	6.7%
Subtotal		**13,699**	**27.5%**
Community Support Industries			
Retail Trade	44-45	5,653	11.3%
Nursing/Social Assistance	623-624	2,419	4.9%
Arts, Entertainment, and Recreation	71	366	0.7%
Hospitality	72	4,393	8.8%
Other Services	81	1,341	2.7%
Public Administration	92	2,890	5.8%
Unclassified	99	14	0.0%
Subtotal		**17,076**	**34.3%**
Total		**49,851**	

Source: Colorado Department of Labor; Economic & Planning Systems

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Demographics

From 2000 to 2016, Greeley added over 22,000 residents growing at 1.6 percent per year, slightly faster than the State as a whole (**Table 5**). Significant growth is taking place outside of Greeley in Weld County as evidenced by 2.9 percent annual growth and more than 100,000 new residents over this period. The Northern Colorado region (Weld and Larimer Counties) has added nearly 200,000 residents driven by the growth elsewhere in Weld County as well as in Fort Collins and Loveland in Larimer County. Household growth has been largely the same as population growth. The exception is Larimer County where households grew faster, signaling a decline in household size.

Table 5
Population and Household Change, 2000 to 2016

Description	2000	2010	2016	2000-2016 Total	2000-2016 Ann. #	2000-2016 Ann. %
Population						
Greeley	79,161	93,029	101,706	22,545	1,409	1.6%
Other Weld County	180,498	252,825	284,494	103,996	6,500	2.9%
Larimer County	251,494	299,630	332,234	80,740	5,046	1.8%
Northern Colorado Total	**490,722**	**628,323**	**687,520**	**196,798**	**12,300**	**2.1%**
Colorado	4,301,261	5,029,196	5,425,481	1,124,220	70,264	1.5%
Households						
Greeley	28,283	33,467	36,467	8,184	512	1.6%
Other Weld County	63,197	89,349	99,828	36,631	2,289	2.9%
Larimer County	97,164	120,295	133,203	36,039	2,252	2.0%
Northern Colorado Total	**490,722**	**628,323**	**687,520**	**196,798**	**12,300**	**2.1%**
Colorado	1,658,238	1,972,868	2,117,598	459,360	28,710	1.5%

Source: ESRI; Economic & Planning Systems

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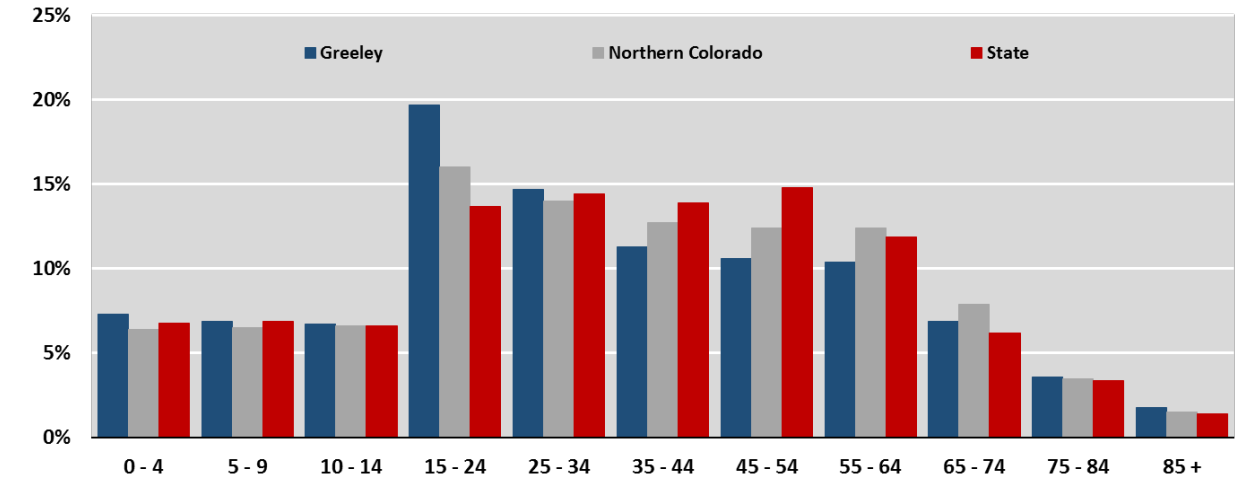
With a median age of 30.9, Greeley residents are more than four years younger than Northern Colorado residents and six years younger than Colorado residents (**Figure 6**). The City has higher percentages of all age groups up to age 34 while the region and the State have higher percentages of residents aged 35 to 64. The largest difference is seen in those aged 15 to 24 where Greeley's concentration is nearly 4 percent more than the region and 6 percent more than the State. This higher percentage of residents 15 to 24 is largely a result of student population at UNC and is consistent with other college towns in the state.

Figure 6
Resident Age, 2016



Source: ESRI; Economic & Planning Systems

The median household income for Greeley is approximately $49,000 while both the region and the State of Colorado have medians of $61,000 (**Table 6**). The majority of Greeley households, 51 percent, earn less than $50,000 annually versus 40 percent for Northern Colorado and the State as a whole. Middle income households, those earning between $50,000 and $99,999, are fairly equally represented among the geographies with the three ranging from 30 percent to 34 percent.

Table 6
Household Income, 2016

Income	Greeley	Northern Colorado	Colorado
<$15,000	13.7%	9.4%	9.6%
$15,000 - $24,999	11.0%	8.0%	8.0%
$25,000 - $34,999	11.2%	9.0%	9.4%
$35,000 - $49,999	14.8%	13.0%	13.2%
$50,000 - $74,999	18.4%	19.4%	18.3%
$75,000 - $99,999	11.8%	14.4%	13.6%
$100,000 - $149,999	12.4%	15.7%	15.5%
$150,000 - $199,999	3.8%	6.2%	6.5%
$200,000+	2.8%	4.8%	5.9%
Median HH Income	$49,040	$61,072	$60,903

Source: ESRI; Economic & Planning Systems

H:\173003-Greeley Comprehensive Plan\Reports\[173003-Greeley Tables and Charts.xlsx]Income

Residents of Greeley above the age of 25 have a lower level of educational attainment than the region and Colorado as a whole (**Table 7**). About 16 percent of City residents do not have a high school diploma, nearly double the percentage of the region and the State which are both around 9 percent. Also, approximately 26 percent of Greeley residents have a four-year college degree or higher versus 37 percent and 39 percent for Northern Colorado and the State, respectively.

Table 7
Educational Attainment, 2016

Education Level	Greeley	Northern Colorado	Colorado
Less than 9th Grade	8.4%	3.9%	4.2%
9th - 12th Grade, No Diploma	7.9%	4.7%	5.2%
High School Graduate	20.9%	18.4%	17.8%
GED/Alternative Credential	5.2%	4.0%	4.1%
Some College, No Degree	23.4%	23.0%	21.8%
Associate Degree	7.8%	8.8%	8.2%
Bachelor's Degree	16.6%	23.5%	24.1%
Graduate/Professional Degree	9.8%	13.6%	14.6%

Source: ESRI; Economic & Planning Systems

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Commuting Patterns

The majority of Greeley's workforce, nearly 60 percent, lives in Greeley and its neighboring Northern Colorado communities (**Table 8**). Of the approximately 45,600 people employed in the City of Greeley as of 2014, nearly 38 percent are also Greeley residents. Residents of Greeley's southern neighbor Evans make up over 7 percent of the City's workforce while Fort Collins, Loveland, and Windsor range from 3 to 5 percent of the total.

Nearly 39 percent of Greeley's employed residents also work in Greeley and another 15 percent commute into the City from other Northern Colorado communities. More residents commute out to the Denver Metro Area than commute in with nearly 12 percent employed in Denver, Aurora, or Westminster.

Table 8
Workforce Place of Residence and Resident Place of Employment, Greeley, 2014

Place of Residence	Workforce Jobs	Pct.	Place of Work	Residents Jobs	Pct.
Greeley	17,278	37.8%	Greeley	17,278	38.5%
Evans	3,377	7.4%	Denver	3,431	7.6%
Fort Collins	2,352	5.1%	Fort Collins	2,479	5.5%
Loveland	2,049	4.5%	Loveland	2,174	4.8%
Windsor	1,583	3.5%	Evans	1,274	2.8%
Denver	1,110	2.4%	Aurora	1,174	2.6%
Aurora	887	1.9%	Windsor	877	2.0%
Johnstown	608	1.3%	Longmont	746	1.7%
Eaton	601	1.3%	Westminster	720	1.6%
Other	15,850	34.7%	Other	14,783	32.9%
Total	**45,695**		**Total**	**44,936**	

Source: LEHD; Economic & Planning Systems

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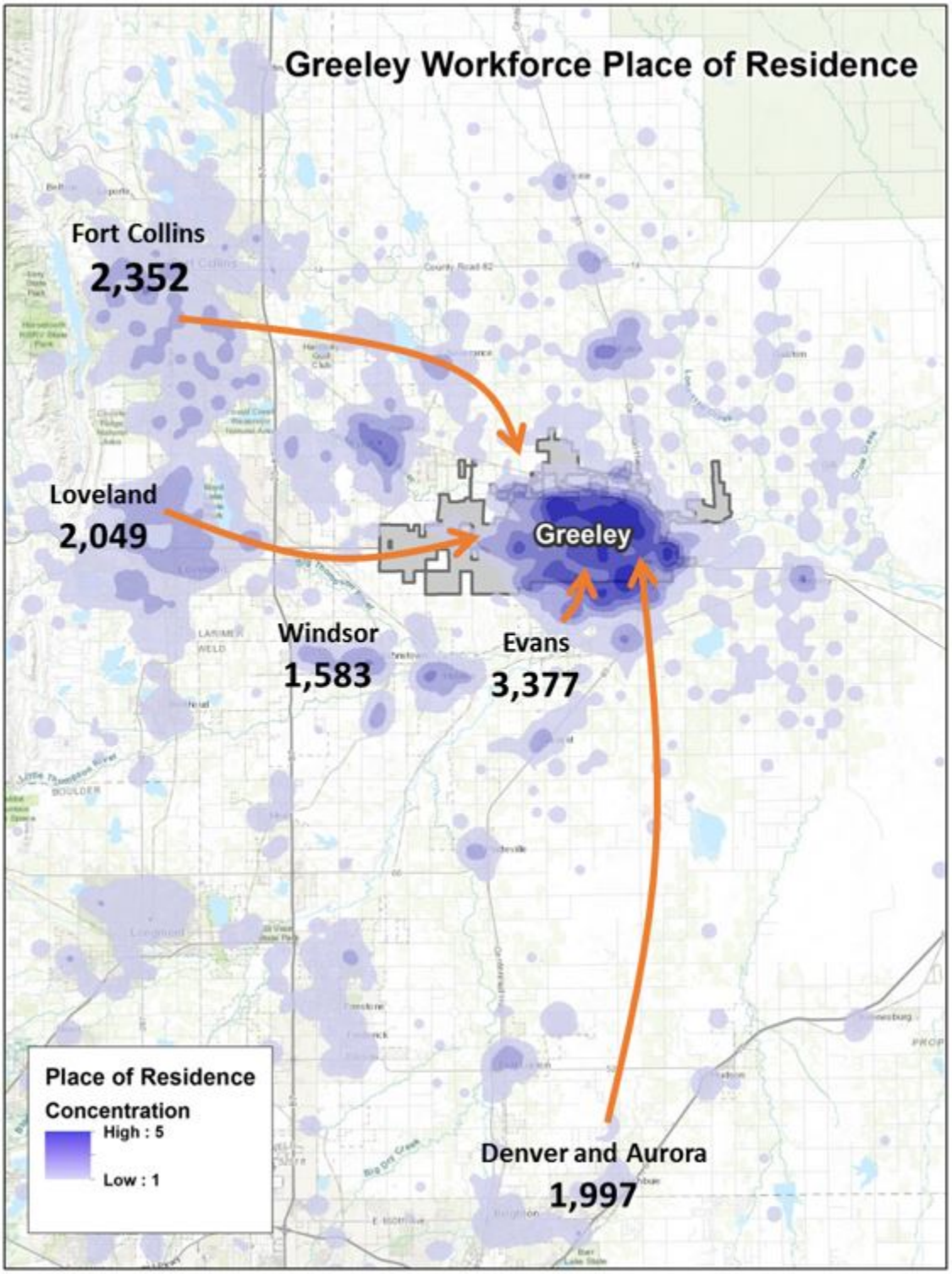
Figure 7
Workforce Place of Residence, Greeley, 2014



3. COMMERCIAL AND INDUSTRIAL DEVELOPMENT

This chapter provides a summary of the office and industrial development trends in the City and region. The summary of trends highlights the locations where primary employment has locating in the region.

Office Inventory

Greeley has approximately 3.9 million square feet of office space, about one-quarter of the Northern Colorado Region's total (**Table 9**). Of the region's 15.8 million square feet, about two-thirds are in Larimer County and one-third in Weld County (including Greeley). From 2000 to 2016, the City of Greeley added 1.5 million square feet of inventory, an annual growth of 3.0 percent per year. The Region grew slightly slower at 2.7 percent per year, adding about 5.5 million square feet over this period with Weld County growing faster than Weld.

In contrast to the labor force, office inventory growth has slowed considerably since 2010. Of the City's 1.5 million new square feet of office space, only about 11 percent of that growth was seen from 2010 to 2016. Likewise, the Region only saw about 15 percent of total growth over that period, with Larimer and Weld showing nearly identical trends.

Table 9
Office Inventory, 2000 to 2016

Description	2000	2010	2016	Change 2000-2016			Change 2010-2016		
				Total #	Ann. #	Ann. %	Total #	Ann. #	Ann. %
City of Greeley	2,411,879	3,720,058	3,888,556	1,476,677	92,292	3.0%	168,498	28,083	0.7%
Pct. of Region	23.2%	24.7%	24.5%	27.0%	---	---	21.1%	---	---
Northern Colorado Region									
Weld County	3,247,714	5,001,068	5,334,227	2,086,513	130,407	3.1%	333,159	55,527	1.1%
Larimer County	7,164,502	10,083,909	10,547,631	3,383,129	211,446	2.4%	463,722	77,287	0.8%
Total	**10,412,216**	**15,084,977**	**15,881,858**	**5,469,642**	**341,853**	**2.7%**	**796,881**	**132,814**	**0.9%**

Source: CoStar; Economic & Planning Systems

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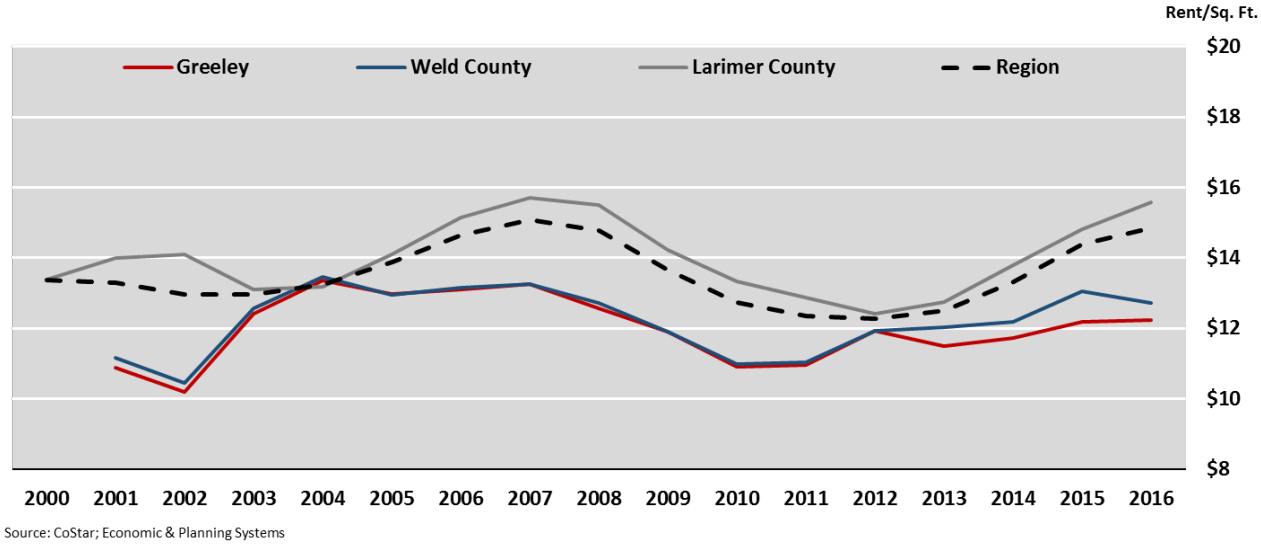
Office Rent

Office rents for Greeley increased by approximately 13 percent overall from 2001 to 2016 (**Figure 8**). Starting at $10.90 in 2001, office rents in the City rose to a high of $13.40 in 2004 and remained largely steady for the next three years 2005 several years before starting to decline in 2008. Rents began to recover in 2010, earlier than the Northern Colorado Region as a whole, and currently stand at $12.20 per square foot. Weld County followed largely the same pattern as 73 percent of the County's office space is located in Greeley.

The Region shows a somewhat more pronounced trend over this period, reaching a high of $15.70 in 2007 before declining until 2012. Since that time rents have climbed to $15.60 per square foot, an increase of 17 percent over 200 levels. As with Greeley and Weld County, Larimer County largely drives the regional trend as it contains 66 percent of the Region's space.

Figure 8
Office Rent, 2000 to 2016

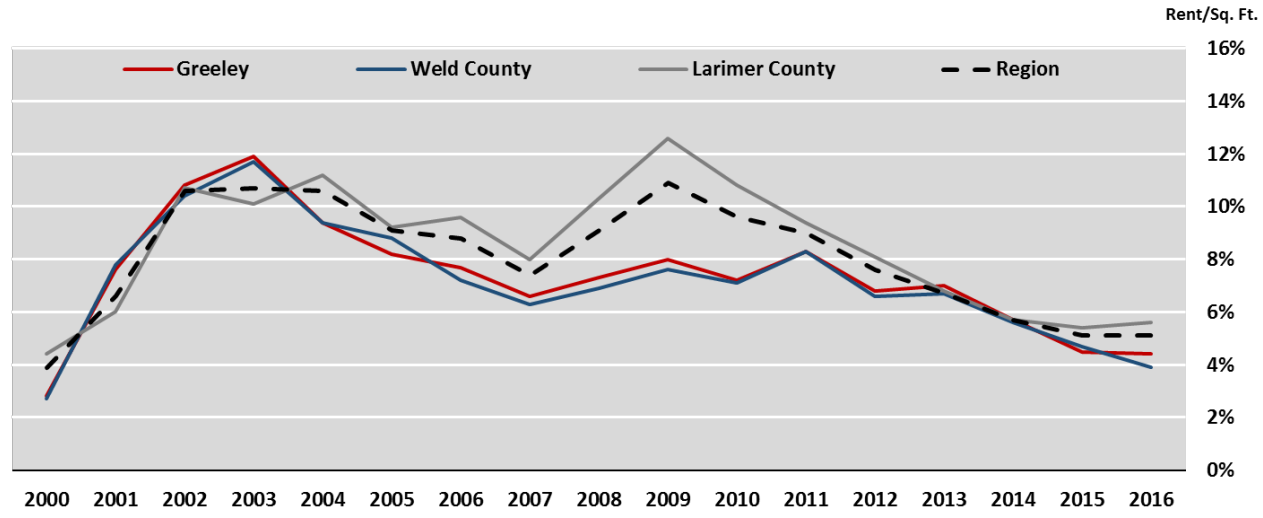


Source: CoStar; Economic & Planning Systems

Office Vacancy

After increasing sharply during the 2001 to 2003 recession, Greeley's office vacancy rate has generally declined over the past 12 years (**Figure 9**). In 2000, the City had only 2.8 percent of office space vacant before reaching a high of nearly 12 percent in 2003 as inventory increased rather significantly. Vacancy then declined until 2007 before fluctuating for the next few years and ultimately decreasing to 4.4 percent where it is today. The region shows the same general trend with the exception of a spike in vacancy to nearly 11 percent as we entered the recession. Since that time vacancy has decreased steadily and currently stands at 5.1 percent.

Figure 9
Office Vacancy, 2000 to 2016

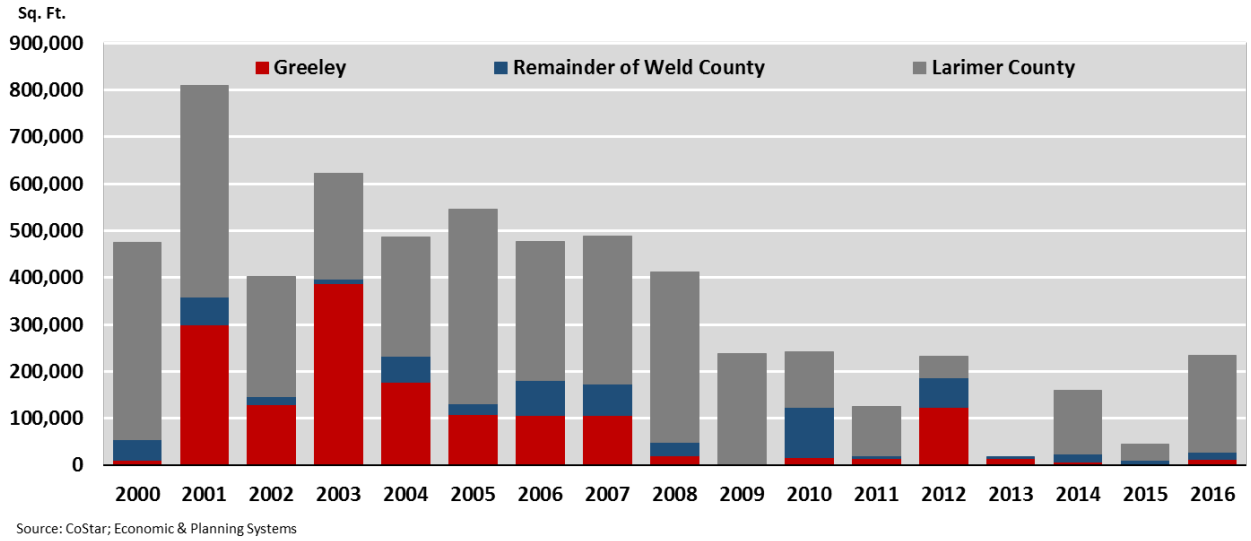


Source: CoStar; Economic & Planning Systems

Office Deliveries

About six million square feet of new office space has been completed since 2000 in the Northern Colorado Region although development activity has slowed considerably since the 2008 to 2010 recession (**Figure 10**). From 2000 to 2007, the Region saw an average of 540,000 square feet of new office space per year whereas since 2008 that figure has dropped to 190,000 square feet. During this time, Greeley's new space accounts for only about 14 percent of the Region's total while development has shifted elsewhere in the Region.

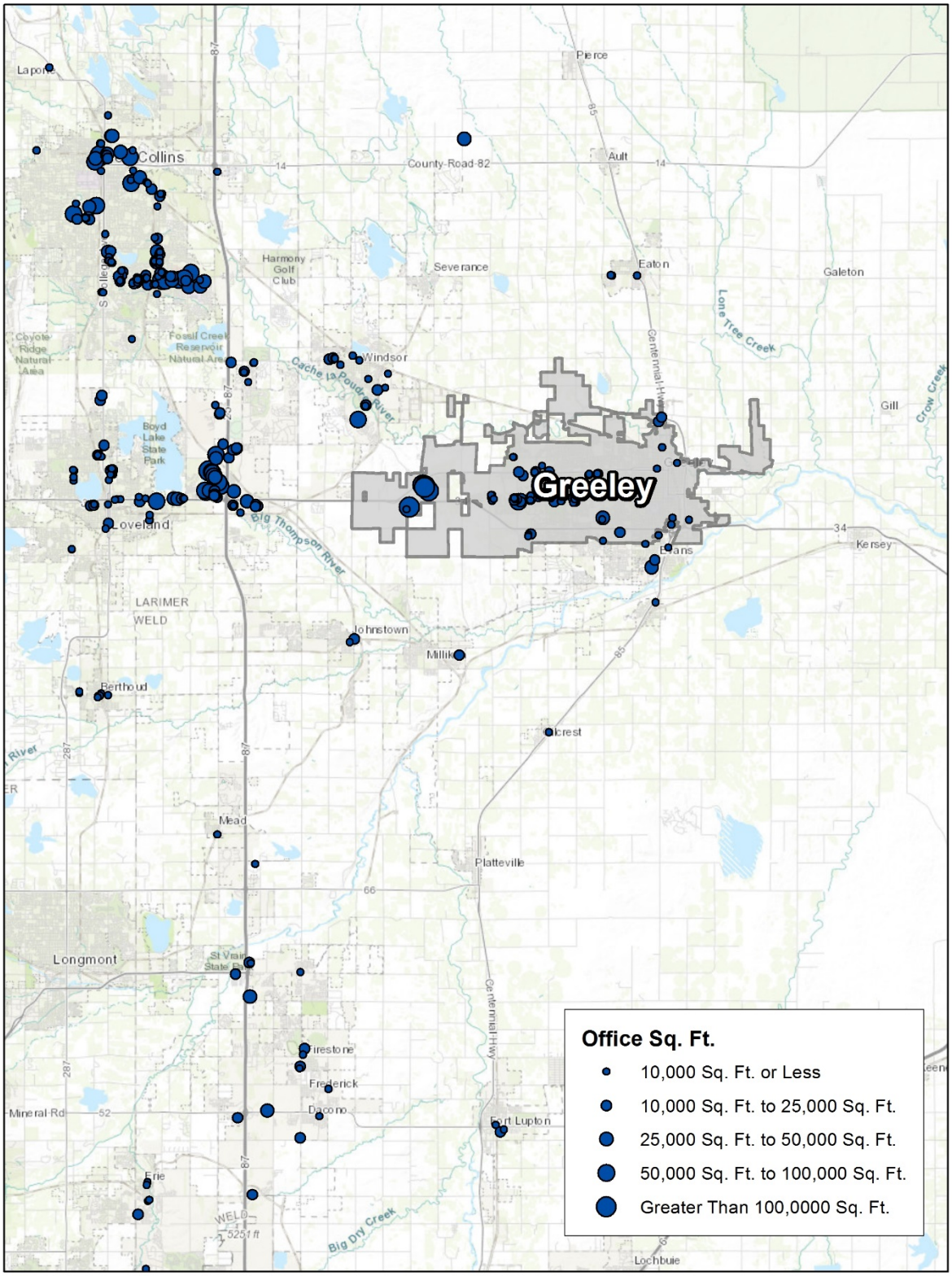
Figure 10
Office Construction, 2000 to 2016



Source: CoStar; Economic & Planning Systems

The strong employment growth and decreasing vacancy rates would indicate a demand for new office development; however, below average office rents are clearly a factor suppressing new construction (**Figure 11**). Recent office development has been largely concentrated in three areas, the downtown Fort Collins area, the Harmony Road corridor in Fort Collins and the Centerra/I-25 corridor in Loveland. The Promontory office park in west Greeley was a major addition to the region but is occupied by two employers.

Figure 11
New Office Development, Weld and Larimer Counties, 2000 to 2016



Industrial and Flex Inventory

Greeley has approximately 7.8 million square feet of industrial and flex space, about 18 percent of the Northern Colorado Region's total (**Table 100**). While Larimer County has about twice as much office space as Weld County, industrial space is more heavily weighted towards Weld County with 23.2 million square feet compared to 21.3 million square feet. The City added approximately 930,000 square feet from 2000 to 2016, growing at 0.8 percent annually. The Region grew nearly twice as fast at 1.5 percent per year adding about 9.5 million square feet, about 60 percent of which is located in Weld County. In addition to Greeley, significant industrial and flex development occurred in Windsor, Frederick, Johnstown, Mead, and Evans.

With 1.1 percent annual growth, Greeley's industrial and flex space inventory grew faster from 2010 to 2016 than over the period as a whole. Regional growth slowed considerably, especially in Weld County which only grew at 0.1 percent, adding about 156,000 square feet of space. With over 500,000 square feet of net new space in Greeley, that indicates the demolition or redevelopment of space in other areas of the County.

Table 10
Industrial and Flex Inventory, 2000 to 2016

Description	2000	2010	2016	Change 2000-2016			Change 2010-2016		
				Total #	Ann. #	Ann. %	Total #	Ann. #	Ann. %
Industrial/Flex									
City of Greeley	6,909,736	7,330,493	7,836,306	926,570	57,911	0.8%	505,813	84,302	1.1%
Pct. of Region	19.7%	16.9%	17.6%	9.8%	---	---	46.2%	---	---
Northern Colorado Region									
Weld County	17,692,909	23,072,443	23,228,326	5,535,417	345,964	1.7%	155,883	25,981	0.1%
Larimer County	17,412,444	20,385,642	21,324,870	3,912,426	244,527	1.3%	939,228	156,538	0.8%
Total	**35,105,353**	**43,458,085**	**44,553,196**	**9,447,843**	**590,490**	**1.5%**	**1,095,111**	**182,519**	**0.4%**

Source: CoStar; Economic & Planning Systems

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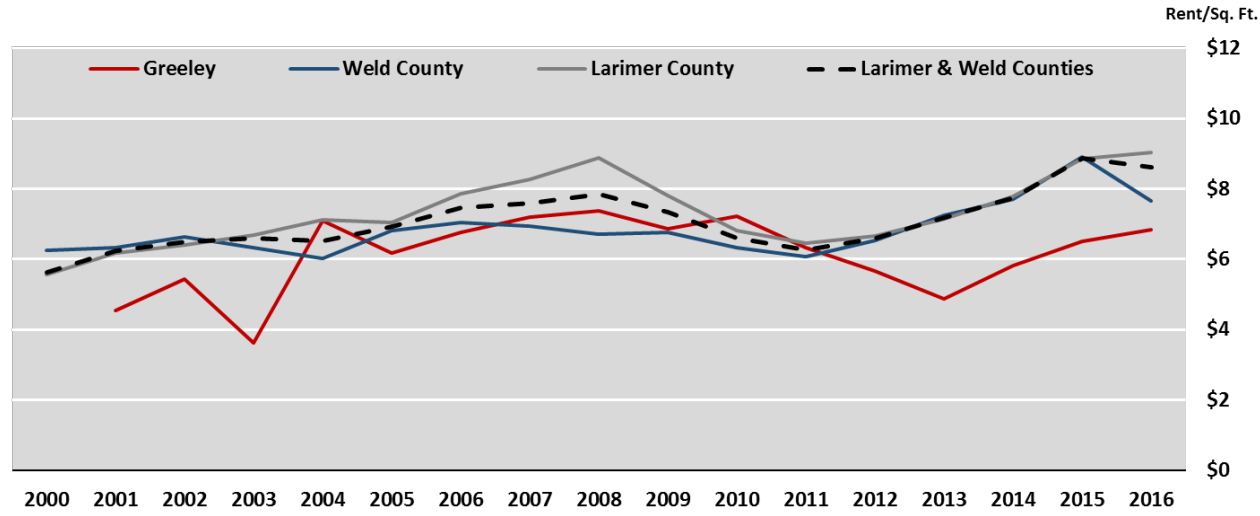
Industrial/Flex Rent

Greeley industrial and flex rents increased by 50 percent from 2001 to 2016 (**Figure 12**). After starting at $4.50 per square foot in 2001 rents increased to over $7.00 in 2004, remaining in the $6.00 to $7.00 range for the next several years. Rents declined by about one-third from 2010 to 2013, dropping under $5.00 before rebounding over the past few years. Industrial rents in Greeley currently stand at $6.80 per square foot, about $2.00 less than the average for the Northern Colorado Region.

The Region and the individual counties had a similar trend to one another, particularly over the past five years. Larimer County had the biggest peak, reaching nearly $9.00 in 2008 before declining through the recession. Rents in Weld County and the Region also declined through the recession and all three geographies reached 10-year lows in 2011 before recovering. Larimer County and the Region are at or near highs since 2000 while Weld County dipped a bit from 2015 to 2016.

Figure 12
Industrial and Flex Rent, 2000 to 2016

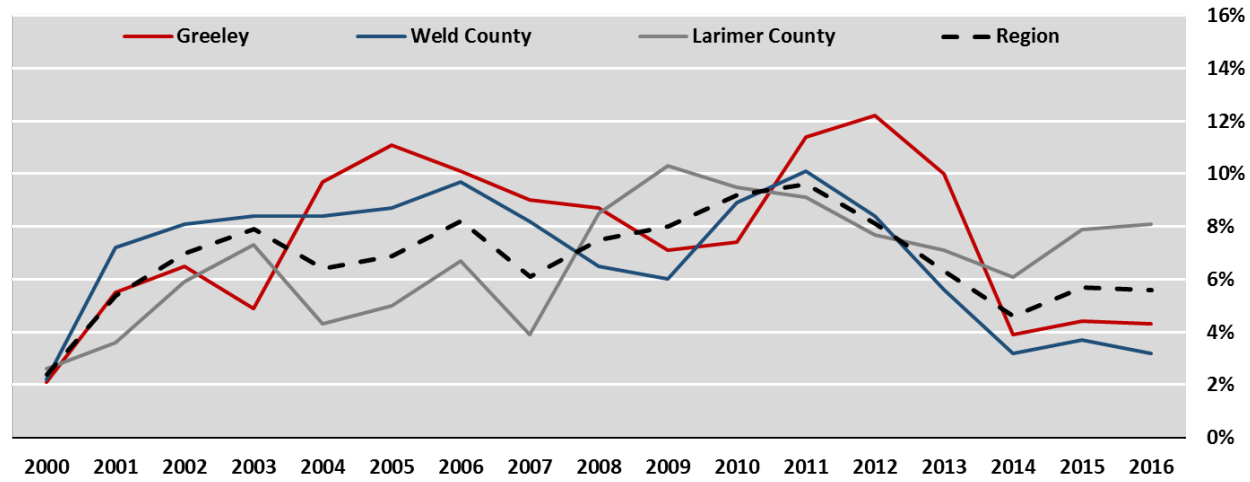


Source: CoStar; Economic & Planning Systems

Industrial and Flex Vacancy

Vacancy rates for Industrial and Flex space in Greeley and Weld County are low, currently under 5 percent. Vacancy rates below 5 percent indicate demand for new space. Industrial and flex vacancy in the Northern Colorado Region increased from 2000 (2.0 percent) to 2011, when the vacancy rate peaked at 10.1 percent (**Figure 13**). Greeley had two distinctive peaks on either side of the last recession reaching 11.1 percent in 2005 and 12.2 in 2012. Larimer County is the only geography to have peaked during the recession with 10.3 percent vacancy in 2009 while both Weld County and the Region as a whole peaked in 2011 with 10.1 percent and 9.6 percent respectively. Greeley and Weld County are currently in the three percent to four percent range while Larimer County and the Region are higher due to about 500,000 square feet of new space being delivered in 2016.

Figure 13
Industrial and Flex Vacancy, 2000 to 2016

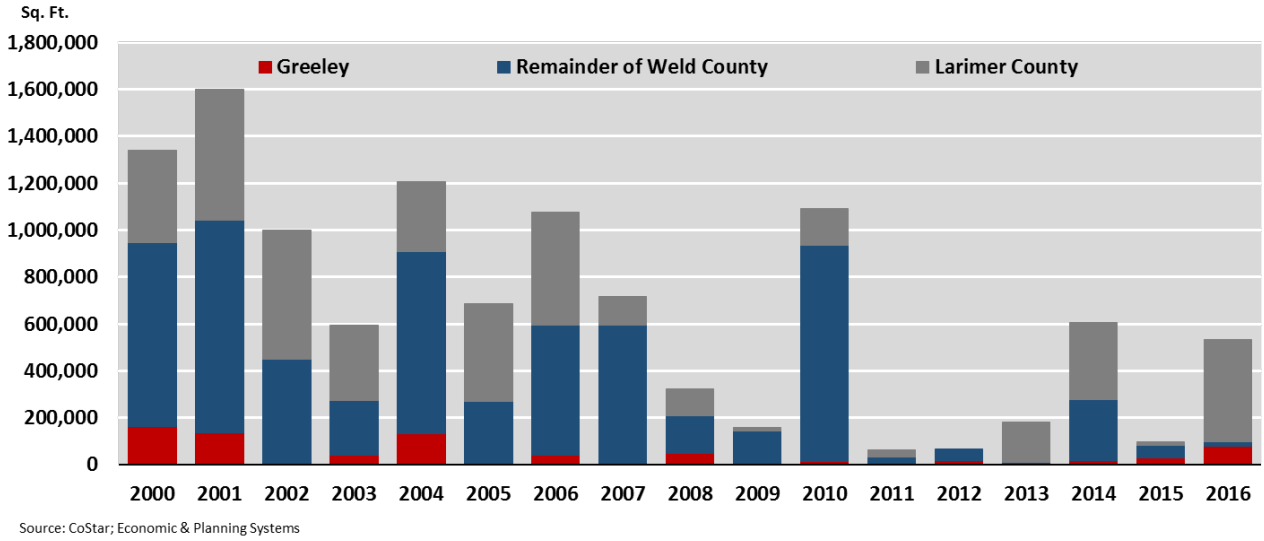


Source: CoStar; Economic & Planning Systems

Industrial and Flex Deliveries

The Northern Colorado Region has seen about 11 million square feet of new industrial and flex space developed since 2000 (**Figure 14**). Only about six percent of this space has been in Greeley as development has taken place in outlying areas of Weld and Larimer Counties. As is the case with the office sector, activity has slowed down significantly since the recession began. From 2000 to 2007, the Region averaged over one million square feet of new space annually while that number decreased to less than 350,000 square feet from 2008 to 2016.

Figure 14
Industrial and Flex Deliveries, 2000 to 2016



Source: CoStar; Economic & Planning Systems

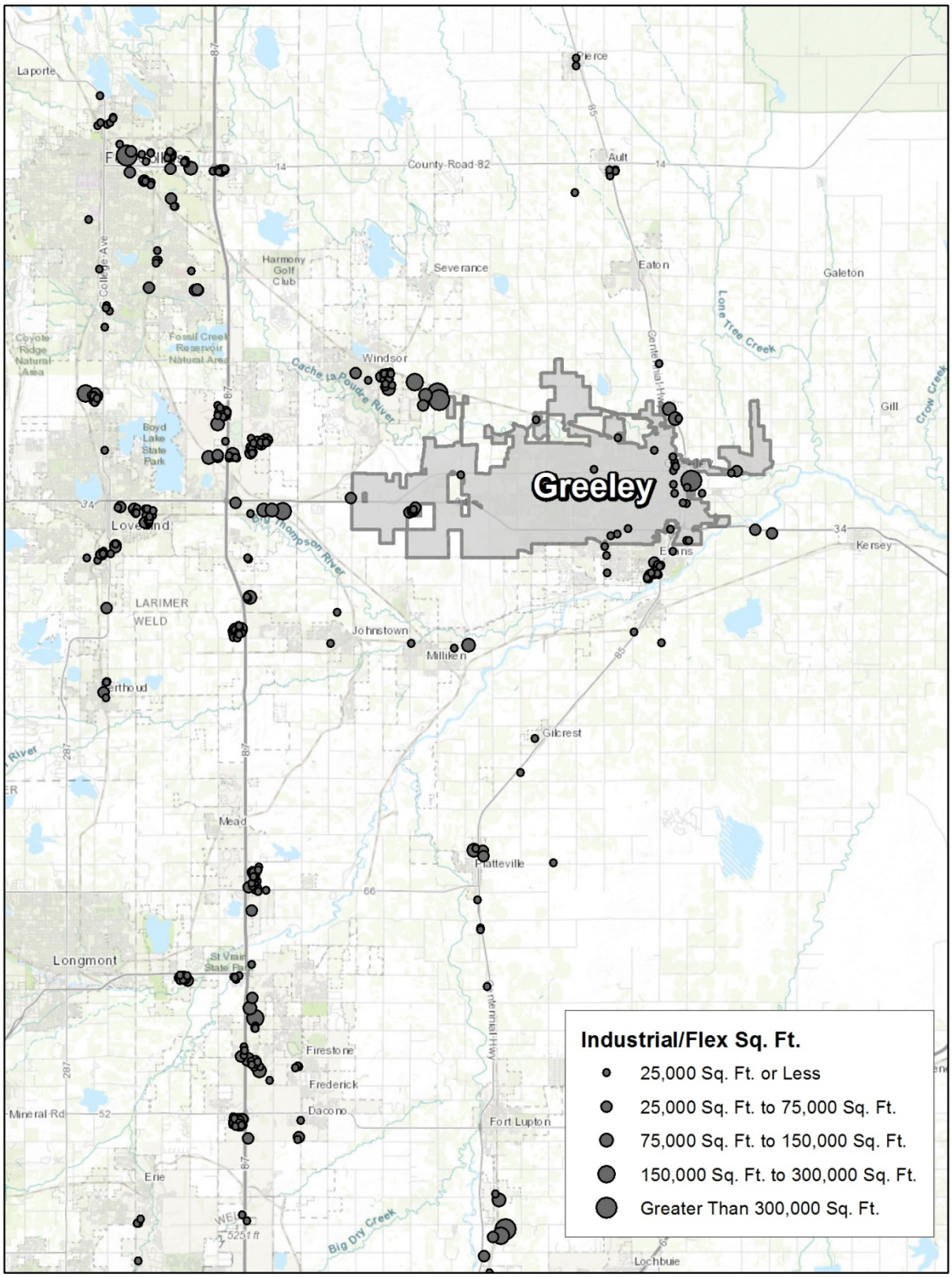
The raising rental rates, strong economic growth and low vacancy rates would indicate there is demand for new industrial space in the region. The lack of new industrial development in recent years is surprising given the job growth. New development of industrial has been scattered in variety of locations in the region, with no area emerging as a regional hub for industrial activity. New industrial development in the region is shown in **Figure 11**. The majority of new development has been along major transportation routes including Mulberry Street in Fort Collins, I-25, the northern segment of US 287 in Loveland, US 34 and US 85. The exception being the Great Western Industrial Park in Windsor, which is not on a major state or federal highway, but importantly for some industries, is the only park with rail access.

Some of the significant clusters of industrial space or industrial parks in and around Greeley are described below.

- **Bliss Business and Industrial Park** is located on 8th Street near the Greeley-Weld County Airport. Geared toward commercial industrial uses such as manufacturing as well as agricultural and oil and gas storage, the park offers 2,800 square foot single spaces to 20,000 square foot standalone buildings.
- **Comer Industrial Park** consists of a single 64,000 square foot building on 8.5 acres located at the intersection of 18th Street and Cherry Avenue in Greeley. The park currently has 13 tenants including Genesis Plastics Technologies.

- **Gallery Greens Professional Park** is a collection of various industrial and flexible spaces along W 29th Street just south of US 34. The collection of buildings totals over 100,000 square feet. Businesses included in the area include Crabtree Brewing and a Harley Davidson Dealership/repair location.
- **Great Western Industrial Park** is a 3,000-acre rail-served, master-planned industrial development located in Windsor. Available land totals 2,000 acres with sites ranging from two to 200 contiguous acres. Current tenants include Vestas, Halliburton, Hexcel, and Front Range Energy.
- **Greeley Industrial Park** is a collection of industrial buildings along US 85 from 18th Street south to US 34.
- **Highpoint Business Park** is located on Highway 34 in west Greeley. The 134-acre development is home to Pepsi, Noble Energy, the Weld County Crime Lab, the headquarters for Natural Pet Marketplace, and Flatiron Steel.
- **Ironwood Business Park** is a collection of various, small one-story industrial buildings built from 1950 to 1990. The buildings in the park total 78,000 square feet.

Figure 15
New Industrial Development, Weld and Larimer Counties, 2000 to 2016



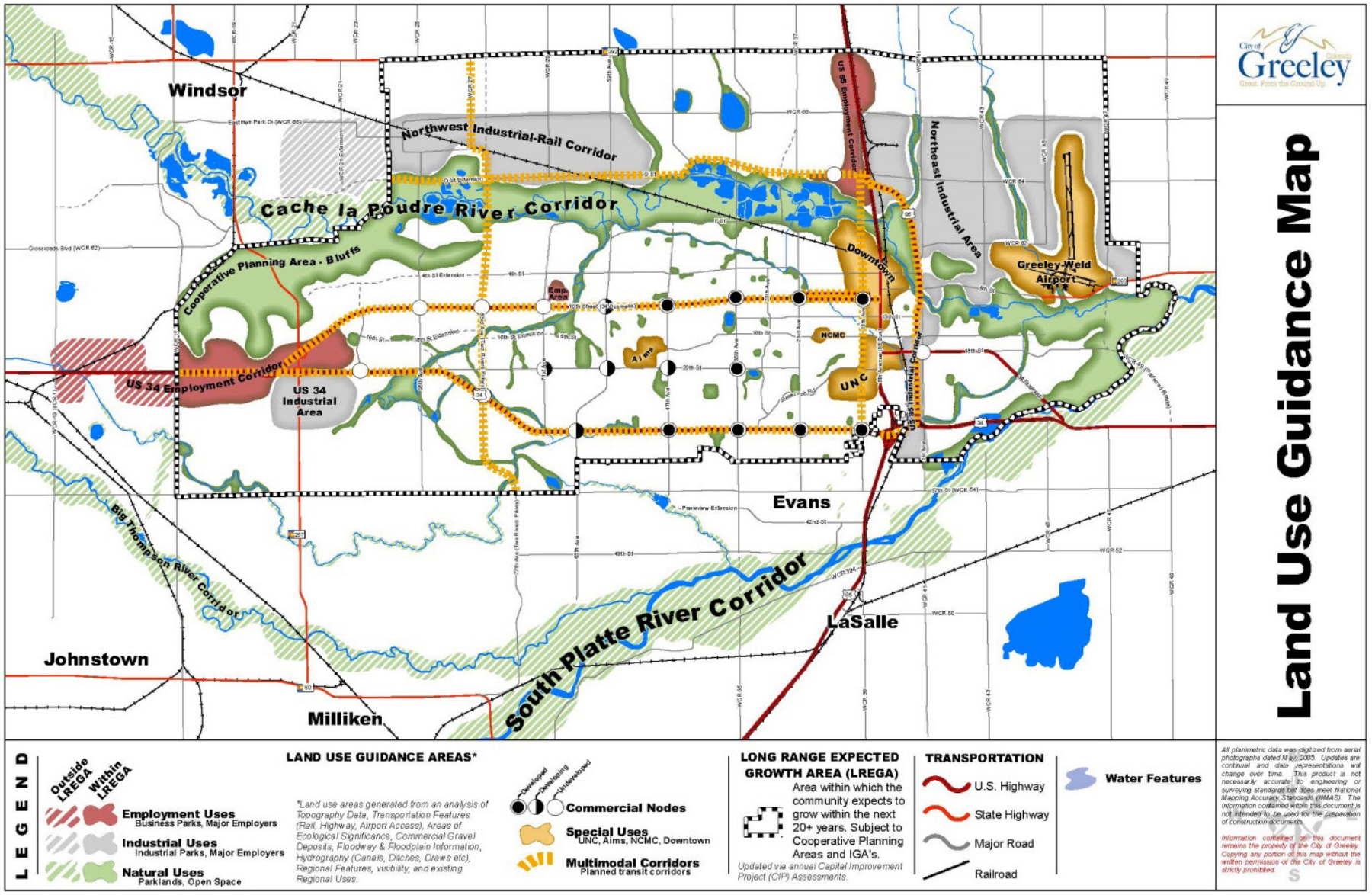
4. GREELEY'S PRIMARY EMPLOYMENT AREAS

This chapter of the report summarized land use and development conditions in the five employment areas of focus identified by the City of Greeley.

Employment Land Use Framework

The current City of Greeley Comprehensive Plan (2060 Comprehensive Plan) provides a high-level land use framework for employment areas. The City's employment areas are divided into Business Use areas, Industrial Use areas, and Special Use areas, as shown in **Figure 16**. The land use guidance map locates areas for employment uses, but provides only high-level descriptions areas. The land use chapter of the comprehensive plan provides guidance for development by use type (commercial, industrial, etc.). The comprehensive plan does not provide a vision for the future of the employment areas or much guidance to the development community.

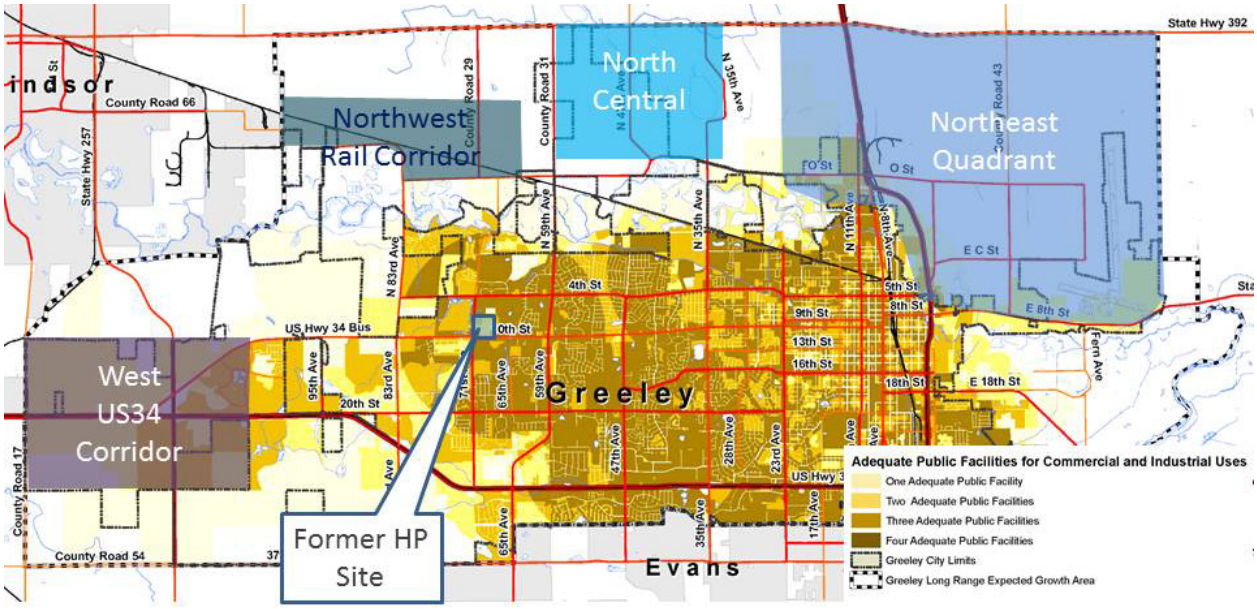
Figure 16
Greeley's Employment Land Use Framework



Primary Employment Areas

The City of Greeley has identified five potential areas planned for future primary employment growth as shown in **Figure 17**. These areas were identified as potential locations to focus economic development efforts outside of downtown and education/health care related employment growth.

Figure 17
Greeley's Primary Employment Areas



Infrastructure Availability

The City of Greeley has mapped the City based on the presence of adequate public facilities which include water, sewer, fire, and other public facilities (**Figure 18**). Two of the identified employment areas, the Northwest Rail Corridor and North Central Annexation Area, lack any existing infrastructure or services. The West US 34 Corridor and Northeast Quadrant areas have varying levels of infrastructure but largely lack infrastructure and services, however are closer to existing infrastructure and could more easily be serviced than the other two areas. The former HP Plant appears to have all necessary services provided to or near the site.

Sanitary sewer and fire protection are the two most expensive infrastructure items to provide **Figure 19** and **Figure 20**. The cost of the extension of sewer mains is often a major barrier to greenfield projects for developers. Providing a new fire station is costly and operation of a new station is a major expense for the City and new stations are best located in areas that will likely attract at least minimum levels of development. Sewer infrastructure is lacking in all of the areas with the exception of portions of the West US 34 Corridor and Northeast Quadrant (near US 285 and the E 8th Street). The areas are also outside of existing fire service areas, with the exception of portions of the Northeast Quadrant.

Figure 18
Presence of Adequate Public Facilities in Greeley

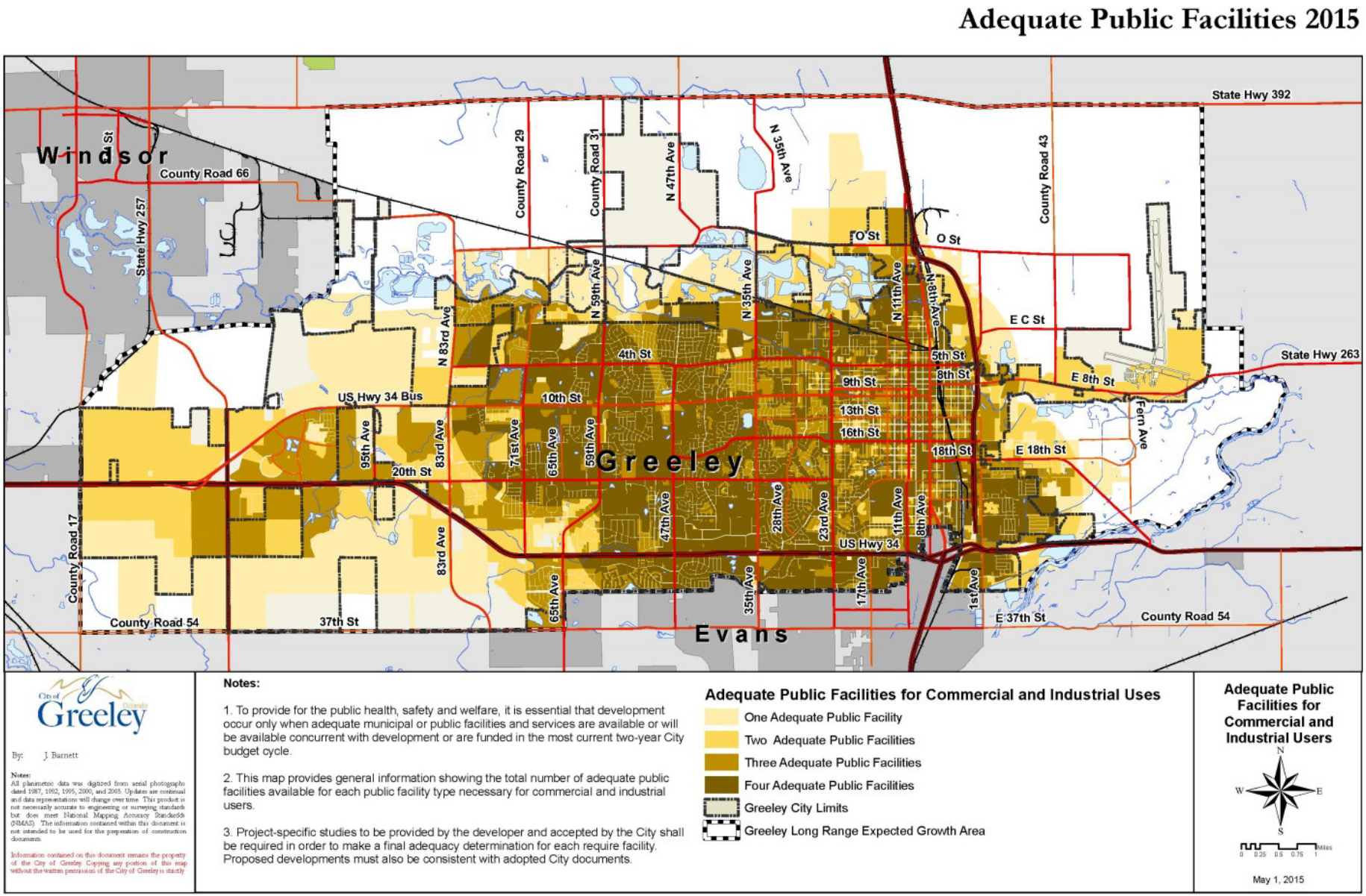


Figure 19
Areas with Existing or Proximity to Sewer Infrastructure

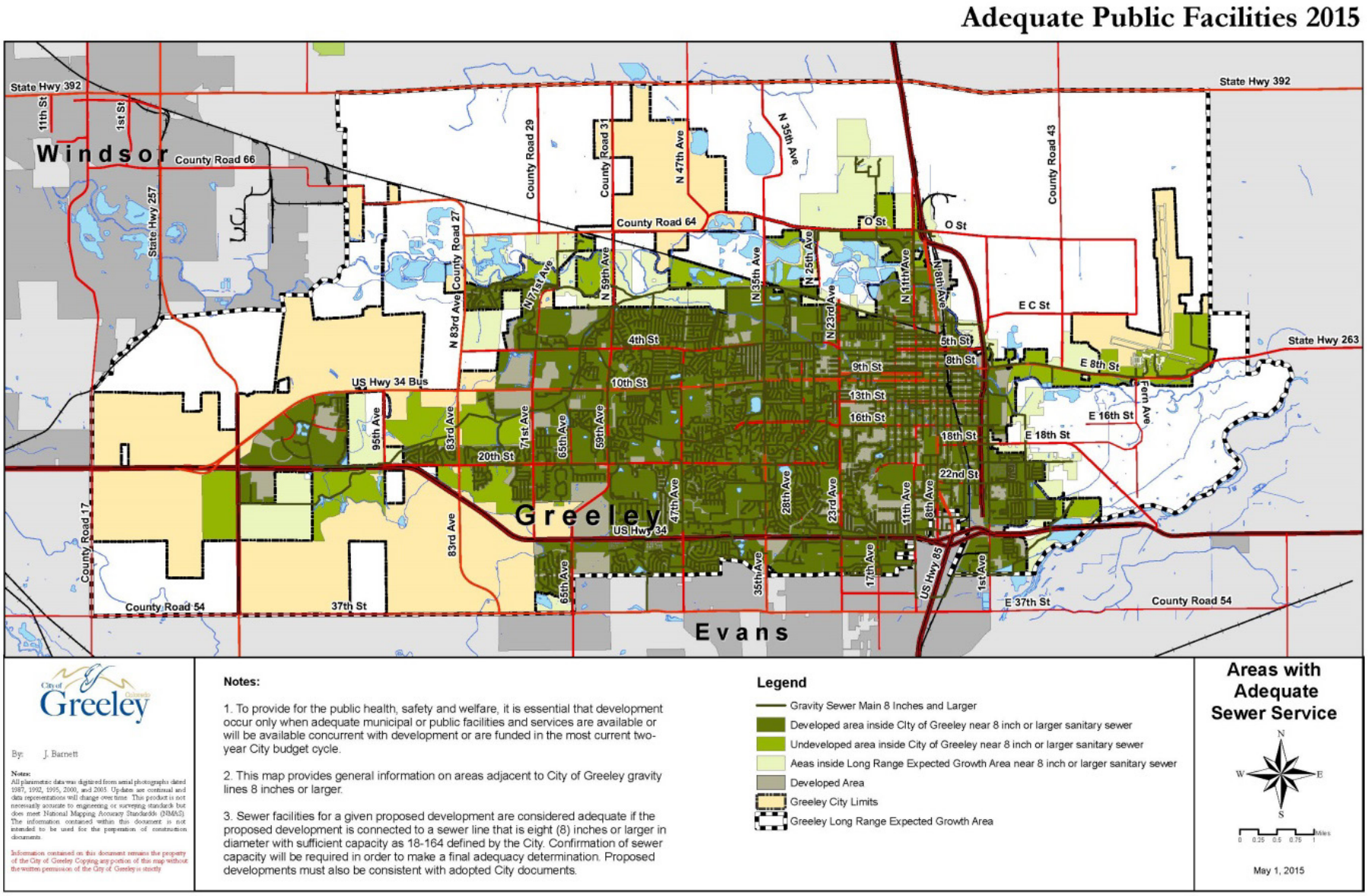
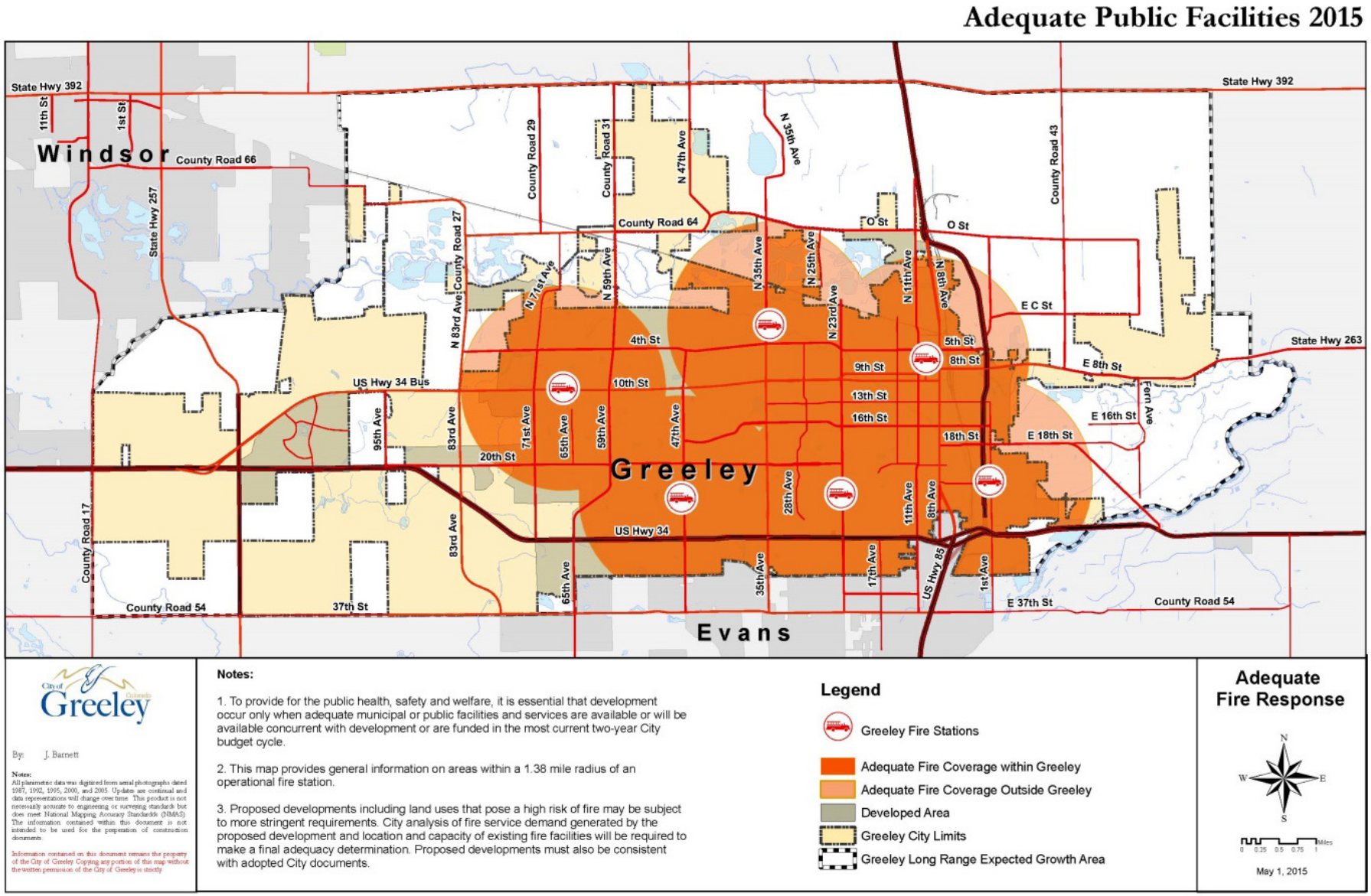


Figure 20
Areas with Existing Adequate Fire Service



Northeast Quadrant

The Northeast Quadrant is roughly defined as the area bounded by Highway 392 on the North, the Greeley Planning Area on the East, East 8th Street on the South, and US 85 and County Road 37 on the west. The area is largely in unincorporated Weld County, with the exception of the areas along East 8th Street and west of US 285.

Assets

The area includes the Greeley-Weld County Airport, which is a general aviation airport; it also includes two major food manufacturing plants. The area can be accessed by US 285, which is a major transportation route and attractive to potential employers. Lastly, the area is also serviced by rail with a major Union Pacific rail line running along US 85 and the Great Western Rail line connecting between the UP line at Highway 85 and UP and BNSF lines near I-25 and Fort Collins.

Development Sites and Recent Activity

There has been a limited amount of new industrial development in the area near US 85. There are large development sites being marketed in the area, including approximately 100 acres between O Street and Weld County Road 66 on the western side of US 85. This site was part of a larger 600 acre development planned to feature a mixture of residential, commercial and industrial uses, however a large portion of this project is no longer on the market and being used for agricultural uses. The 100-acre commercial/industrial portion is still being actively marketed. The site is annexed and served by infrastructure but needs improvements to access to Highway 85, which are approved.

West US-34 Corridor

The West US-34 Corridor area is the roughly bounded by Weld County Road 17 on the west, Weld County Road 56 to the south, 95th Avenue on the east and the US 34 Business Route and Weld County Road 60 on the north. The majority of the area is annexed in the City of Greeley. The eastern half of the area has water and sewer infrastructure, but the western half lacks sewer service and water service is needed to be obtain from major transmission lines which has added cost.

Assets

The area straddles US-34 as it enters Greeley and splits into US-34 and the Business US-34 route (10th Street). There a handful of major employers in the area including management and administrative jobs for JBS, a State Farm Insurance operations center, and Noble Energy.

Development Sites and Recent Activity

There has been significant employment development in this area in the past 10 to 15 years. The Promontory Business Park is part of the 670-acre Promontory Park development. The project has approximately 300 acres of commercial land and 250 acres of residential land, as well as open space and park land. State Farm built a large three building office campus on the business park and JBS Swift has 120,000 square foot office building. Aside from those two major employers, office development at Promontory Park has been relatively limited. A more recent project is the Highpoint Business Park the southeast corner of US 34 and Highway 257. The 134-acre development is home to Pepsi, Noble Energy, the Weld County Crime Lab, the headquarters for

Natural Pet Marketplace, and Flatiron Steel. Highpointe has been a successful industrial park and is nearing build out. This development and mixture of users in the park is an indication of the type of businesses that are currently attracted to this area and could drive additional development if more sites are developed. There are other major vacant land parcels for sale in this area that could offer a mixture of uses including employment uses.

Old HP Site

This site is at the northeast corner of US 34 Business/10th Street and 71st Avenue. The approximately 130-acre site contains a vacant 355,000 square foot office and industrial building. The building was built by Hewitt Packard (HP) in the 1980s and was used by the company's printer products division. The company started vacating the site in the early 2000's and was completely out of the building in 2003, and sold it in 2004. Subsequent owners have tried to attract users to the HP Building but have been unsuccessful. The property has fallen in to disrepair. The remaining site is largely undeveloped except for a strip of retail and planned self-storage uses along 10th Street on the south edge.

North Central Annexation Area

The North Central Annexation Area is a large area roughly bounded by Highway 392 on the north, N 59th Avenue on the west, O Street on the south and N 35th Avenue/WCR 35 on the east. The City annexed approximately 1,200 acres in the 1980's in order to attract the Anheuser-Busch brewery (which located in Fort Collins). The area has become known as the Budweiser Annexation. The areas have remained primarily as agricultural uses since. Some efforts to develop portions of the area have been made but have not come to fruition. The area has access to Highway 392, which connects to I-25 through Windsor. The area also has north south connectivity to Greeley but lacks major infrastructure to serve new development and would need to be extended to serve new growth.

Northwest Rail Corridor

The Northwest Rail Corridor runs along the Great Western Rail Line from approximately Weld County Road 31 on the east to Weld County Road 25 on the west. The area is mostly in agricultural use, with some low density estate residential uses. To the west of the area in Windsor, the Great West Industrial Park has been developed and attracted a large Vestas manufacturing plant and other uses, aided by the rail service provided. The Great Western Industrial Park still has significant land for development available and is controlled by the same entities controlling the Great Western Rail line. While the rail line is an asset, the area is unlikely to attract uses needed rail service to the area unless Great Western is a partner in the project. The area has poor vehicular access and lacks all major infrastructure.

5. GREELEY'S ECONOMIC OPPORTUNITIES

This chapter of the report identifies economic development opportunities and recommended policy directions. An assessment of Greeley's strengths, assets, weaknesses and threats is provided to help frame the economic opportunities and their alignment with Greeley's target employment areas.

Strengths and Assets

Greeley's and the Northern Colorado economy have experienced strong growth over the past 15 years, especially over the past six years. The indicators report developed for the Comprehensive Plan found that Weld County and Greeley have a more diverse economic base then its neighboring communities. This diversity is essential to a healthy economy and can help Greeley adapt to changing economic trends and opportunities and weather economic slowdowns.

The economic diversity in Greeley is due to its diverse set of anchor industries, businesses and institutions. These anchor institutions are reflected when looking at Greeley's largest industries; Manufacturing, Health Care, Education, and Retail Trade. Northern Colorado has a significantly higher concentration of manufacturing employment than state wide. Greeley's manufacturing base is anchored by food manufacturing businesses, but also has a smaller base of manufacturing firms in other industries including metal related manufacturing.

Education is a major component of the economic base. Greeley's two higher educational institutions, UNC and AIMS CC, are major assets that can and have been leveraged to generate additional economic activity and support existing businesses.

The other two major industries, Retail Trade and Health Care, are related to Greeley's position as a regional hub. Greeley is a gateway to the northeastern plains of Colorado and serves a hub supporting agricultural and energy related activities elsewhere in Weld County and northern Colorado. Greeley's position on the edge of the plans and along the Front Range positions it well to be the location of services for northern Colorado and northeastern Colorado.

Emerging opportunities include business support services and energy. Greeley is attractive for business support services, such as the operations center for State Farm, and other similar operations within the business services industry. Lastly, energy development is a major, emerging element of the Northern Colorado economy, which includes both the extraction of oil and gas and its related services, but also the manufacturing and development of renewable energy infrastructure.

The diversity of the existing economic base has also resulted in an attractive workforce for economic development. Greeley's workforce is suited for employers providing "middle skills" jobs in production industries, health care and service oriented sectors that don't necessarily require a four-year college degree but require training. High immigration and residential growth in cities like Denver and Fort Collins have led to housing affordability issues that are forcing middle income households out and making these cities less attractive to employers seeking this type of workforce. Coupled with Greeley's workforce is the overall attractiveness and quality of life in Greeley and Northern Colorado that has created a burgeoning regional economy that has wide diversity of residents and workers.

Lastly, Greeley's economy is supported by the access the City has to three major transportation routes. I-25 and US 85 are major transportation routes connecting Colorado to rest of the Rocky Mountain region. The City position between two provides it with two areas to leverage due to superior transportation access, which is connected by US 34. Greeley also has access to major rail infrastructure and rail corridors that make Greeley attractive to distribution uses.

Weaknesses and Threats

While Greeley's economic diversity is an asset, the reliance on major employers is also a potential threat to the community. The indicators report identified that Greeley is more vulnerable than other communities to economic downturns due to the concentration of employment in a few major employers. Greeley's 10 largest employers account for 35 percent of the total employment base. Reductions in activities and employment by one of these employers can create strain on the city. Continued support of the city's major employers is needed to ensure they continue to thrive.

The long-standing presence of large scale food manufacturing and agricultural activities led to the perception of Greeley as a "Cow Town". This perception has become less prevalent due to the growth of the region and the diversification of the economic base. However, it is a good reminder of the importance of celebrating all of the Greeley's major economic drivers.

Greeley's levels of educational attainment (particularly residents with college and advanced degrees) make the City less attractive for professional and technical services and information technology.

The focus of economic development efforts nationally has shifted from purely recruitment activity to focusing on overall community enhancement as an approach to attracting a talented and educated workforce. Companies are more often making decisions for location based on the presence of their desired workforce. Communities have invested in and provided vibrant, attractive places to live/work/play have been more successful in attracting a higher educated workforce. A major component of this for many similar cities is the development of their downtowns and city centers into mixed use environments anchored by cultural and entertainment attractions. The recent revival of Greeley's downtown is helping to improve its attractiveness and should continue to be a major focus.

The attractiveness and availability of employment spaces for potential employers is a weakness and threat to future opportunity. The City generally has a lower quality of industrial buildings, which make finding attractive options for potential employers difficult. This is partly due to the lack of new inventory in Greeley as the majority of new space building the region over the past 15 years has been outside Greeley. The low vacancy rates for industrial spaces in Greeley makes attracting employers difficult but this is an issue throughout the region currently. With the absence of existing space regionally, there is the opportunity to attract employers to new built facilities but this requires sites that are development ready. Greeley lacks in available, development ready sites for industrial uses and the majority of land in the five opportunity areas lacks needed infrastructure. To make these sites development ready, upfront investment is needed, which requires developers with experience and adequate financing to risk more speculative projects. Often times the employment areas that could be developed are owned by people willing to sell or develop but they are not able to do development themselves. Greeley

currently lacks strong development champions that are working to create opportunity sites in the city. The City's approach to development has been more reactive due to the growth pays for growth mantra, which makes the creation of new sites difficult as both the private and public sector are not proactively creating opportunities. The success Highpoint Business Park is an indication that if an attractive project is created the demand will follow.

Opportunity Industries and Areas

Target Industries/Opportunities

EPS identified five potential target industries for the City to explore. EPS recommends that the City develop a more robust economic strategy around the target industry clusters. These recommended industries serve as initial basis for those efforts. The target opportunities are:

Agribusiness and Food Manufacturing – Greeley has long been a hub for this type of activity. This strength should continue to be a focus but focused on emerging opportunities related to locally grown and natural/organic foods. Longmont has similar target focus and has been able to grow local businesses and even attract major employers to the City.

Energy – Oil and gas development has been a major driver of growth in Northern Colorado over the past decade. While the industry (due to low oil prices) has taken small down turn in past year or two, the industry will continue to be a major opportunity. To offset the inevitable busts related to oil and gas there is opportunity for growth in renewable energy through supporting existing activities such as Vestas but also the attraction and creation of other renewable energy related companies.

Distribution Hub – The explosive growth in Northern Colorado in the past 15 years has allowed the region to become more of an economic region. Along with that has come the growth of logistics operations to support the distribution of goods in the region but also support the exporting of goods produced locally. The Transportation and Warehousing industry grew by 8 percent annually over the last five years. Despite this growth, a predominate location for logistics activities has not emerged in Northern Colorado unlike in the Denver metro area where the northeastern portion of the metro area near DIA has become the dominate area for industrial development. This type of employment is not typically considered a primary employment sector, but is a worthwhile opportunity given its dependence on Greeley's transportation routes.

Manufacturing Hub – Greeley's production oriented workforce and existing manufacturing base make it attractive to grow this sector. Additional niches aside from food manufacturing and oil and gas related manufacturing could be identified. However, the manufacturing industry is rapidly evolving and continually being more automated, which has reduced employment demand.

Back Office and Business Services – Greeley and northern Colorado's workforce is attractive to back office and business support services such as call centers and administrative/operations support services. The relatively lower cost of living and business in Greeley the presence of a middle skills workforce, and the quality of life in the City and region make it an attractive location for these types of employers.

UNC Research Commercialization

Leveraging economic opportunity through joint efforts with UNC is an opportunity the City should explore. Greeley is known as a college town but not to the same degree that Boulder or Fort Collins are. The promotion of Greeley as a college town should be a focus as it can increase exposure for the City and can improve the city's reputation related to having an educated workforce. Many college towns have worked with their universities to support the commercialization of their research activities. UNC has recently developed a program and strategy for technology transfer through their IDEA (innovation development and enterprise advancement) program. The commercialization of activities at UNC can lead to business creation. Cities, towns, and universities have fostered this business creation through the development of research parks. The Association of University Research Parks (AURP) defines a university research park as a real estate based venture with the following attributes:

- A property master plan designed for research and commercialization,
- Partnerships with at least one university or other research institution,
- Encouragement of the establishment and growth of new companies,
- Technology translation from the lab to the marketplace, and
- A focus on technology-led economic development.

It is unclear what the potential for commercialization of research activities at UNC is and if there is ample enough opportunity for a research park. However, the City should partner with the university to support the growth of their new program and identify how the City can support its efforts.

Priority Employment Areas

The primary question of this analysis is to identify which areas it makes more sense for the City to consider proactive investments to spur economic development. The analysis of the five sites under consideration considered many factors but the presence of existing employers, recent development and availability of infrastructure and services were the most important factors. The West US-34 Corridor and Northeast Quadrant should be the focus of the City's efforts.

The majority of land within the five identified employment opportunity areas, aside from the Former HP Site, lack development ready sites and need the extension of infrastructure and services. The Northwest Rail Corridor and North Central Annexation Areas are devoid of and far away from needed infrastructure. The West US-34 Corridor and Northeast Quadrant have areas with adequate infrastructure that have captured development recently. As well, their proximity to I-25 and US 85 and the lower barriers to providing infrastructure make the West US-34 and Northeast Quadrant the most attractive of the areas.

The Former HP Site is unique to the other four areas. This site is centrally located in the community and is better suited for a greater mix of uses, although light industrial and flex uses do make sense on the site. The lack of success of attracting new users of the existing building and the decreasing state of repair of the building itself indicate that site may need to be redeveloped or at least the building rehabilitated and adapted to accommodate multiple users. The site has the opportunity to become a mixed-use center. The site could support an integrated mix of housing, retail and employment uses. However, it is more likely that walkable, denser housing and entertainment oriented retail uses would need to occur first to drive interest in office uses. The city should consider developing a vision for the site with the community. This effort should ideally occur with the owner's involvement and participation.

Alignment of Opportunities with Employment Areas

The target industries/opportunities identified above were matched to the employment areas within Greeley. While all the sites could be candidates for the opportunities the sites better suited for these activities were identified.

Figure 21
Alignment of Opportunities and Employment Areas

	West US-34 Corridor	Former HP Site	Northwest Rail Corridor	North Central Annexation	Northeast Quadrant	Downtown
Agribusiness/Food Manufacturing	X		X	X	X	
Energy	X		X	X	X	
Distribution and Logistics Hub	X		X		X	
Manufacturing Hub	X		X		X	
Back Office and Business Support	X	X				X
UNC Research/Tech Transfer	X	X				X

Recommended Policies and Actions

The preliminary recommended policies and actions for the Comprehensive Plan related to economic analysis are summarized below.

1. ***Develop a coordinated economic development strategy that:***
   - Creates a vision for Greeley's economic growth
   - Provides a strategy for attracting development to priority areas
   - Identifies target industries, provides promotional data related to these industries and creates a business attraction, retention and creation plan for each
   - Provides guidance on promotional, marketing, and state and regional coordination to grow exposure to Greeley and its strategy

2. ***Create a business and developer friendly culture***
   - Engage the development community to explore ways the city can support the development community in attracting businesses and creating more development ready sites and new buildings

3. ***Develop consistent approach to supporting development in priority areas through the identification of public financing tools that the City is willing to use and authorize to support development of employment sites***
4. ***Develop a consistent approach and package for incentives to businesses and developments supporting attraction of businesses that are within the City's target industries***
5. ***Work with UNC to identify potential ways to support technology transfer and new business creation***
6. ***Work with UNC and Aims CC to align education offerings with the city's target industries. Engage local and regional businesses in these industries to help form and development curriculum***
7. ***Increase capacity for economic development within the City***
8. ***Develop subarea or redevelopment plans for the West US 34 Corridor, Northeast Quadrant and Former HP Site that:***
   - Provide a vision for desired uses
   - Establish a more clear and marketable land use framework
   - Provide policy and guidance for the city's willingness to support development through use of the city's CIP, public financing tools, and other incentives.

This list is not meant to be a comprehensive list of all the actions and policies related to economic development that will be included as part of the update to the comprehensive plan.

Greeley Indicators 2016

Community Development Department
City of Greeley

Katherine M. Johnson, PhD.

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Table of Contents

Summary

Over the past ten years, the City of Greeley has gone from the top of the national charts in foreclosure rates to one of the top-ranked cities in the country for economic growth, a distinction that also pushed the city's population above 100,000 for the first time. Over the same period, the city expanded its investment in the type of things that make this a good place to live, including new parks, bicycle lanes, and protected open space, along with major reinvestments in the city's roads and streets and historic downtown. These investments were reflected in a national survey by the Gallup organization last year, which ranked Greeley fifth in the nation in terms of "community well-being."

The same period, however, has also produced more troubling indicators, including a noticeable uptick in the poverty rate and continued deterioration the quality of region's water and air. Ozone levels increased sharply through 2013. Although the city's own water system remains among the best in Colorado, recent improvements in monitoring techniques indicate that our rivers and streams are more seriously impaired than previously thought. Although the number of people with health insurance has significantly increased, housing costs are rising again. The city also faces new economic uncertainty with the downturn in the production of oil and natural gas, which accounts for some 13% of the region's total payroll, up from 6% in 2007.

Note on Data Sources

This report follows the format of the previous report in 2007: indicators are arranged by general category, with each consolidated on a single page. The choice of which locations to compare with Greeley are based on relevance and available data. For the Economic, Transportation, and Health indicators, the primary comparisons are the county-level. For the Land Use, Education, Crime, and Housing indicators, the primary comparisons are with other cities. The aim of these comparisons is to show how Greeley fits into the larger urbanizing region of which it is a part.

Acknowledgements

I would like to thank Laya Buchanan and John Barnett for their help with this report.

ECONOMIC VITALITY

Sectorial Diversity

Description: This indicator assesses the diversity of private sector employment as measured by the distribution of jobs across major industrial sectors. Although the business cycle generally affects the entire economy, many sectors exhibit their own patterns of growth and decline. A diversified economy is often able to ride out the business cycle better than one that is concentrated in just a few sectors. **Desired Trend: UP.**

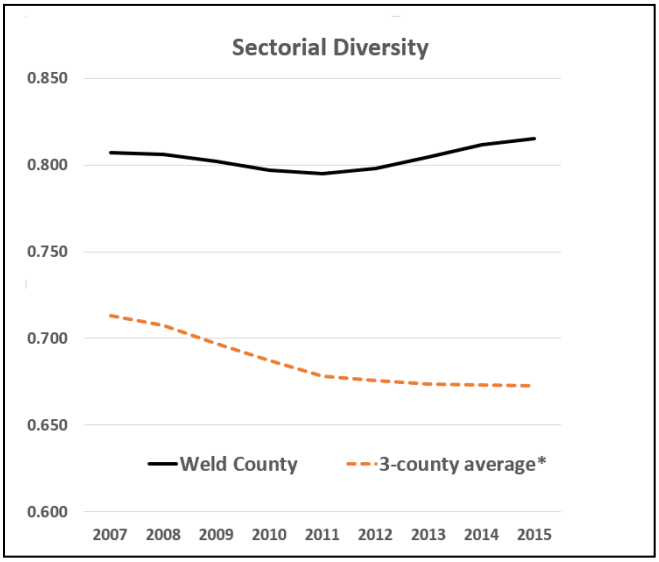
Analysis

The increase in sectorial diversity in Weld County since 2011 is primarily due to the large employment increases in the oil and gas and related heavy construction industries. Though these jobs are generally high paying, they are also vulnerable to global commodity markets, as indicated by the sharp drop in oil prices over the past two years. The most recent data on job growth and permits for new drilling rigs indicates that the industry has made a strategic decision to ride out the price collapse.

The greater sectorial diversity in Weld County generally as compared with other counties is explained by continued strength-in traditional industries like agriculture, food processing, and mining.

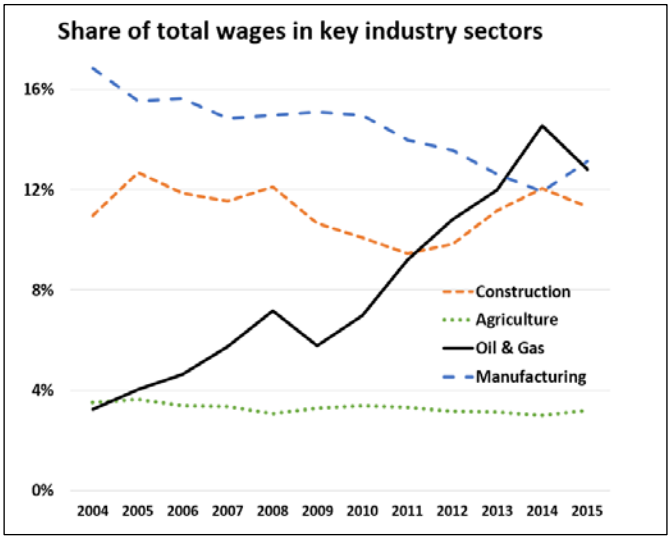
Method: Calculate percentage distribution of employment across 10 sectors. This indicator provides a useful measure of the distribution of employment across industrial sectors. An even distribution (each sector has a 10 % share of employment) would have an index converging on one. To calculate, use the formula below, assuming x is the total employment in each sector.

$$GMI = 1 - \frac{\sum x^2}{(\sum x)}$$



* Boulder, Larimer, Adams

	2007	2008	2009	2010	2011	2012	2013	2014	2015
Weld County	0.807	0.806	0.802	0.797	0.795	0.798	0.805	0.812	0.815
3-county average	0.713	0.708	0.697	0.687	0.678	0.676	0.674	0.673	0.673



Data Source: Colorado Department of Labor and Employment. See appendix for breakdown by county.

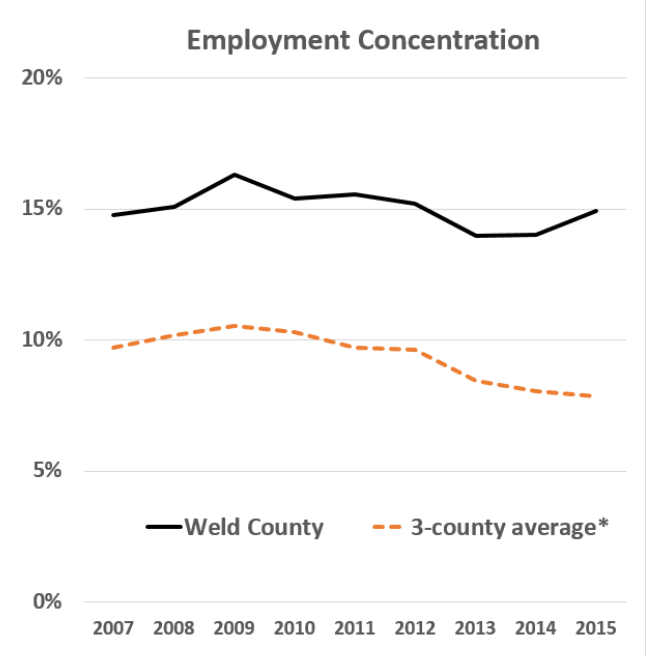
ECONOMIC VITALITY

Employment Concentration

Description: This indicator measures the share of private sector jobs provided by the ten largest private employers in the county. The higher the concentration of employment, the greater the impact on the region's economy should any one of these employers leave. **Desired Trend: DOWN.**

Analysis

Large corporations make up a larger percentage of jobs in Weld County than adjacent counties. The jobs lost with the departure of Eastman Kodak in 2008 (#3) were not completely replaced by the Danish wind turbine manufacturer, Vestas Corporation (currently #3). The recent upturn in this indicator is explained by the strong growth the oil and gas industry (currently #s 5, 7, and10). There are also fewer small startup companies in Weld County as compared with its neighbors to the west, which is possibly due to the lower concentration of jobs in high tech industries. Of the top 10 private employers in Weld County in 2015, 62% were headquartered in Greeley.



* Boulder, Larimer, Adams

	2007	2008	2009	2010	2011	2012	2013	2014	2015
Weld County	15%	15%	16%	15%	16%	15%	14%	14%	15%
3-county average*	10%	10%	11%	10%	10%	10%	8%	8%	8%

Top 10 Private Employers in Weld County 2015

Name	Business
JBS USA & Affiliates	Meatpacking
Banner Health	North CO Medical Center
Vestas	Wind blade manufacture
State Farm Insurance	Insurance
Halliburton Energy Services	Energy
Walmart	Retail
Elkhorn Construction	Construction
King Soopers	Retail
TeleTech	Telemarketing
Select Energy Services	Energy

Method: Calculate the percentage of employees in Weld County working for the five largest private firms. The goal is a lower percentage of workers concentrated with the top five employers. Government employers were not used because they are less likely to be affected by the changing economy. This is especially truer for institutions like the University of Northern Colorado and other K-12 schools.

Data Source: Colorado Department of Labor. List of largest employers in 2015 from Upstate

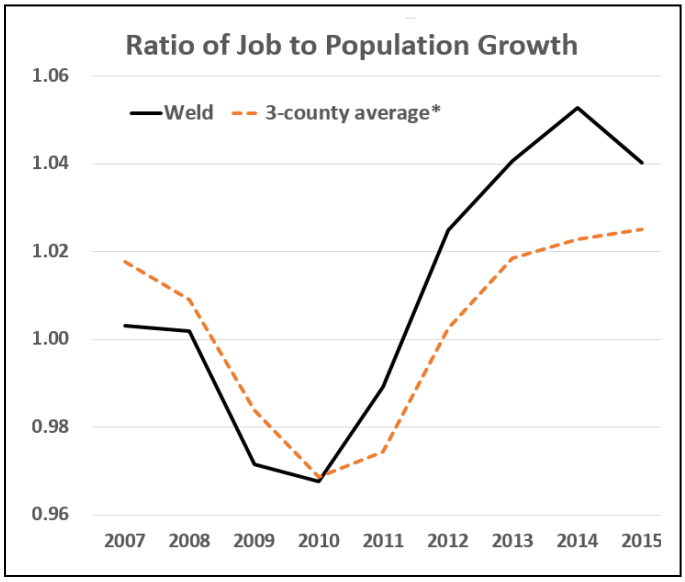
ECONOMIC VITALITY

Job Growth

Description: This indicator measures the creation of new job relative to population growth. If the ratio is high it indicates that the region is producing more jobs. **Desired Trend: BALANCED**

Analysis

This indicator has risen strongly in all counties since 2010 reflecting the strong recovery from the Housing Crisis of 2008-2009. On average jobs have grown almost three times faster than population over the last four years. The unusually strong performance of Weld County can be explained by the strong growth of jobs in the oil and gas and related heavy construction industries. As noted above, the most recent data on jobs growth and permits for new drilling rigs in the region indicates that the industry has made a strategic decision to ride out the recent downturn in oil prices.



* Boulder, Larimer, Adams

	2007	2008	2009	2010	2011	2012	2013	2014	2015
Weld County	1.00	1.00	0.97	0.97	0.99	1.02	1.04	1.05	1.04
3-county average	1.02	1.01	0.98	0.97	0.97	1.00	1.02	1.02	1.03

Method: Take a ratio of employment growth to the growth in working age population (18-55). To reduce annual variability and to obtain a truer sense of the trend in this indicator, the value calculated for each year shown in the report card is based on an average of that year and the two preceding years. Note that this ratio tends to be positive because the data does not distinguish between full and part - time jobs and informal surveys indicate that many people hold down more than one job.

Data Source: Colorado Department of Labor.

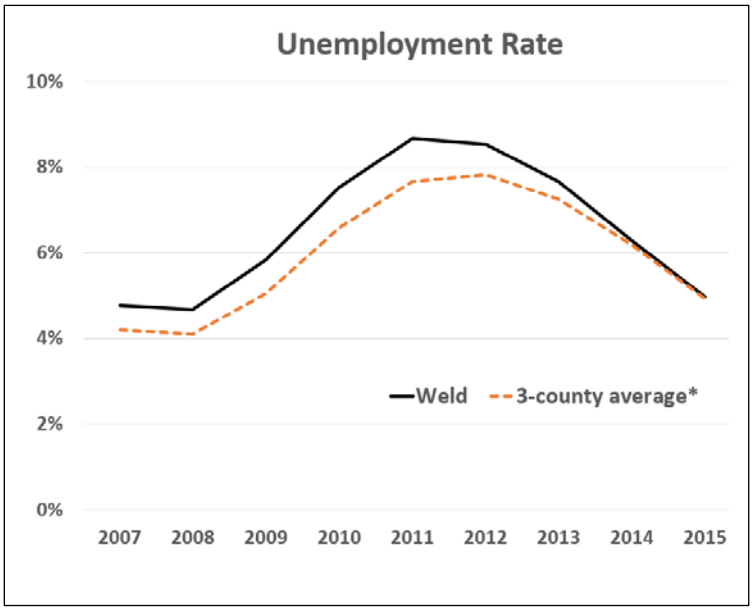
ECONOMIC VITALITY

Unemployment

Description: The unemployment rate measures how many people are unemployed but actively looking for work. Many social problems are linked to high unemployment including crime and alcohol abuse. **Desired Trend: DOWN.**

Analysis

After increasing sharply in the wake of the 2009-2010 recession, the unemployment rate dropped across the Northern Front Range. As noted above, the trend was amplified in Weld County by the strong growth in the oil and gas sector and heavy construction industries.



* Boulder, Larimer, Adams

	2007	2008	2009	2010	2011	2012	2013	2014	2015
Weld County	4.8%	4.7%	5.8%	7.5%	8.7%	8.5%	7.7%	6.3%	5.0%
3-county average	4.2%	4.1%	5.1%	6.6%	7.7%	7.8%	7.3%	6.2%	4.9%

Method: The unemployment rate is the percentage people 16 years and older who are actively looking for work. It is based on extensive surveys conducted by the Bureau of Labor Statistics and is published monthly. To reduce annual variability and obtain a better sense of the trend, the indicator above is based on an average of that year and the two preceding years.

Data Source: U.S. Bureau of Labor Statistics.

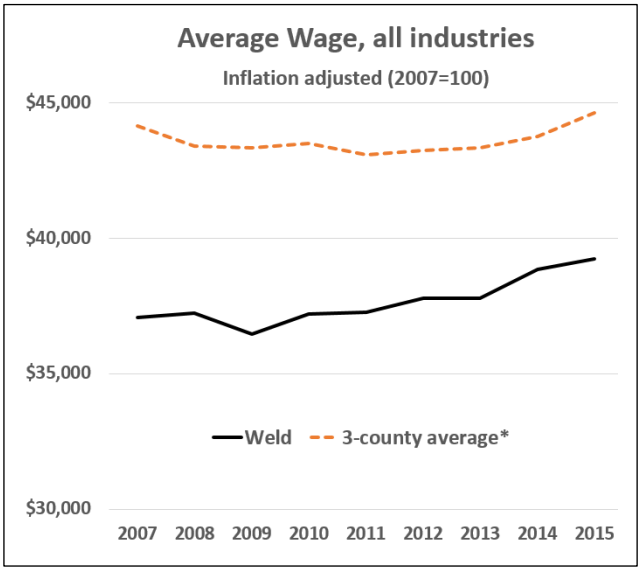
ECONOMIC VITALITY

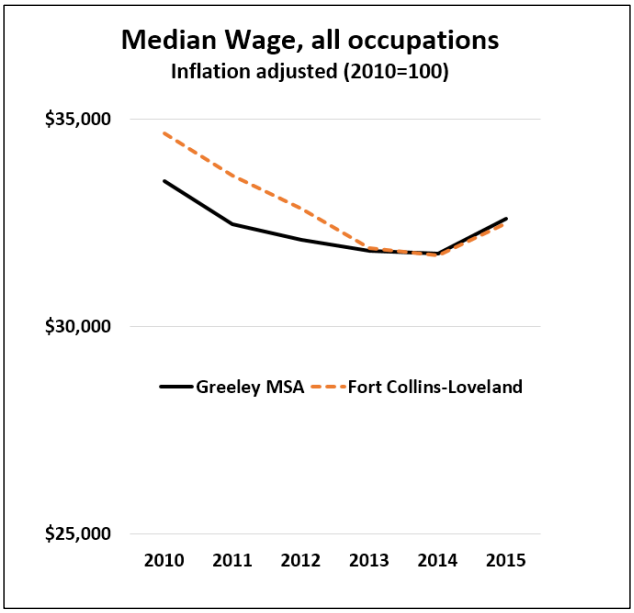
Average and Median Wages

Description: These indicators measure the average wage across all industries and the median wage across all occupations, both corrected by Denver area Consumer Price Index (CPI). The CPI measures the real purchasing power of wages. If wages do not keep up with inflation, the economic standard of living decreases. **Desired Trend: UP.**

Analysis: Wages in Weld County have recovered since the 2009-2010 recession due primarily to the strong growth in relatively high paying jobs in the oil and gas and related heavy construction industries. The gap with surrounding counties is largely explained by the higher concentration of jobs in lower wage sectors such as agriculture and retail as well as the sharp differential in wages for manufacturing jobs (about $500 per week lower on average).

A somewhat different picture emerges from the data on median wages, which the Bureau of Labor Statistics recently began estimating by occupation. This indicator shows a continued downward trend since the 2009-2010 recession adjusted for inflation.





Method: Take the average wage and the estimated median wage across and adjust both for inflation using Consumer Price Index. The CPI is calculated for the entire Denver Consolidated Metropolitan Statistical Area, of which Greeley is a part.

Data Sources: Colorado Department of Labor and Employment; US Bureau of Labor Statistics. Quarterly Census of Employment and Wages for Multiple Industries (county level data); Occupational Employment and Wages for Multiple Occupations (Metropolitan Statistical Areas only)

		2010	2011	2012	2013	2014	2015
Median wage, all occupations	Greeley	33,503	32,473	32,089	31,823	31,752	32,600
	Fort Colins	34,654	33,649	32,837	31,890	31,712	32,491
Average wage, all industries	Greeley	40,925	39,863	39,456	39,171	38,329	39,581
	3-county avg	44,978	43,851	43,535	42,918	42,617	43,527

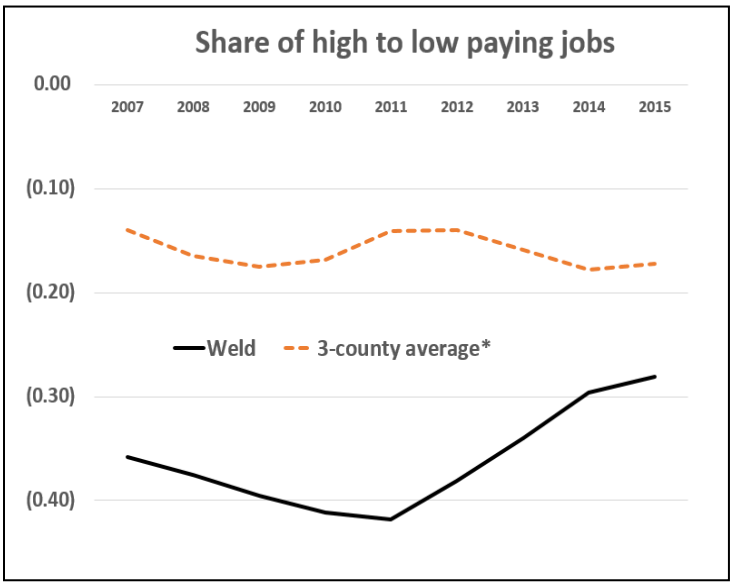
ECONOMIC VITALITY

Job Quality

Description: This indicator assesses the overall quality of jobs by comparing wage levels across major sectors of the economy. If most new jobs are in lower paying sectors, such as retail or low-paying service jobs, the average wage will decline over time pulling down the overall standard of living. Growth in higher paying jobs has the opposite effect. **Desired Trend: UP.**

Analysis

The recession of 2009-2010 dampened wage growth across the region. The unusually strong rebound in this indicator for Weld County is explained by the strong job growth in the oil and gas and related heavy construction industries, which tend to pay higher wages.



* Boulder, Larimer, Adams counties

	2007	2008	2009	2010	2011	2012	2013	2014	2015
Weld County	(0.36)	(0.38)	(0.40)	(0.41)	(0.42)	(0.38)	(0.34)	(0.30)	(0.28)
3-county average	(0.14)	(0.16)	(0.18)	(0.17)	(0.14)	(0.14)	(0.16)	(0.18)	(0.17)

Method: Compare average wages and employment levels across ten sectors of the economy. Calculate the relative employment level for each sector then redo as an average of the previous two years (this reduces annual variability). Rank both sets of data from highest to lowest and then calculate a Spearman Rank Correlation Coefficient for each year (this procedure found in most spreadsheet and statistical packages). This statistic ranges from negative one to positive one and indicates the correspondence in the rank order of wages and employment levels in any given year. If the coefficient is negative it means that more employment is in lower paying sectors. If it is positive, more jobs are in higher paying sectors. A value around zero indicates no clear relationship between wage and employment levels.

Data Source: Colorado Department of Labor.

ECONOMIC VITALITY

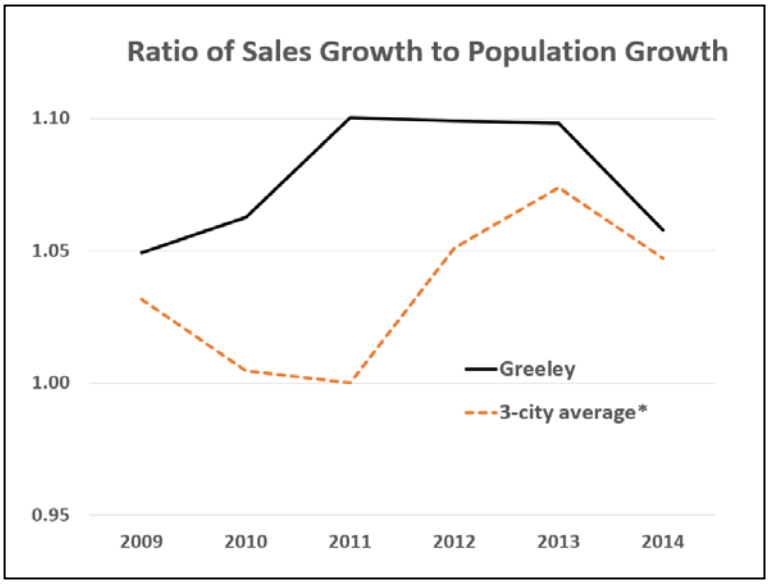
Consumer Spending

Description: This indicator measures the fiscal capacity of the region's municipalities. If the index is increasing, consumer spending is rising faster than population. Because a large share of municipal revenues comes from the sales tax, many jurisdictions believe that it is important for residents to patronize local businesses. **Desired Trend: UP**

Analysis

This indicator rose strongly after the 2009-2010 recession due to a combination of slow population growth and the opening of a large new shopping complex in west Greeley (Center Place).

The sales tax is more vulnerable to economic swings than the property tax. It also suffers from potential "leakage" when residents cross municipal boundaries to shop. The high dependence of Colorado municipalities on the sales tax also fosters competition between municipalities for new retail outlets and unincorporated land along major arterials, which is generally thought to be unsustainable in the long run.



* Fort Collins, Loveland, Boulder

Method: Calculate a ratio of the growth in retail sales adjusted for inflation to population growth. To reduce annual variability, take the average of each year and the two preceding years.

Data Source: Colorado Department of Revenue.

ECONOMIC VITALITY

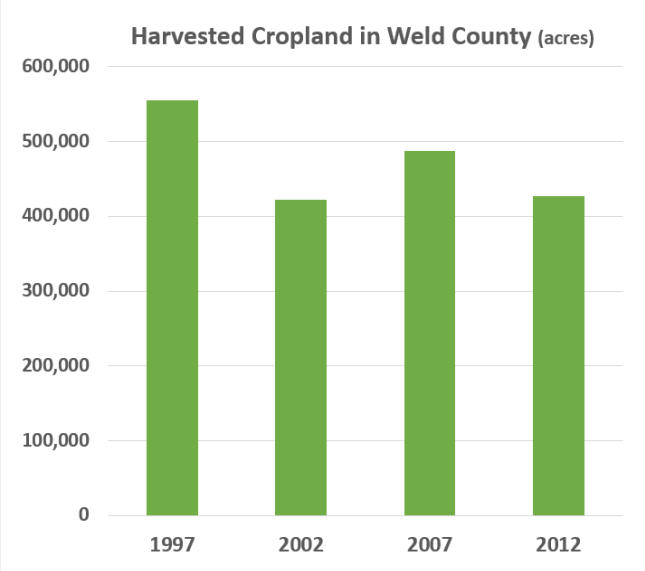
Agriculture

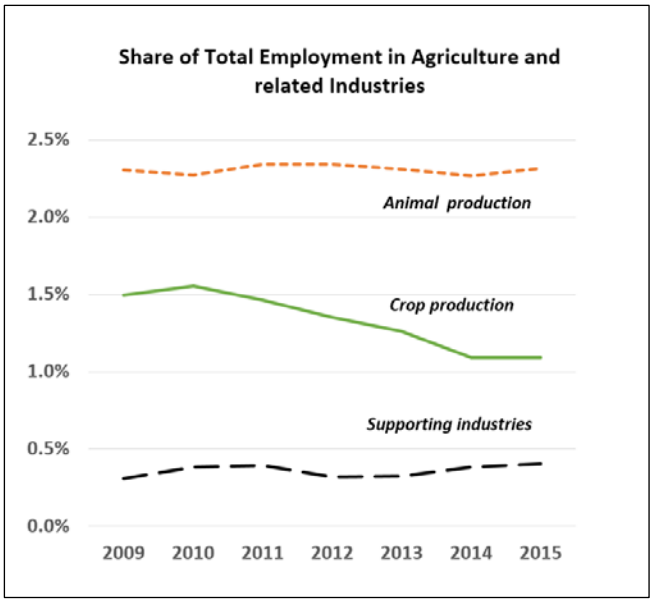
Description: These indicators measure the share of the region's land and labor force in agriculture. As the founding industry in Northern Colorado, agriculture provides a critical base for other industries that anchor the region's economy, including food processing, equipment manufacture and a growing cluster of high tech firms specializing in agriculture-related research.
Desired trend: STEADY.

Analysis

The primary non-climate challenge to agriculture in this region is urban growth. Municipalities can often outbid farms for both land and water rights in the private market when their own supplies fall short. Though the data is sketchy, the most recent USDA Census of Agriculture suggests that both markets were at work between 2007 and 2012, which saw a 13% drop in the amount of harvested cropland despite otherwise favorable climate conditions.

Although Greeley has historically contributed to the process by annexing agricultural land, its current and projected water supplies are more than sufficient for future population growth. The same cannot be said for other fast-growing municipalities in the region, which are backing plans for a large new reservoir system partially in order to mitigate future conflicts between agricultural and municipal use. This project, which is in the final stages of federal review, is opposed by environmental groups. Most of the participating municipalities are bedroom communities dominated by single family homes, which use up to 40% more water on average than multi-family units.





Sources: US Department of Agriculture, Census of Agriculture; Northern Colorado Water Conservancy District, Northern Integrated Supply Project.

HOUSING

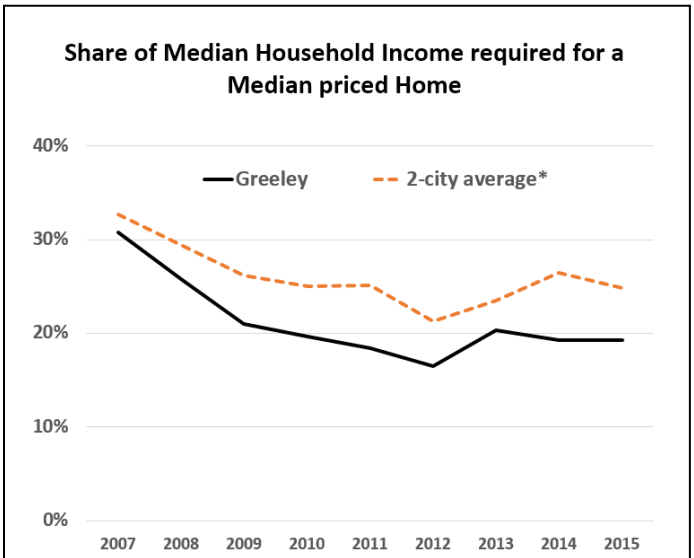
Housing Affordability: Owning

Description: This indicator measures the affordability of owner-occupied housing by comparing the mortgage payment for a median priced home to median household income. Owning a home provides significant tax benefits and has traditionally been associated with neighborhood stability. As with rent, however, federal standards suggest that households should spend no more than 30% of their income on mortgage payments. **Desired Trend: DOWN.**

Analysis

The decline in this indicator through 2012 is explained by the decline in housing prices and record low interest rates in the wake of the housing crisis of 2008-2009. Conventional mortgage rates dropped from 6.7 to 4.0 percent between 2007 and 2015, decreasing the cost of a mortgage by thousands of dollars per year. The rise since 2012 can be attributed to the strong economic recovery, especially in the oil and gas and related heavy construction industries.

According to the 2016 report of the Federal Housing Finance Agency, the price of an average home in Greeley has risen 45% since 2011. The city currently ranks 10th among 263 metropolitan areas in home price appreciation. This is also explained by strong jobs growth above as well as the relatively lower price of land as compared with surrounding counties.



*Fort Collins, Loveland

	2007	2008	2009	2010	2011	2012	2013	2014	2015
Greeley	31%	26%	21%	20%	18%	17%	20%	19%	19%
2-city average*	33%	29%	26%	25%	25%	21%	23%	26%	25%

Method: Calculate the monthly mortgage payment required for the median home value by applying the conventional 30-year mortgage (discounted by 3% to reflect minimum down payment requirement) and dividing by the median monthly household income. If the rate is increasing, the market is becoming less affordable. (Note that this indicator does not include insurance or property taxes, which can add significantly to the cost of a home).

Data Sources: Zillow (home prices), Federal Housing Finance Agency, Colorado Department of Labor, Federal Reserve Board (conventional mortgage rates)

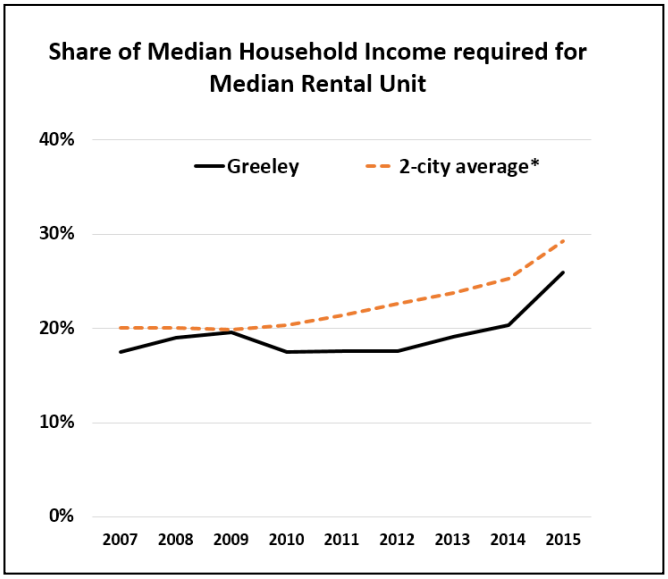
HOUSING

Housing Affordability: Renting

Description: This indicator measures the affordability of rental housing by comparing the median rent for all housing types to median household income. Federal standards suggest that households should spend no more than 30% of their income on housing; anything over this amount begins to cut into income required for other basic needs, like food, medical care, and transportation. Affordable rents are especially important for people in lower income brackets who cannot afford to buy a house. **Desired Trend: DOWN.**

Analysis

The cost of renting in Greeley has risen sharply over the past few years. As a share of median household income, the monthly rent for a median priced rental is currently about 5% greater than the monthly mortgage payment for a median priced home (see previous indicator). The difference is explained by the record low interest rates for a conventional mortgage, which has compensated for the general rise in housing prices for families that choose to own rather than rent.



*Fort Collins, Loveland

	2007	2008	2009	2010	2011	2012	2013	2014	2015
Greeley	18%	19%	20%	17%	18%	18%	19%	20%	26%
2-city average	20%	20%	20%	20%	21%	23%	24%	25%	29%

Method: Divide median household income by the median rent for all housing types. If the percentage is going up, rental housing is becoming less affordable.

Data Sources: Colorado Division of Local Government: Multi-Family Housing Vacancy and Rental Survey; Colorado Department of Labor.

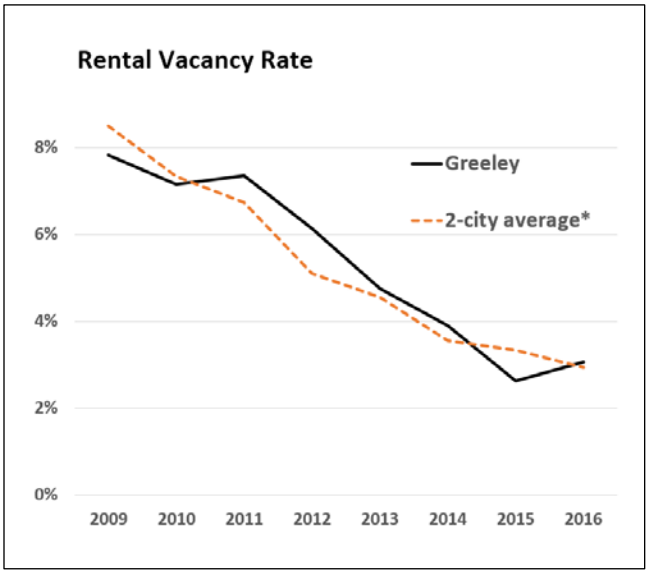
HOUSING

Rental Vacancy Rates

Description: This indicator tracks the availability of multi-family units. The seasonal variability of employment combined with the greater vulnerability of low income households to economic cycles make this indicator especially volatile. Low vacancy rates for rental housing generally push up the price, adding to the economic burdens faced by lower-income families. .
Desired Trend: stable at around 4%.

Analysis

Vacancy rates for rental housing have fallen sharply since 2009. This is explained by the lack of new construction in the wake of the housing crisis combined with the strong jobs growth. Housing starts picked up sharply in 2014, with the share of multi-family units approaching the record of 580 units set in 2002 (see next indicator).



*Fort Collins, Loveland

	2009	2010	2011	2012	2013	2014	2015	2016
Greeley	7.8%	7.2%	7.4%	6.1%	4.8%	3.9%	2.6%	3.1%
2-city average	8.5%	7.4%	6.8%	5.1%	4.6%	3.6%	3.3%	2.9%

Method: Take the number of units available and divide by the total number of units. This statistic is tracked by local agencies on a monthly basis.

Data Source: Colorado Department of Local Affairs Multi-Family Housing Vacancy and Rental Survey.

HOUSING

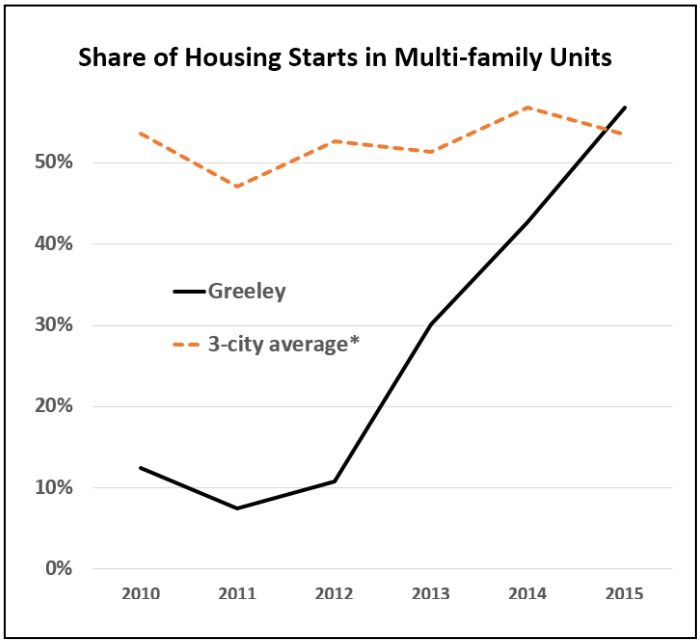
Distribution of Housing Types

Description: This indicator measures the share of new housing units in multi-family buildings. This type of housing uses land, water, and public services more efficiently than single family detached homes. Because building costs are also lower per unit, it is also generally more affordable. **Desired Trend: UP.**

Analysis

The share of multi-family units in new housing construction is now considerably above the rate achieved before the housing crisis of 2008-2009. As noted in the previous indicator, this can be explained as a market response to the strong labor market and a recovering housing market.

Multi-family housing advances several goals identified in Greeley's Comprehensive Plan including diversifying the city's housing stock and living opportunities, and achieving a target density of six dwelling units per acre.



*Fort Collins, Loveland, Boulder

	2010	2011	2012	2013	2014	2015
Greeley	12%	8%	11%	30%	43%	57%
3-city average	54%	47%	53%	51%	57%	53%

Method: Divide the number of new multifamily units by all new residential units permitted in a given year. To obtain a truer sense of the trend, take an average of each year and the two preceding.

Data Source: US Census Bureau.

LAND USE

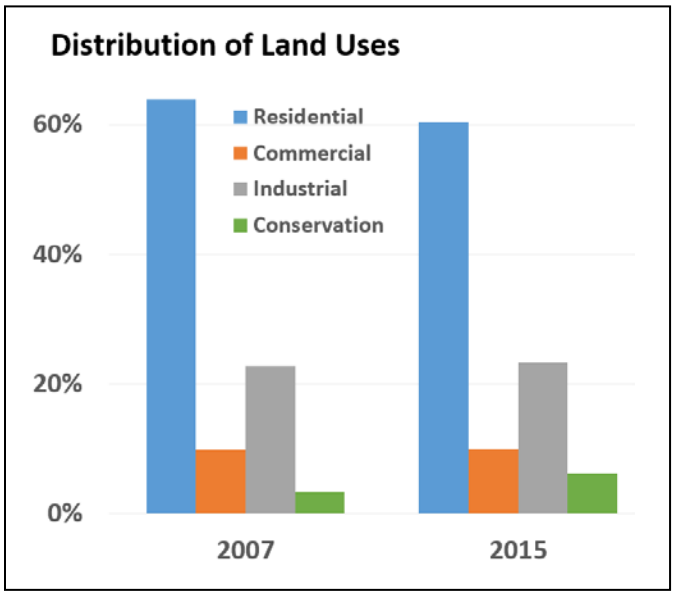
Zoning

Description: This indicator measures the change in each of the four major categories of land use in the city's zoning code.

Analysis

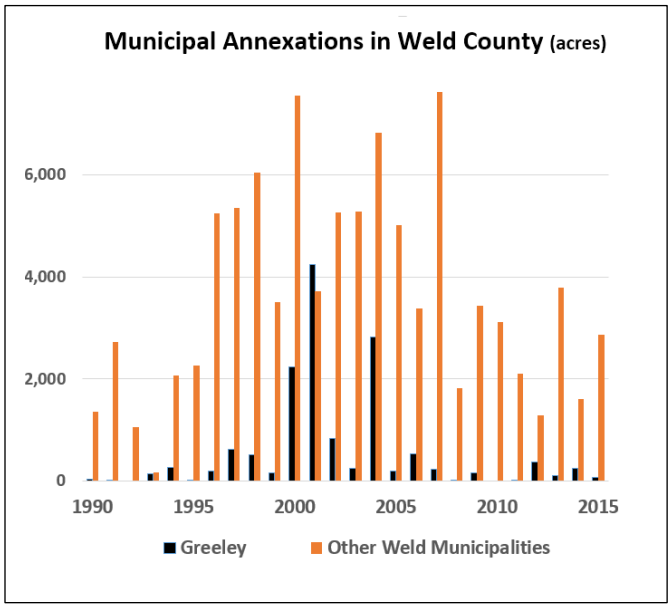
The only notable change in the distribution of land uses in the city since the mid-2000s has been a doubling of land zoned for conservation. The increase in protected open space has been incorporated into the city's long range plans for parks, trails and more efficient use of land in the northern parts of the city.

Municipal annexations dropped sharply after the Housing Crisis of 2008-2009.



Zoning type	Acres		Share	
	2007	2015	2007	2015
Residential	12,151	12,397	64%	60%
Commercial	1,871	2,050	10%	10%
Industrial	4,335	4,796	23%	23%
Conservation	649	1,274	3%	6%

Annexations	Total acres	Annual average
2000-07	11,336	1,417
2008-15	1,417	120



Data Sources: City of Greeley Community Development Department; Weld County Geographic Information Systems.

LAND USE

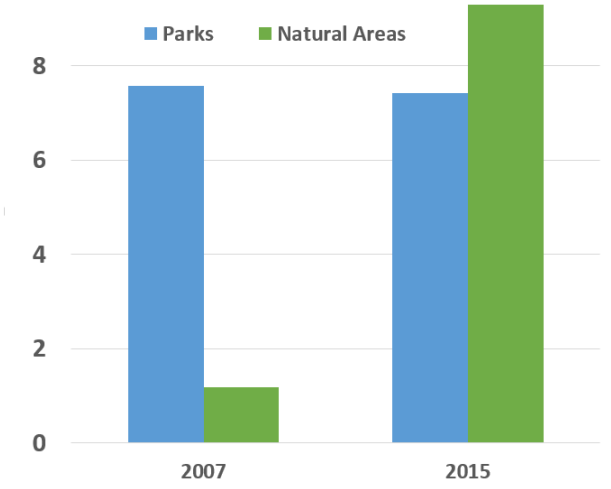
Parks and Open Space

Description: This indicator measures the amount of land zoned for parks and protected open space. These types of land uses enhance the quality of life by providing opportunities for recreation, social gatherings, and relief from the street. They also provide scenic vistas that contribute to a distinctive sense of place. **Desired Trend: UP**.

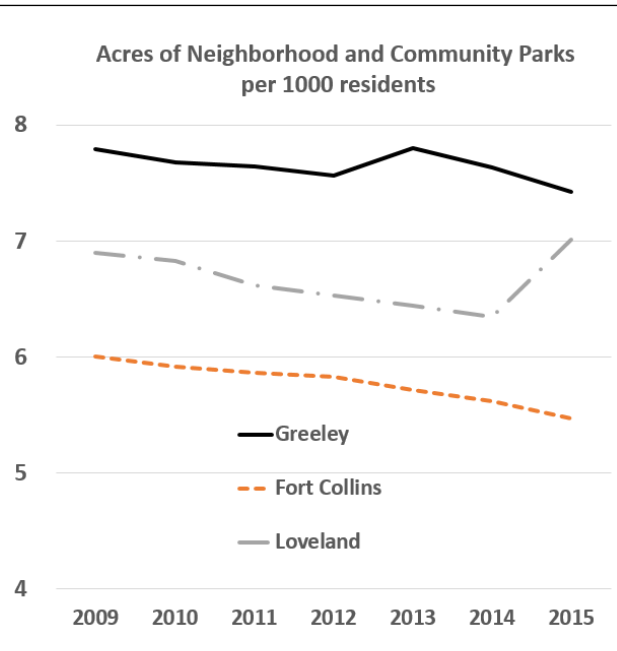
Analysis

The City of Greeley has significantly expanded the amount of land designated as protected open space in recent years. It has also opened three new city parks, maintaining the per capita acreage of parkland even as the city's population has grown.

Greeley's parks system is about third larger than the parks systems of Loveland and Fort Collins on a per capita basis, though it remains significantly behind these cities in trails and open space. Fort Collins manages almost 40,000 acres of open space in the foothills.



	Total Acres	
Type	2007	2015
Neighorhood	279	306
Community & Regional	290	290
Sports complexes	139	154
Natural areas	110	941



Method: Divide total acreage of city parks and protected open space by population and multiply by 1,000. Indicator does not include golf courses or private owned facilities open to the public.

Source: Parks Departments, Cities of Greeley Fort Collins, and Loveland.

Walkability

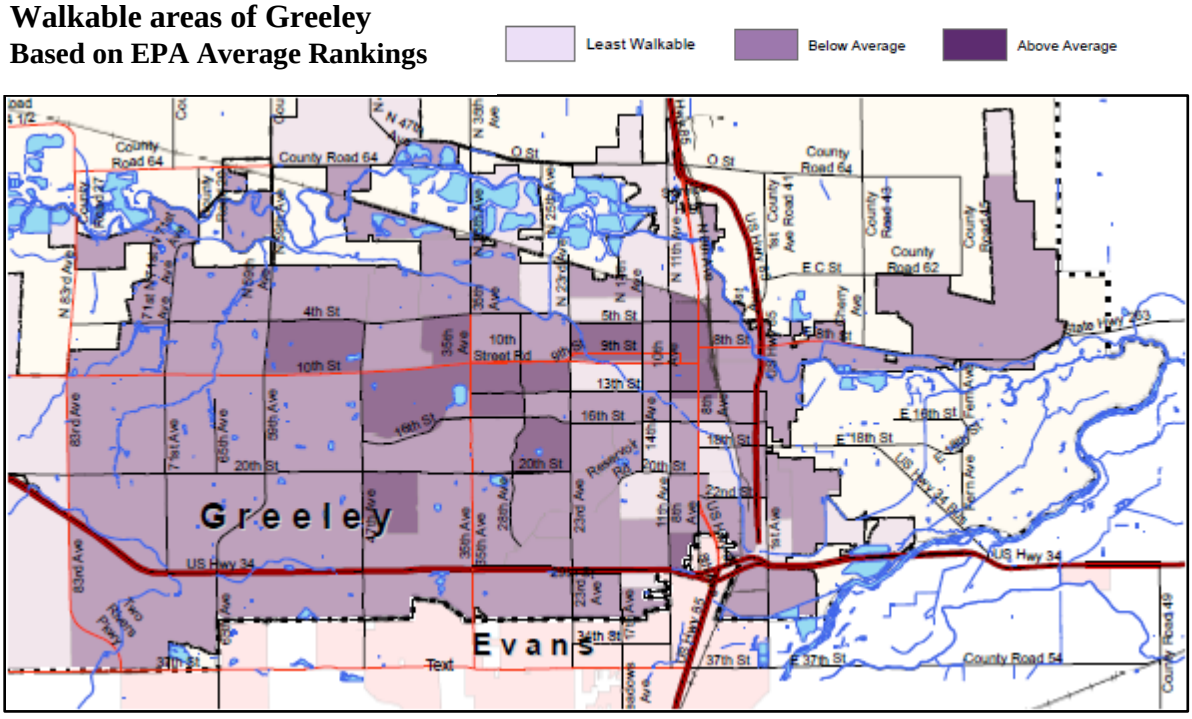
Description: This indicator measure how friendly the city is to pedestrians. As with dedicated bicycle lanes and trails, pedestrian access provides significant benefits in terms of public health, safety and urban design.

Analysis

Though care has been taken throughout the city's history to build sidewalks and other pedestrian facilities, the expanded spatial footprint of post-World War II commercial and residential development significantly diminished the accessibility of shops, schools, parks and other public places by foot. Over the past decade, however, renewed attention has been paid to this aspect of urban design for new residential and commercial development, as reflected particularly in the recently adopted plan for Parks, Trails and Open Lands (adopted August 2013).

Source: US Department of Environmental Protection Smart Location Database; Community Development Department, City of Greeley

Walkable areas of Greeley
Based on EPA Average Rankings

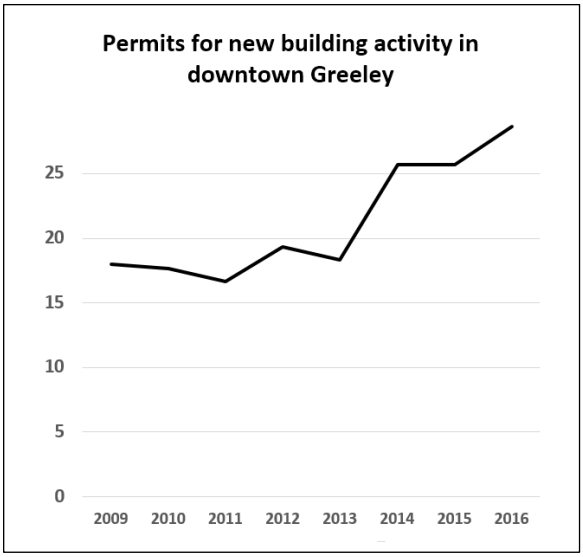


Downtown Redevelopment

Description: This indicator measure the share of all new construction activity located in the older parts of the city. Directing more investment towards downtown can help mitigate the social, economic and environmental costs of urban sprawl. **Desired Trend: UP.**

Analysis

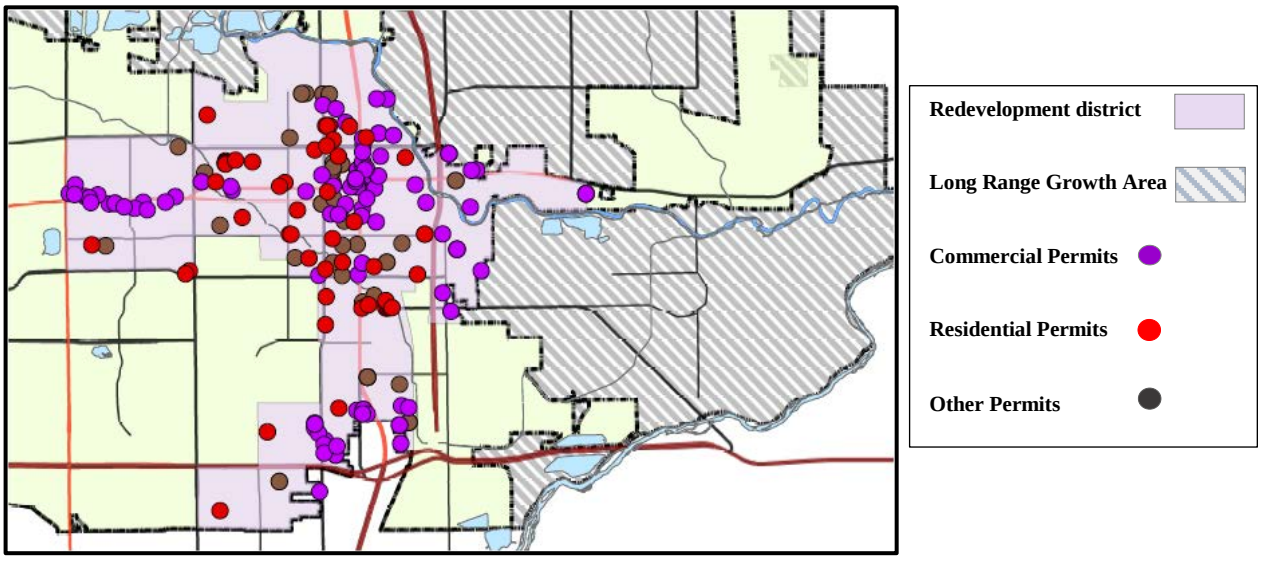
Although the focus of most new construction continues to be in the western parts of town, there are several major projects in and around the old city center, including a new hotel and Convention Center on Lincoln Park scheduled to open next year, a new municipal complex and fire station, and a retrofit of an old industrial building into condo lofts. The city also just completed a major renovation of the 8th Avenue corridor between the University and Downtown.



Method: Determine the share of all new building activity located in the designated area. To obtain a truer sense of the trend, take an average of each year and the two preceding years.

Data source: Community Development Department, City of Greeley

New Construction Permits in Downtown Greeley, 2007-2016

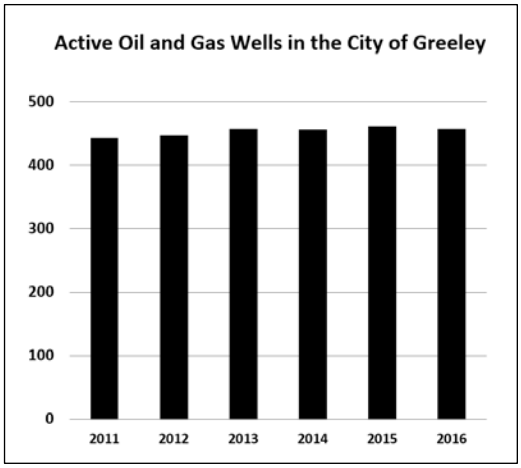


LAND USE

Oil & Gas

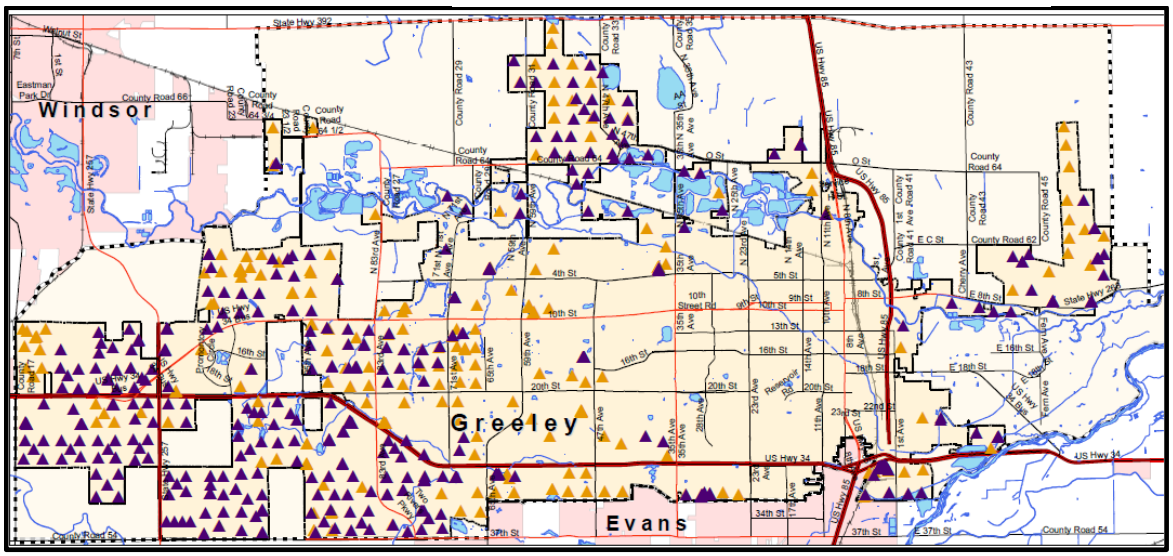
Description: This indicator measures the number of oil and gas wells within the city's boundaries. New technologies of directional drilling and hydraulic fracturing that increase production also require larger production complexes, creating the potential for conflict with other land uses, public safety and health. **Desired Trend: DOWN.**

Analysis
Despite their growing size and complexity, production facilities for the extraction of oil and gas continue to benefit from significant exemptions from municipal regulation under Colorado law. Although Greeley negotiated a Memorandum of Understanding with the State in April 2013 which deferred to the city in matters under its traditional jurisdiction such as traffic, noise, and landscaping, legal and political challenges persist. Controversy is currently focused on two large multiple well facilities: one in west Greeley directly adjacent to a residential area (Triple Creek); and one proposed just outside the city's boundaries in the east directly adjacent to a K-8 school (Bella Romero Academy). These facilities represent the type of high intensity industrial use for which home rule charters and zoning codes were established a century ago.



Data source: Community Development Department, City of Greeley

Active Wells in Greeley, 2016 **Active** **Inactive**



TRANSPORTATION

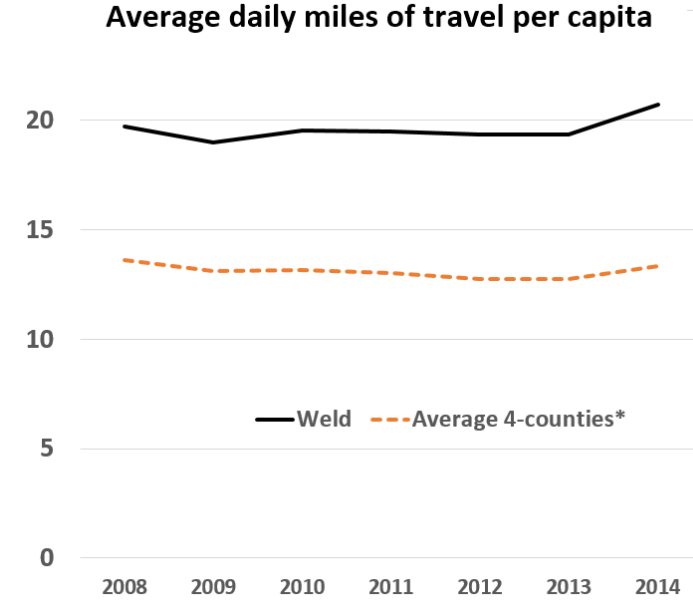
Traffic Congestion

Description: This indicator measures per capita vehicle use on area highways. Though rising vehicle mileage is a sign of economic growth, it also produces congestion, air pollution, rising accident rates and maintenance costs. If unaddressed, these by-products of automobile dependence will limit economic growth and reduce the quality of life. **Desired Trend: DOWN.**

Analysis

Private vehicle use in Weld County dipped slightly after the 2008 recession but remains almost 50% greater per capita than other counties along the Front Range. Though some of the extra vehicle miles of travel (VMT) is explained by the large share of county residents living in small towns and unincorporated areas to the east (about 15%), it is also a symptom of the low density pattern of development in the urbanized parts of Weld County.

This low density pattern is also correlated with rising air pollution, accident rates, and out-of-county commutes (see indicators below).



* Boulder, Larimer, Pueblo, Adams

	2008	2009	2010	2011	2012	2013	2014
Weld County	19.7	19.0	19.5	19.5	19.4	19.3	20.7
Average 4-counties	13.6	13.1	13.1	13.0	12.8	12.7	13.3

Method: Divide the total daily vehicle miles in each county by population. A higher number means that residents are using their cars more.

Data Source: Colorado Department of Transportation

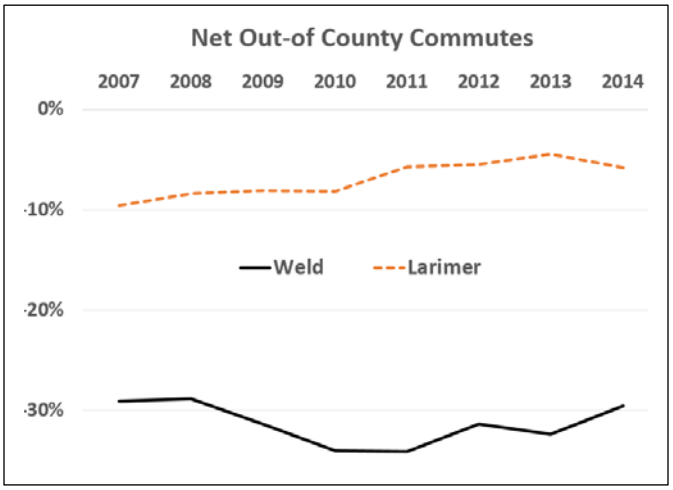
TRANSPORTATION

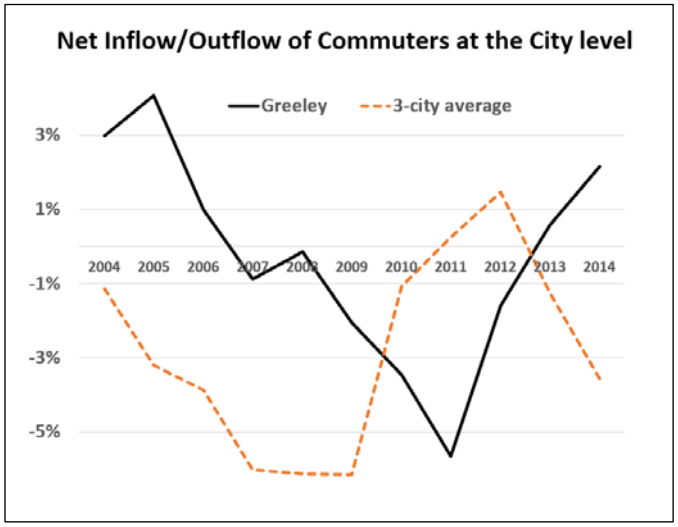
Commuting

Description: This indicator measure the net inflow and/or outflow of workers during the morning commute. Living close to where you work means fewer hours behind the wheel, less wear and tear on motor vehicles, and more sales tax revenue for the city. **Desired Trend: UP.**

Analysis

Weld County has played a disproportionate role as bedroom community for other parts of the Front Range, with upwards of 30% of residents commuting out of the county each day for work. Although Greeley as a regional jobs center has traditionally been an exception to that rule, the housing boom of the mid-2000s saw an increasing number of city residents joining the daily exodus. The strong job growth of the past few years, however, appears to have reversed that trend.





	2007	2008	2009	2010	2011	2012	2013	2014
Weld	-29%	-29%	-31%	-34%	-34%	-31%	-32%	-30%
Larimer	-10%	-8%	-8%	-8%	-6%	-5%	-4%	-6%

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Greeley	3.0%	4.1%	1.0%	-0.9%	-0.1%	-2.1%	-3.5%	-5.6%	-1.6%	0.6%	2.2%
3-city average	-1.1%	-3.2%	-3.9%	-6.0%	-6.1%	-6.1%	-1.1%	0.3%	1.5%	-1.2%	-3.6%

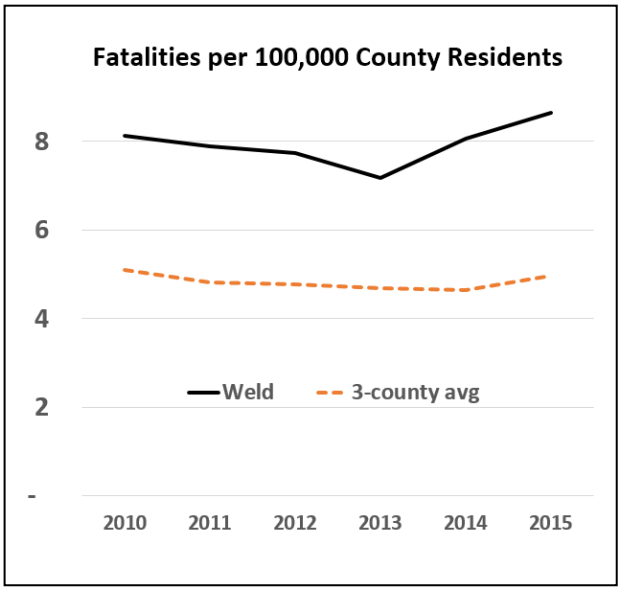
Source: US Census Longitudinal Employer-Household Dynamics

TRANSPORTATION

Accident Rates

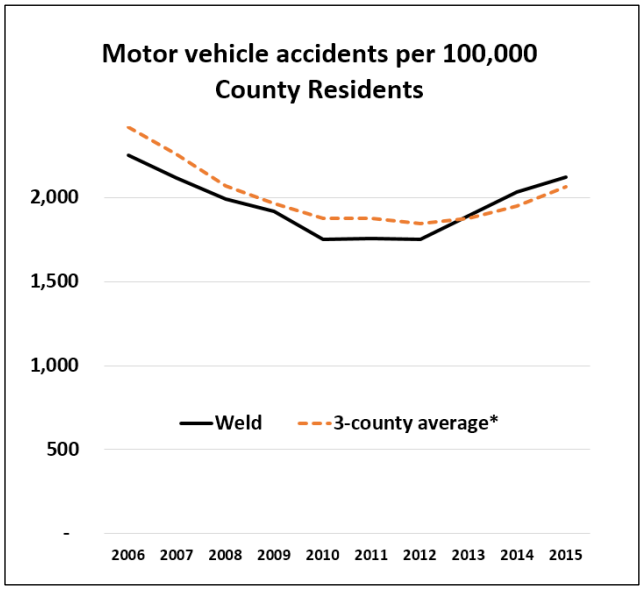
Description: These indicators measure accident rates on area roads. As population increases, so does traffic congestion and accidents. Accidents impose not only personal but social costs in the form of higher insurance premiums, emergency services, and road maintenance costs. **Desired Trend: DOWN**

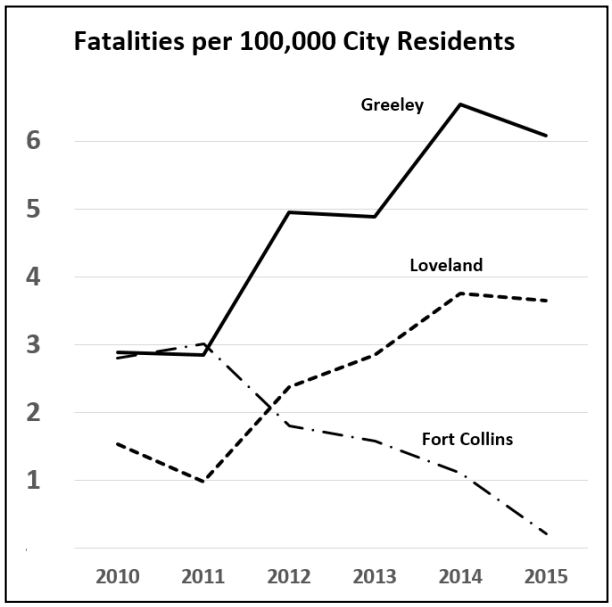
Analysis: Accident rates remain substantially higher in Weld County than other counties along the Front Range, including El Paso, Douglas, Arapahoe, Jefferson, Adams, Boulder, Broomfield, and Larimer. Fatality rates are also more than twice the rate of surrounding counties, while injury rates remain about 30% more. A major contributor to this is the widely dispersed pattern of urban growth in the southwest portion of the county, which has significantly increased traffic volume on roads designed for rural use.



	2010	2011	2012	2013	2014	2015
Greeley	2.9	2.8	4.9	4.9	6.5	6.1
Loveland	1.5	1.0	2.4	2.9	3.8	3.6
Fort Collins	2.8	3.0	1.8	1.6	1.1	0.2
Weld County	8.1	7.9	7.7	7.2	8.1	8.7
3-county average*	5.1	4.8	4.8	4.7	4.6	5.0

* Boulder, Larimer, Adams





Method: Divide the number of accidents by population and multiply by 1000.

Data Source: Colorado Department of Transportation

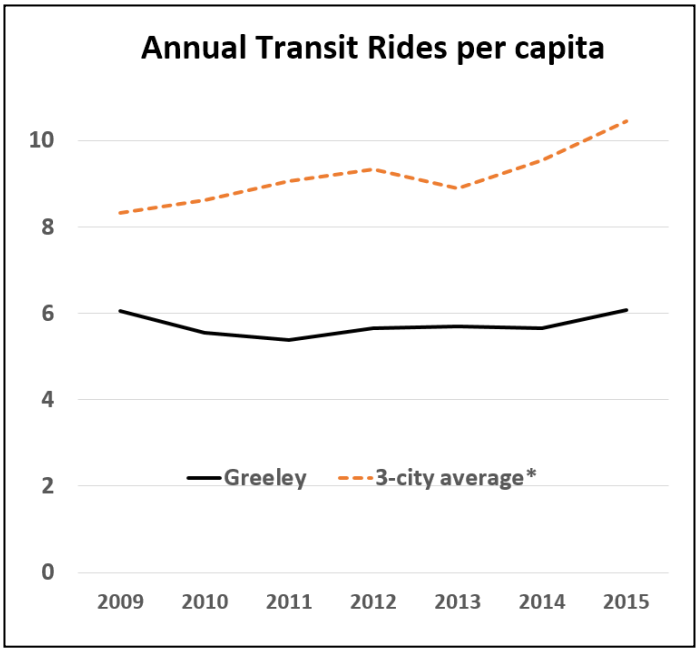
TRANSPORTATION

Mass Transit

Description: This indicator measures ridership on local transit systems. Transit is a critical service for people who cannot drive or have no ready access to a car. At the regional level, a good transit system can help mitigate traffic congestion, especially during peak travel times. Over the long term, it can also help to shape the pattern of urban growth in more efficient and environmentally sensitive manner. **Desired Trend: UP.**

Analysis

Although ridership on Greeley's federally-supported transit system (GET) has increased since 2011, it continues to lag behind other transit systems in the region in both regular (fixed route) and on-demand service. A primary reason for this is the lower density of residential development along its primary service routes. The operating performance of GET is otherwise comparable to other transit systems in terms of fares, number of vehicles and annual revenue miles traveled. Low ridership was also a factor in the cancellation of an hourly bus line between Greeley and Loveland that operated between August 2008 and August 2010 (34 Xpress), leaving Greeley with no public transit service to other parts of the Front Range.



***Fort Collins (Transfort); Loveland (COLT); Pueblo (PT)**

	2009	2010	2011	2012	2013	2014	2015
Greeley	6.0	5.6	5.4	5.7	5.7	5.6	6.1
3-city average*	8.3	8.6	9.1	9.3	8.9	9.6	10.4

Method: Divide annual number of unlinked passenger trips on all services and divide by population. Primary services are regular bus operations and on-demand service..

Data Sources: Federal Transit Administration (National Transit Database), North Front Range Metropolitan Planning Organization.

TRANSPORTATION

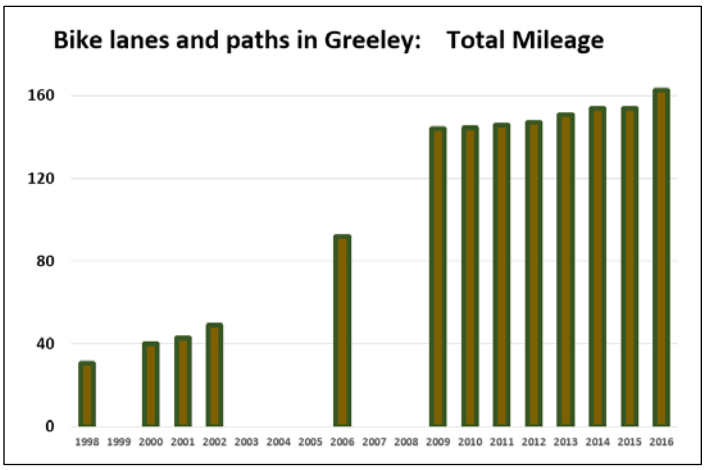
Bicycle Routes

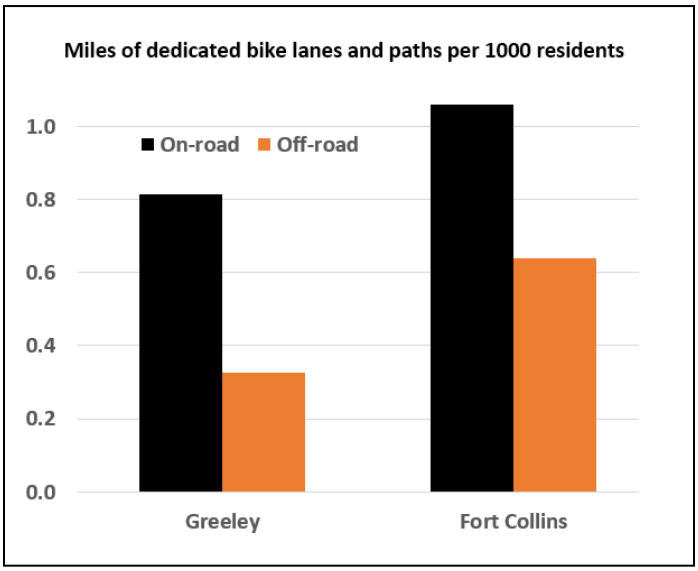
Description: This indicator measures the mileage of designated bicycle routes in the city. In addition to providing alternatives to the automobile, dedicated bicycle lanes and other facilities provide significant benefits in terms of public health, safety and urban design. **Desired Trend: UP.**

Analysis

Greeley has made a significant commitment to the bicycle in recent years, as indicated by the extensive retrofitting of city's street network with bike lanes and the growing network of off-road mixed use trails connecting the city's open space and parks. This commitment was acknowledged by the League of American Bicyclists, which awarded the city a "bronze" rating for bicycle friendliness in 2013.

In May 2016, the City Council approved a Bicycle Master Plan, which calls for another 63 miles of on-street improvements and another 13 miles of off- street trails, improvements that could increase the share of people commuting to work by bicycle to 5%. Achieving this benchmarks should enable Greeley to achieve a "Gold" rating, bringing it closer to Fort Collins, which currently has a "Platinum" rating from the Bicycle League.





Method: Divide the total miles of bicycle lanes and paths in the city by population and multiply by 1000.

Data Sources: City of Greeley, Bicycle Master Plan (2015); City of Fort Collins Bicycle Plan (2014).

ENVIRONMENTAL QUALITY

Air Pollution

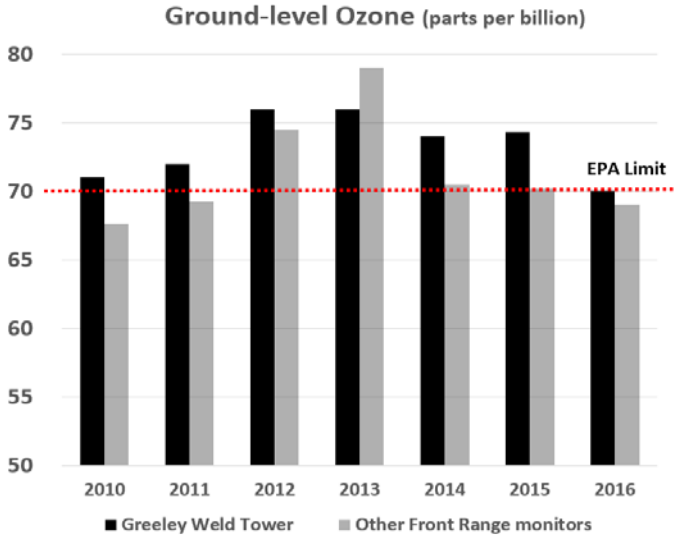
Description: This indicator measures ozone, the most intractable type of air pollution along the Front Range. Ground level ozone is formed when sunlight reacts with volatile organic compounds (VOCs) and nitrous oxides (NOx). **Desired Trend: DOWN.**

Analysis

For the past ten years the Front Range has been out of compliance with the federal standard for ozone, a primary cause of ground-level smog and lung damage.

Although the primary source of ozone is the automobile, the increase over the past five years is correlated to the increased production of oil and gas, another major source of the volatile organic compounds (VOCs) that contribute to ozone formation. A recent study published in the *Journal of Geophysical Research* estimated that oil and gas production currently contributes about 20% of ground-level ozone formation along the Northern Front range, enough to have pushed the region into non-compliance.

According to the Colorado Air Pollution Control Division (March 2016), although the monitoring of ozone has increased, there is no formal mitigation plan to achieve compliance with federal standards.



Source: Colorado Department of Public Health and Environment. Air Pollution Control Division; Drilling Edge.com. The ozone monitor for Weld County is located at 3101 35th Avenue in Greeley.

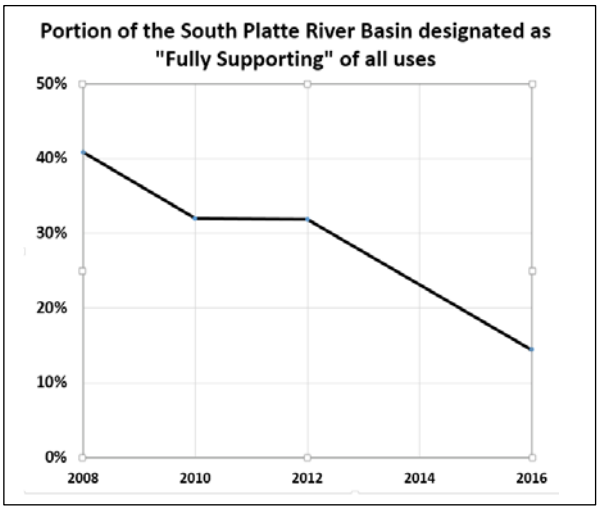
ENVIRONMENTAL QUALITY

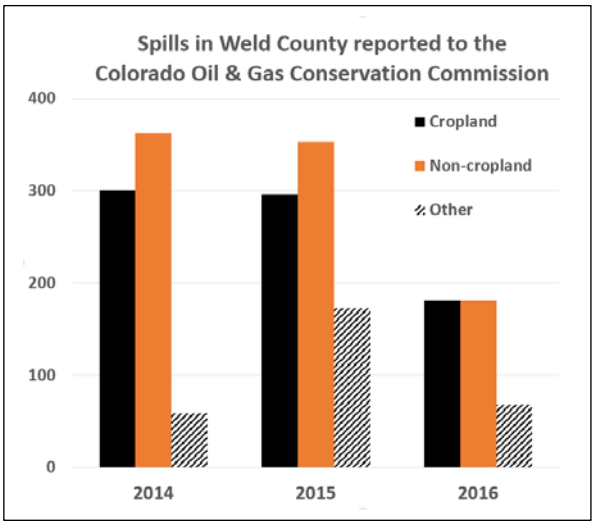
Water Pollution

Description: These indicators track the share of rivers and streams in the South Platte River Basin that are fully supporting of all uses as reported by the Colorado Water Quality Control Division and the number of spills reported by Oil and Gas companies under new state notification requirements (Rule 906). **Desired Trend: DOWN.**

Analysis

Although significant improvements were made to the region's water quality between 1970 and 1990, as with air quality above, progress has slowed in recent decades as more intractable "non-point" sources of water pollution increased, in this case the expanded run-off from an expanding urbanized area. Since 2007, new monitoring techniques along with more stringent standards for arsenic pollution have revealed a significant decline in the mileage of rivers and streams in the South Platte River Basin designated as fully supporting of all uses ("supported uses" include agriculture, municipal water supply, aquatic life and recreation). New technologies of directional drilling and hydraulic fracturing have also raised new concerns in this regard due to their disruption of underground geological formations and use of chemicals listed as hazardous under federal law. Unlike the precursors to ozone formation above, there has been no formal finding of significant impact for these impairments under federal law, hence no formal requirement for mitigation.





Data sources: Colorado Water Quality Control Division, biennial reports Pursuant to Sections 303(d) and 305(b) of the Clean Water Act; Colorado Oil & Gas Conservation Commission Inspection/Incident Inquiry database.

ENVIRONMENTAL QUALITY

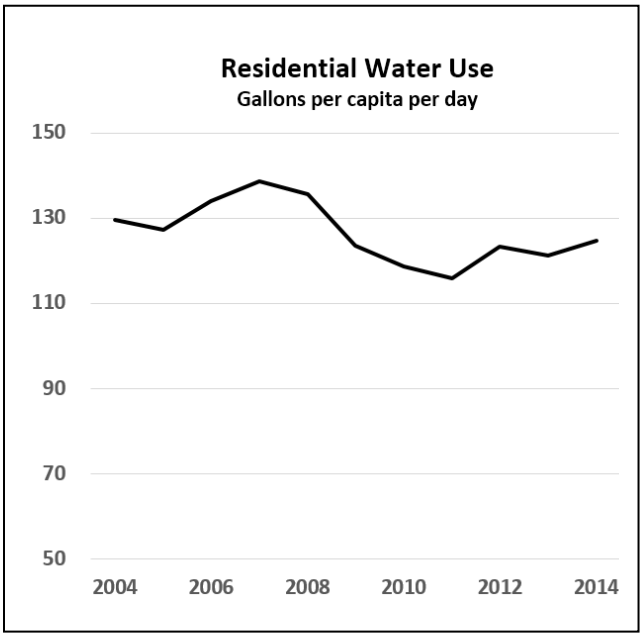
Water Usage

Description: Per capita water use provides a rough indicator of efforts to conserve this finite resource. **Desired Trend: DOWN.**

Analysis

Residential demand, which currently accounts for about 65% of all water usage in Greeley, has remained constant over the past ten years despite strong population growth. This record is comparable to Loveland and Fort Collins and should continue to improve as the city's new "Water Budget" program goes into effect. Scheduled for implementation this year, this program rewards households that conserve and penalizes those that do not.

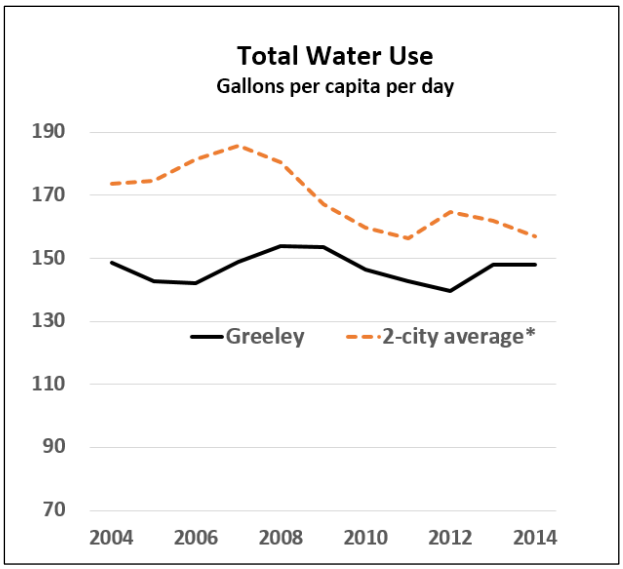
Because multi-family housing uses significantly less water than single-family homes on average, even further improvement can be expected should the current trend towards multi-family housing persists.



2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
130	127	134	139	136	124	119	116	123	121	125

Method: Take the annual metered consumption and divide by population. To reduce annual variability and obtain a truer sense of the trend, take an average of the value shown in each year and the two preceding years.

Data Sources: City of Greeley Water Conservation Plan (2015); City of Fort Collins Water Efficiency Plan (2015); City of Loveland report on Long Term Water Usage



* Fort Collins and Loveland

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Greeley	149	143	142	149	154	154	146	143	140	148	148
2-city average	174	175	182	186	181	167	160	156	165	162	157

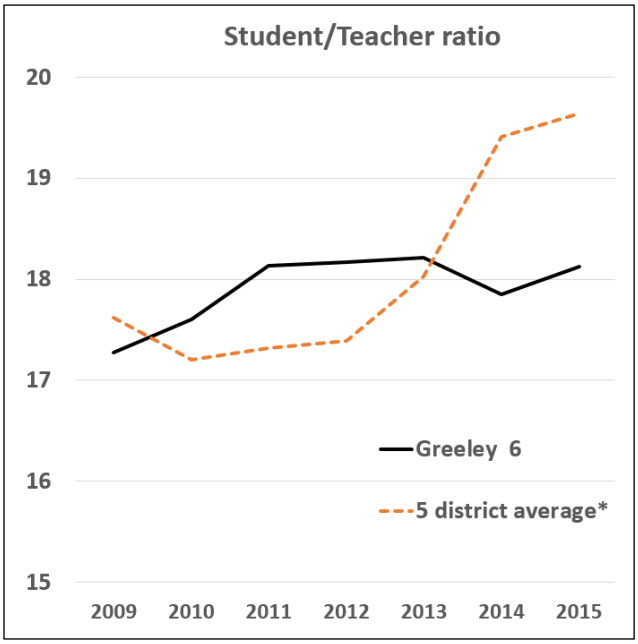
EDUCATION

Student/Teacher Ratio

Description: The number of students per teacher is an important indicator of educational quality. Though many other factors contribute to academic achievement, the time a teacher spends with each student can be crucial, especially for children with learning difficulties. It is also an important indicator of how well a school district is keeping up with population. **Desired Trend: DOWN**

Analysis

In contrast with other school districts in Colorado, the ratio of students to teachers has not changed appreciably in Greeley-Evans District 6 since 2010 despite continued growth in enrollment, indicating continued commitment to the district's lower income students.



* Boulder Valley, St. Vrain Valley, Poudre R-1, Pueblo City 60, and Mesa County Valley

	2010	2011	2012	2013	2014	2015
Greeley 6	17.6	18.1	18.2	18.2	17.9	18.1
5 district average*	17.2	17.3	17.4	18.0	19.4	19.6

Method: Divide the total number of students by the number of fulltime equivalent faculty (FTE) engaged in classroom teaching. To reduce annual variability and obtain a truer sense of the trend, take an average of the value shown in each year and the two preceding years.

Data Source: Data is compiled by the State Department of Education for all Colorado school districts.

EDUCATION

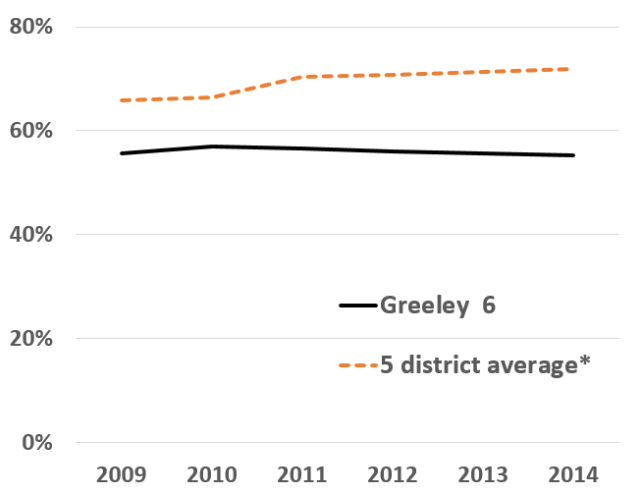
Test Performance

Description: This indicator measures the percentage of students scoring at or above the state standard for reading proficiency. Test scores are increasingly used to evaluate educational quality. Sub-par scores can indicate that a district is not preparing students adequately for today's competitive work environment. Poor scores can also adversely influence the location choices of potential homebuyers and businesses. **Desired Trend: UP.**

Analysis

Results of the Model Content Standards Test for 4th grade reading (CSAP) have flattened out over the past five years and remain below the level of other school districts, including Pueblo and Grand Junction, whose student share a similar ethnic and income profile.

This result is mitigated by the next indicator, which suggests a wide variation in test scores among the schools within Greeley District 6.



* Boulder Valley, St. Vrain Valley, Poudre R-1, Pueblo City 60, Mesa County Valley.

	2009	2010	2011	2012	2013	2014
Greeley 6	56%	57%	57%	56%	56%	55%
5 district average*	66%	66%	70%	71%	71%	72%

Data source: Colorado State Department of Education. A proficient score on the standardized CSAP test for 4th grade reading indicates that a student uses a variety of reading strategies to comprehend and interpret a text.

EDUCATION

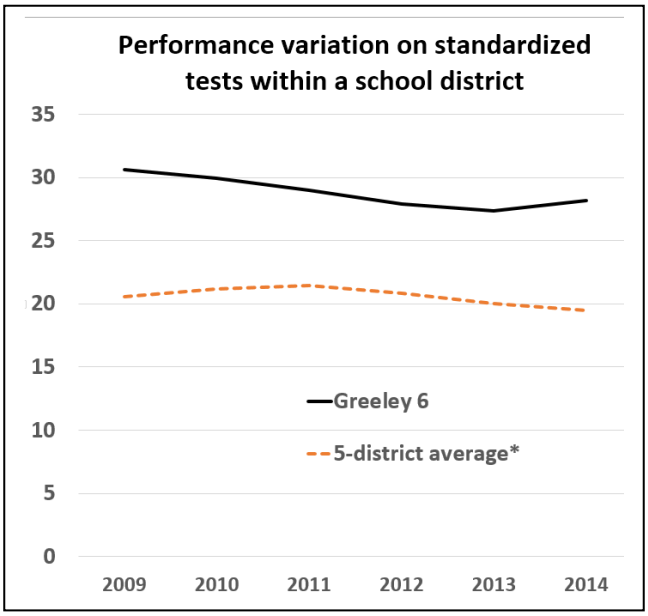
Performance Variation

Description: This indicator measures the variation in test scores among schools within a district. A few poorly performing schools can have a disproportionate impact on how the district as a whole is viewed. **Desired Trend: DOWN**

Analysis

Although overall test scores for Greeley 6 are below other school districts, there is much higher variability between schools in the district, with many significantly outperforming the state average. High performing schools include two charter schools (Frontier Academy and University) and several traditional schools (McAuliffe, Chappelow, Winograd and Monfort). Though still below the state average, Bella Romero Academy, a magnet school in east Greeley, has seen notable improvement over the past few years.

Wide variability in school performance is also an indicator of the relatively wide disparities in income in the city as compared with other school districts. Boulder Valley and Poudre (Fort Collins) have the least variation among schools while St. Vrain and Pueblo come closer to Greeley 6.



* Boulder Valley, St. Vrain Valley, Poudre R-1, Pueblo City 60, Mesa County Valley.

coefficient of variation	2009	2010	2011	2012	2013	2014
Greeley 6	30.6	29.9	29.0	27.9	27.4	28.2
5-district average*	20.6	21.1	21.5	20.8	20.0	19.4

Method: Calculate a coefficient of variation on test scores for all schools within a school district. A large coefficient indicates high variability within the district whereas a low coefficient indicates greater homogeneity across schools. A good test for this indicator is once again fourth grade scores for reading on the Colorado Student Assessment Program (CSAP) because there are more elementary than middle or high schools within a school district. To reduce annual variability and obtain a truer sense of the trend, take an average of the value shown in each year and the two preceding years.

Data Source: Colorado State Department of Education.

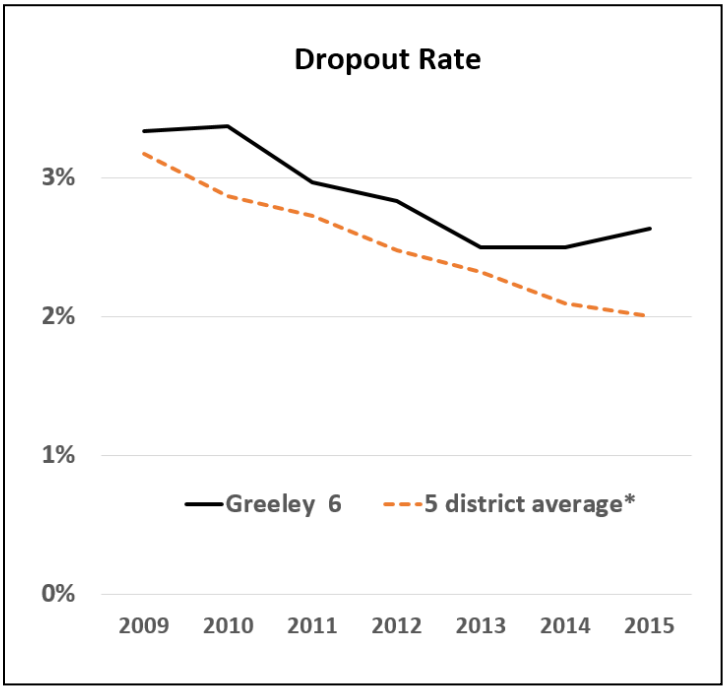
EDUCATION

Dropout Rate

Description: This indicator measures the share of students who drop out before completing their high school degree. Because they are unlikely to acquire the basic skills needed for today's work environment, these students will have a more difficult time holding onto jobs that pay a good wage. **Desired Trend: DOWN.**

Analysis

The dropout rate in Greeley 6 is comparable to school districts in Pueblo and Grand Junction, which have a similar ethnic and income profile. A high proportion of Hispanic students, in particular, has been correlated with language barriers and poverty conditions that can hinder educational progress.



* Boulder Valley, St. Vrain Valley, Poudre R-1, Pueblo City 60, Mesa County Valley

	2009	2010	2011	2012	2013	2014	2015
Greeley 6	3.3%	3.4%	3.0%	2.8%	2.5%	2.5%	2.6%
5 district average*	3.2%	2.9%	2.7%	2.5%	2.3%	2.1%	2.0%

Data Source: Dropout and graduation statistics are compiled by the State Department of Education for all school districts. These totals include dropout rates for alternative schools.

EDUCATION

Higher Education

Description: This indicator measures the performance of Greeley's institutions of higher learning. These institutions produce not just well-educated citizens but jobs, sporting events and cultural amenities for area residents. **Desired Trend: UP**.

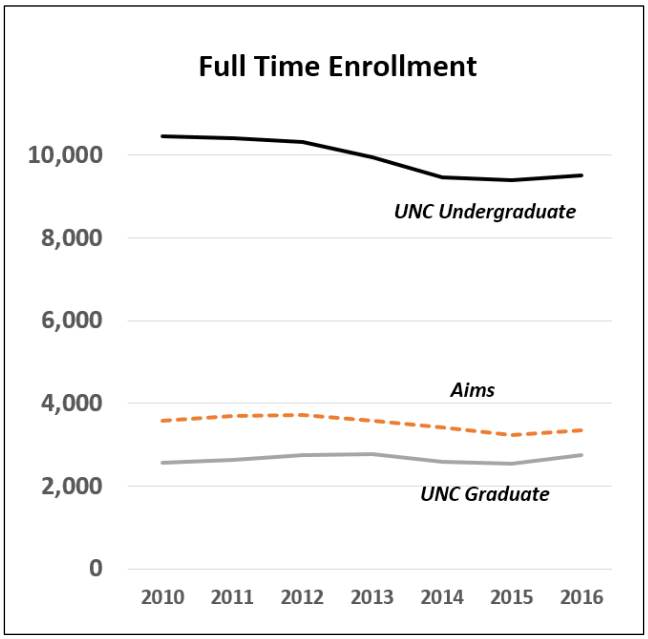
Analysis

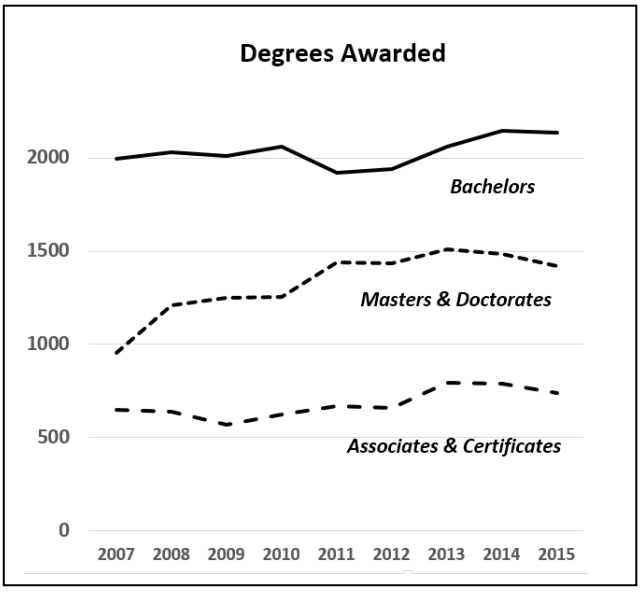
Greely has two public institutions of higher education: Aims Community College, which trains students applied fields such as health care, computer science, mechanical engineering and agriculture; and the University of Northern Colorado (UNC), which offers undergraduate and advanced degrees in a wide range of fields.

The combined total of 3000 employees makes higher education the second largest employer in Weld County after JBS, the meat packing giant. Both schools are also extensively engaged with the surrounding community through internships, service learning, and community-based research. UNC was designated an "Engaged Campus" by the Carnegie Foundation in 2015 based on a formal review that found that some 15% of all courses offered fell into these categories.

Although graduation rates are up, enrollment has declined about 6% at both institutions since the 2009 recession, though the latest enrollment numbers appear to reverse that trend.

Data Sources: Colorado Department of Higher Education; UNC Office of Honors Scholarship & Leadership





	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Bachelors	1,997	2,033	2,012	2,059	1,919	1,938	2,060	2,148	2,134	1,945
Masters & Doctorates	650	638	569	624	671	657	795	787	737	822
Associates & Certificates	957	1,212	1,252	1,256	1,442	1,433	1,509	1,487	1,419	1,412

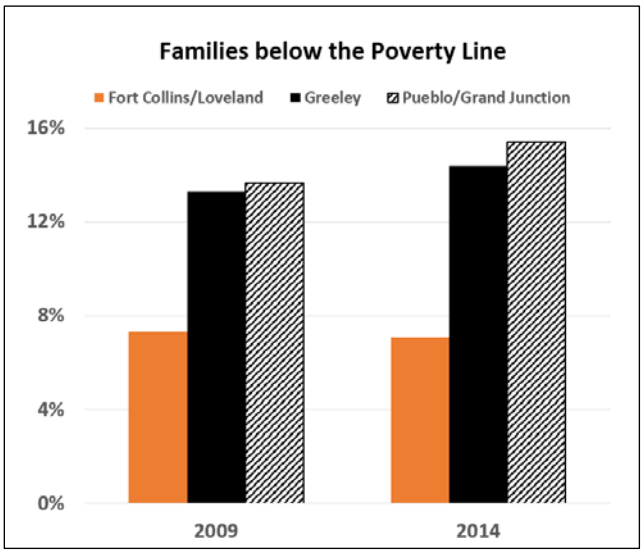
COMMUNITY HEALTH

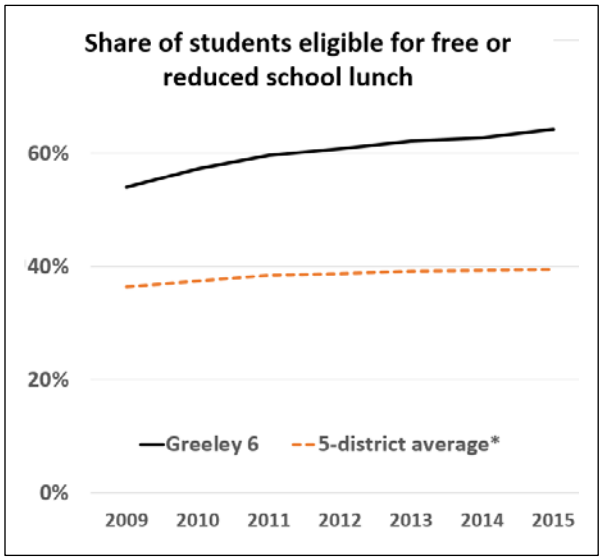
Poverty

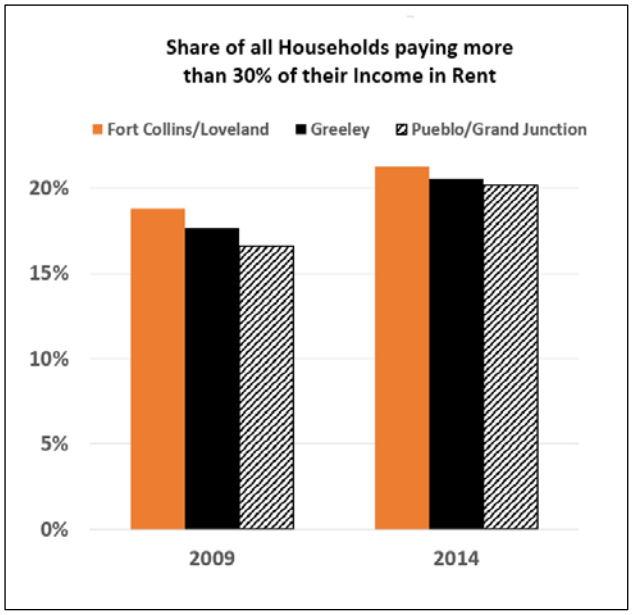
Description: These indicators measure the share of households suffering more extreme forms of economic hardship. **Desired Trend: DOWN**

Analysis

Despite the economic recovery since 2010, poverty rates in Greeley have continued to inch up. A major contributor to this is the rising cost of rental housing. According to the National Low Income Housing Coalition almost 50% of renters in the Greeley metropolitan area cannot afford the federally established Fair Market Rent (FMR) for a 2 bedroom unit







Data Sources: American Community Survey, 5-year estimates, 2005-2009 and 2010-2014; Colorado Department of Education.

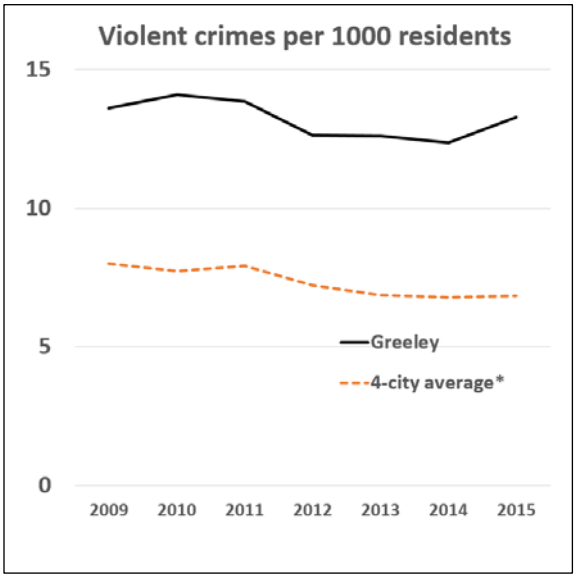
COMMUNITY HEALTH

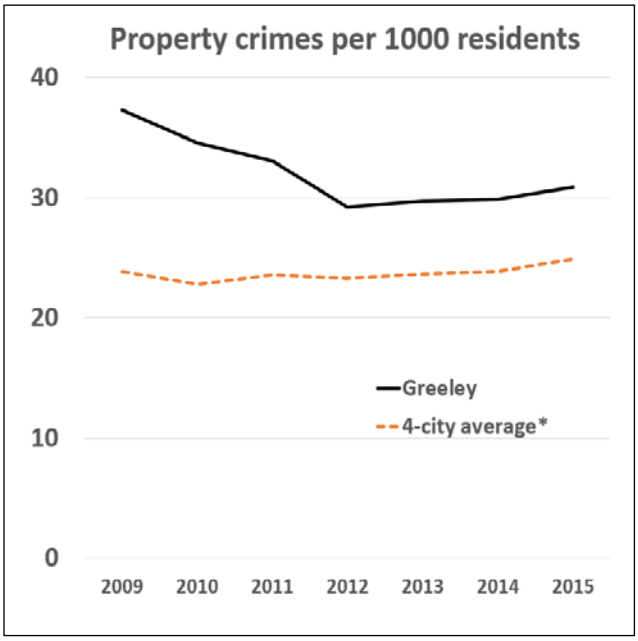
Crime

Description: This indicator measures the number of property crimes reported to local police departments per 1,000 residents. A high or rising crime rate is a sign of significant social distress. Losses can extend beyond individuals and families, generating a pervasive sense of fear. **Desired Trend: DOWN.**

Analysis

Property crime (theft, burglary, auto theft) declined sharply through 2012 before leveling off. Violent crime also declined but remains substantially higher than neighboring cities.





*Boulder, Fort Collins, Loveland, Pueblo.

	2009	2010	2011	2012	2013	2014	2015
Greeley	37.3	34.6	33.0	29.3	29.8	29.9	30.9
4-city average	23.9	22.8	23.6	23.3	23.6	23.9	24.9

Method: Divide total crimes by total residents and multiply by 1,000. To reduce annual variability and to obtain a truer sense of the trend in this indicator, the value calculated for each year is based on an average of that year and the two preceding years

Data Source: FBI Crime Data

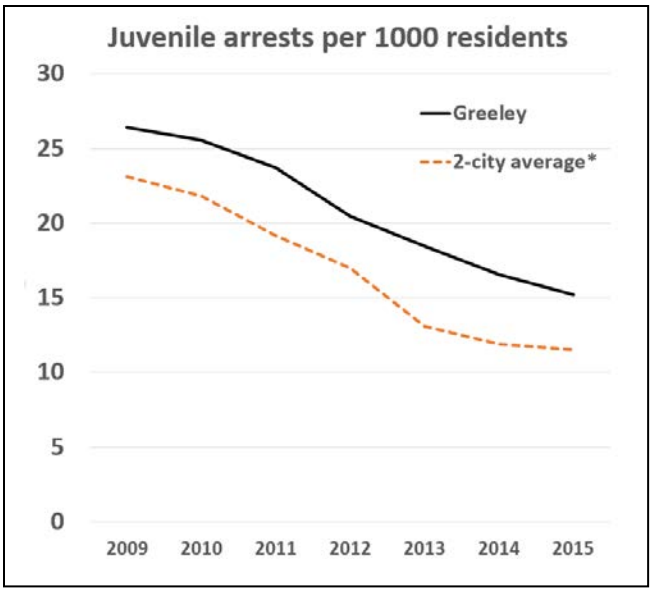
COMMUNITY HEALTH

Juvenile Delinquency

Description: These indicators measure the rate at young people commit crimes or otherwise violate social norms. **Desired Trend: DOWN.**

Analysis

As with other measures of criminal activity, the rate of juvenile arrests has dropped significantly over the past ten years, indicating improved methods of policing, locating and intercepting crime. The lack of any change in the rate of school suspensions, however, indicates that many of the conditions contributing to crime remain widespread. Without effective intervention and reform, juvenile delinquents can easily become adult criminals.



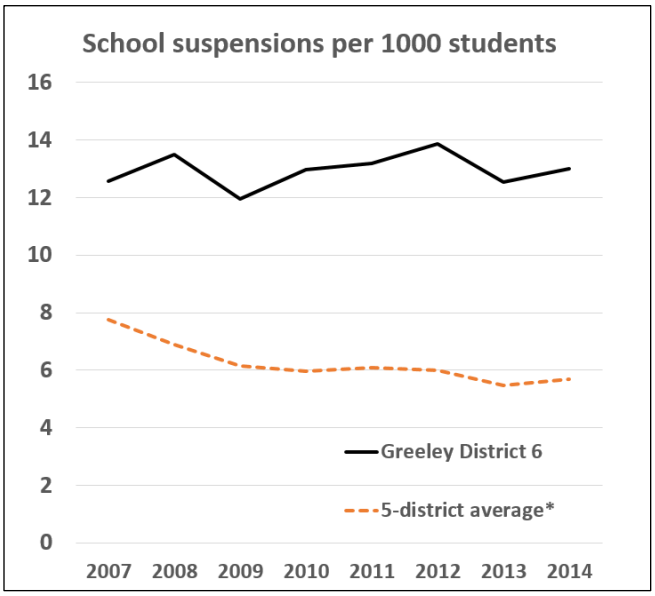
*Fort Collins, Loveland

	2009	2010	2011	2012	2013	2014	2015
Greeley	26.4	25.6	23.7	20.5	18.4	16.6	15.2
4-city average	23.1	21.8	19.1	17.0	13.1	11.9	11.5

Method:

F*or juvenile arrests:* Divide total arrests for juveniles under 18 years of age by population and multiply by 1000.

For school suspensions: Divide total school suspensions by total enrollment and multiply by 1000. To get a better sense of the trend in both cases, take the average of each year and the two preceding it.



Sources: FBI Crime Data, Colorado Department of Education

COMMUNITY HEALTH

Healthcare

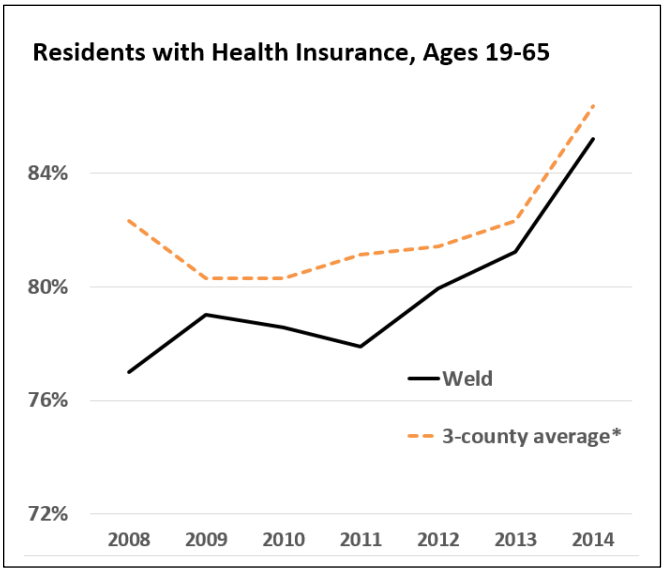
Description: These indicators measure the effectiveness of the healthcare system for people on the lower end of the socio-economic spectrum. Adequate insurance coverage can significantly reduce trips to the emergency room and increase access to preventative measures that can reduce the need for high cost medical intervention. **Desired Trend: UP**

Analysis

Weld County has benefitted considerably from the Affordable Care Act of 2010, as indicated by the sharp increase in the number of residents with insurance coverage (up 14,000 since the law went into effect) and the expanded caseload under Medicaid, the federally-subsidized program for low income families.

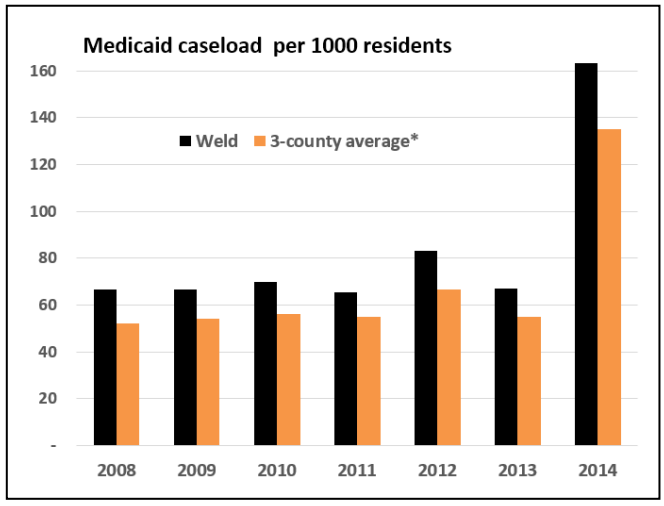
Method: Take the number of insured residents and Medicaid caseloads and divide by population.

Data source: Colorado Department of Health Care Policy and Financing.



Insurance rate

	2008	2009	2010	2011	2012	2013	2014
Weld	77%	79%	79%	78%	80%	81%	85%
3-county average*	82%	80%	80%	81%	81%	82%	86%



* Larimer, Boulder, and Adams counties

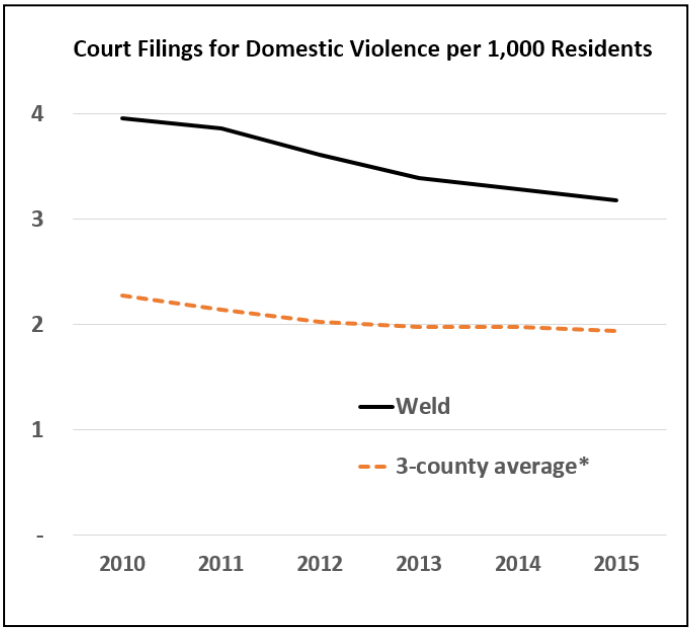
	2008	2009	2010	2011	2012	2013	2014
Weld	66.5	66.5	69.7	65.3	83.0	67.1	164.9
3-county average*	52.0	54.0	56.2	54.9	66.5	55.1	135.0

Domestic Violence

Description: This indicator tracks the number of prosecutions for domestic violence. Spousal abuse is not just a personal tragedy; it can have wide ranging social effects, including increased rates of juvenile delinquency and protracted dependence on public assistance. **Desired Trend: DOWN.**

Analysis

Filings for domestic violence with the Weld County Court have dropped by 20% since 2000. The rate remains almost 70% higher than surrounding counties, however, when adjusted for population.



*Boulder, Larimer, Pueblo

	2010	2011	2012	2013	2014	2015
Weld	4.0	3.9	3.6	3.4	3.3	3.2
3-county average	2.3	2.1	2.0	2.0	2.0	1.9

Method: Divide total domestic violence filings with County Courts by county population and multiply by 1,000. To reduce annual variability and to obtain a truer sense of the trend, the indicator for each year is based on an average of that year and the two preceding years.

Source: Colorado Judicial Branch Annual Statistical Reports, 2008-

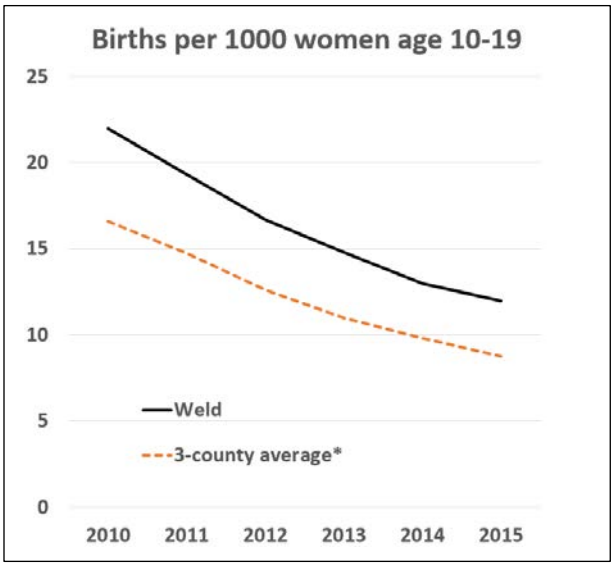
COMMUNITY HEALTH

Teenage Pregnancy

Description: This indicator measures the number of children born to women aged 10-17. Teenage mothers are more likely to drop out of school than their peers, compromising future job prospects. Their children also run a higher risk of low birth weight, which has been correlated with developmental problems. **Desired Trend: DOWN.**

Analysis

The rate of teenage pregnancies in Weld County has declined steadily over the past few years. Though it remains high relative to Boulder and Larimer counties, it has dropped below that of Adams and Mesa counties.



* Boulder, Larimer, Pueblo

	2010	2011	2012	2013	2014	2015
Weld	22.0	19.3	16.7	14.8	13.0	12.0
3-county average	16.6	14.7	12.6	11.0	9.8	8.8

Method: Divide the number of births for the age group 10-19 by the total population in that age group and multiply by 1000. To reduce annual variability and to obtain a truer sense of the trend, the indicator for each year is based on an average of that year and the two preceding years.

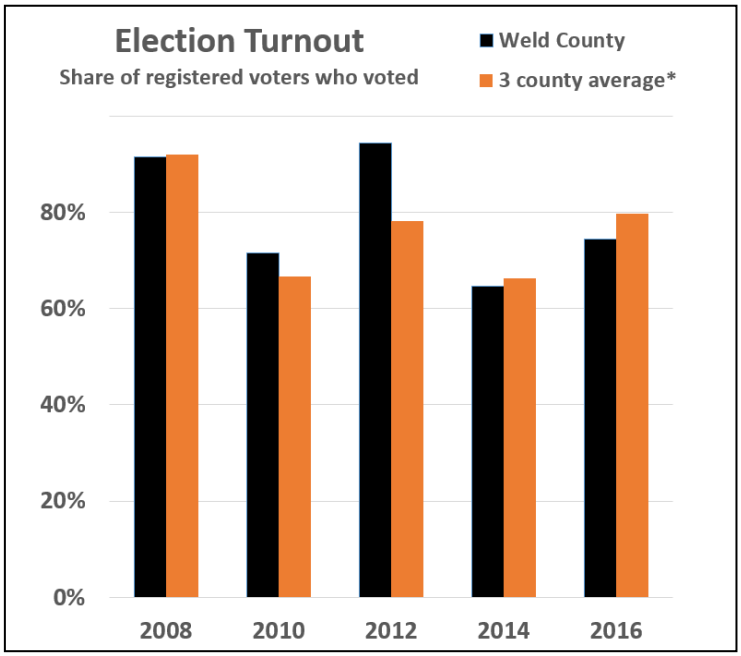
Data Source: Colorado Health Information Dataset.

Voter Turnout

Description: This indicator measures the percentage of registered voters who voted in general elections. As a basic civic duty, voter turnout is a good measure of political awareness and partisan affiliation. **Desired Trend: UP.**

Analysis

In the last two general elections, Weld County residents have voted at a lower rate than residents of surrounding counties, reversing a historical trend. .



* Adams, Boulder, Larimer

	2008	2010	2012	2014	2016
Weld County	91.6%	71.5%	94.4%	64.6%	74.5%
3 county average	91.9%	66.6%	78.1%	66.3%	79.8%

Method: Divide the number of votes by the total number of registered voters for each election.

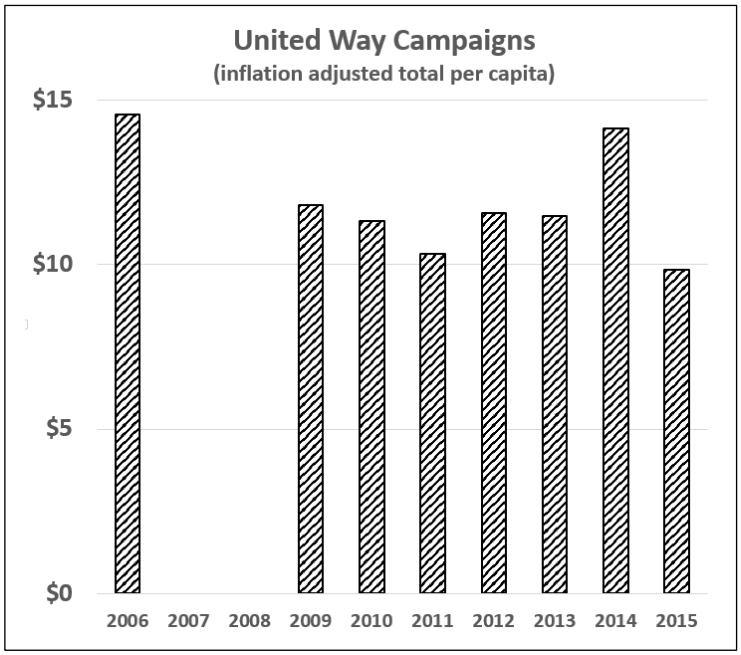
Data Source: County Clerks, Weld, Larimer, Adams, and Boulder counties.

Charitable Giving

Description:* This indicator measures the per capita donations to the United Way, the primary fund raising organization for local charities. **Desired Trend: UP.**

Analysis

Contributions to the annual United Way campaign have not returned to their pre-recession level, though there was a significant spike in 2013-2014 in response to the September 2013 floods. Contributions to the Weld Food Bank also increased sharply in response to this event.



Method: Divide the total contributions to the annual campaign by total population and adjust for inflation.

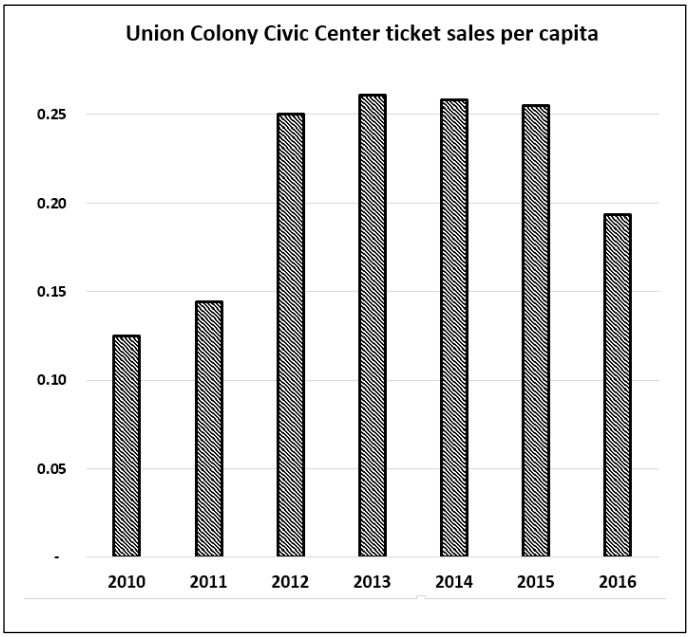
Data Source: United Way of Weld County

Cultural Events

Description: This indicator uses per capita ticket sales at Union Colony Civic Center as an general indicator of participation in cultural events. **Desired Trend: UP.**

Analysis

Although ticket sales rose as the recession eased, they have remained constant since 2012.



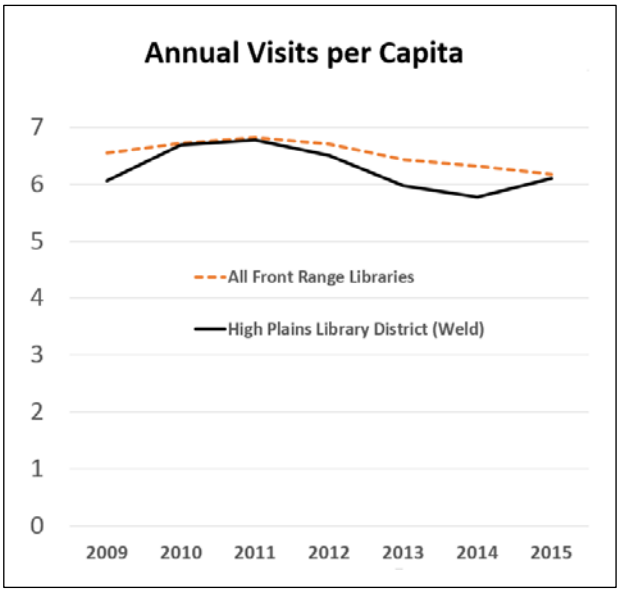
COMMUNITY LIFE

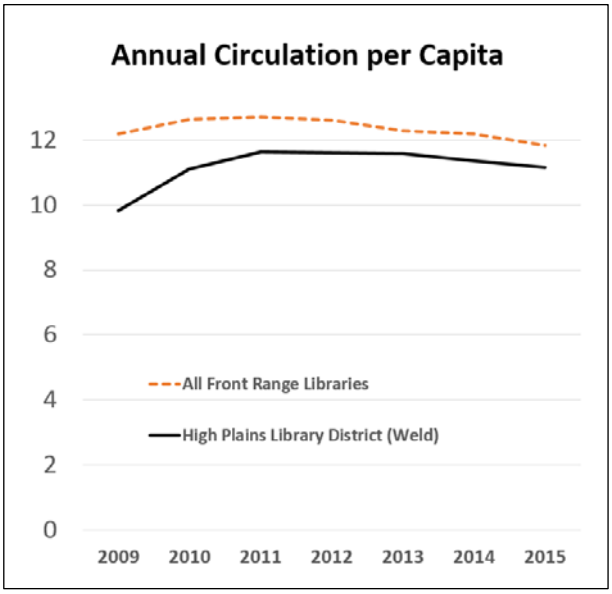
Library Visits

Description: This indicator measures per capita visits and circulation at local libraries. Libraries have been a focus of civic life in the United States since the first public systems were established in the 19th century. They provide a vital public service in an increasingly information-intensive world. **Desired Trend: UP**

Analysis

Annual visits to the High Plains Library District increased after the Recession of 2008-2009 and declined as the economy recovered. Circulation also rose but has remained steady.



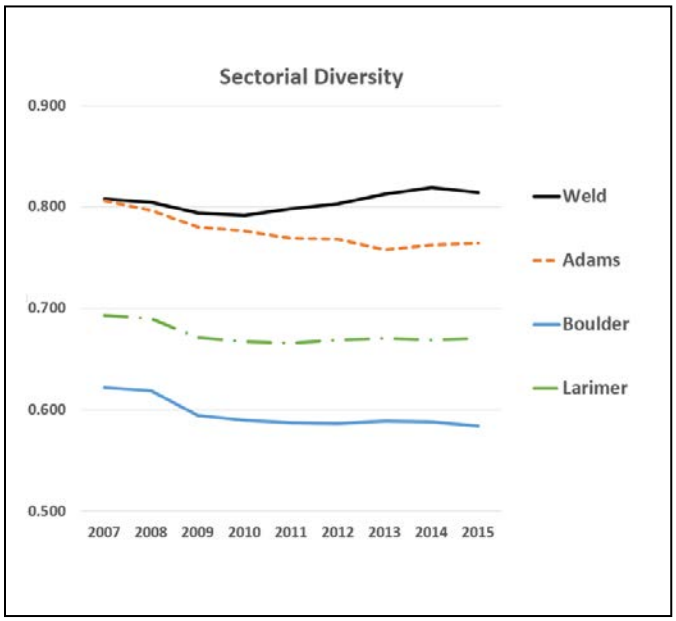


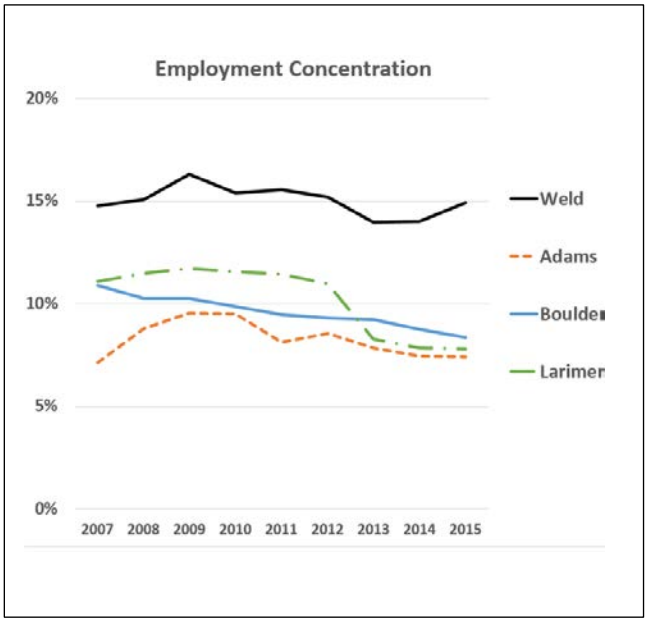
Method: Take the total to each library and divide by population. To reduce annual variability and to obtain a truer sense of the trend in this indicator, the value calculated for each year shown in the report card is based on an average of that year and the two preceding years.

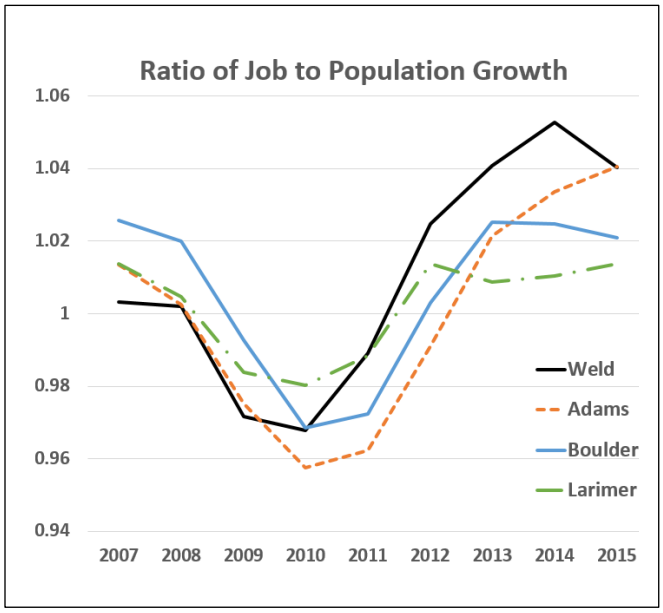
Data Source: Colorado Public Library Statistics.

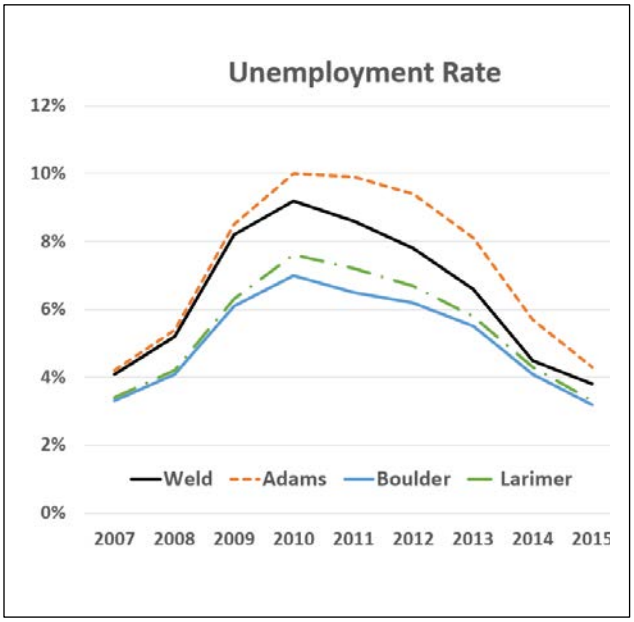
-Appendix –

Economic Vitality



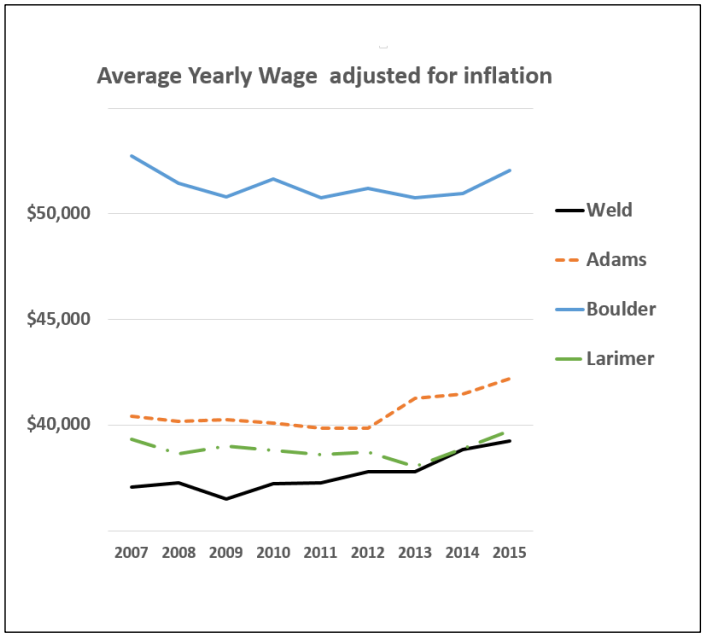


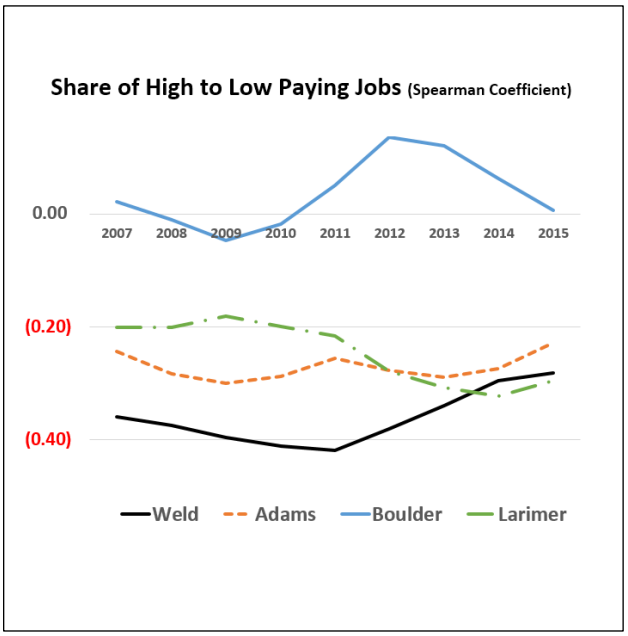


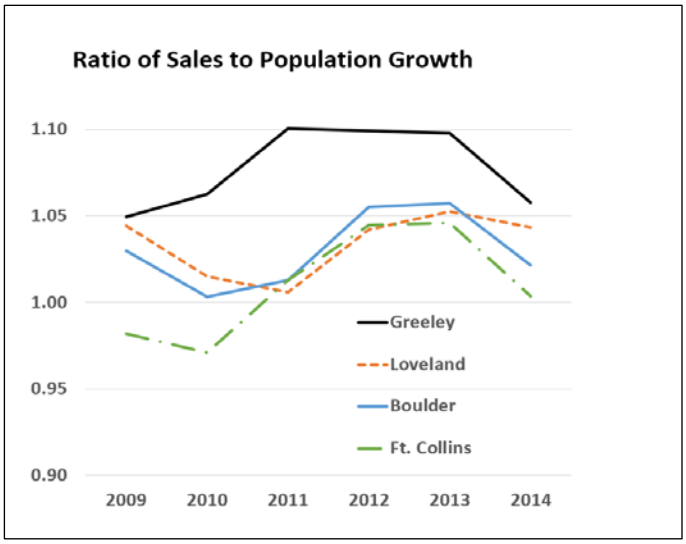


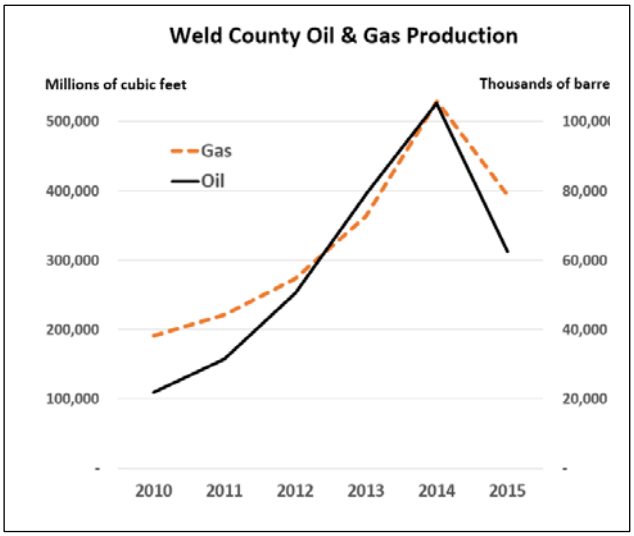
-Appendix-

Economic Vitality



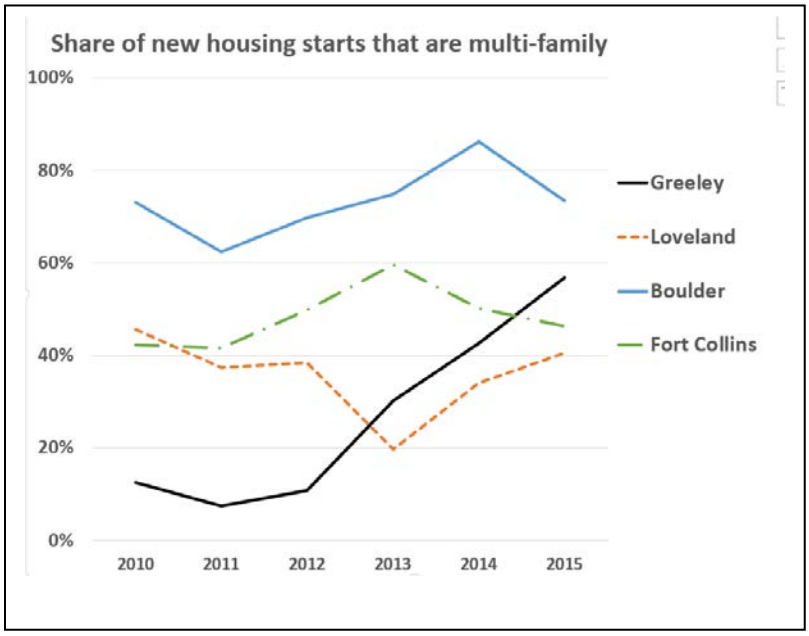


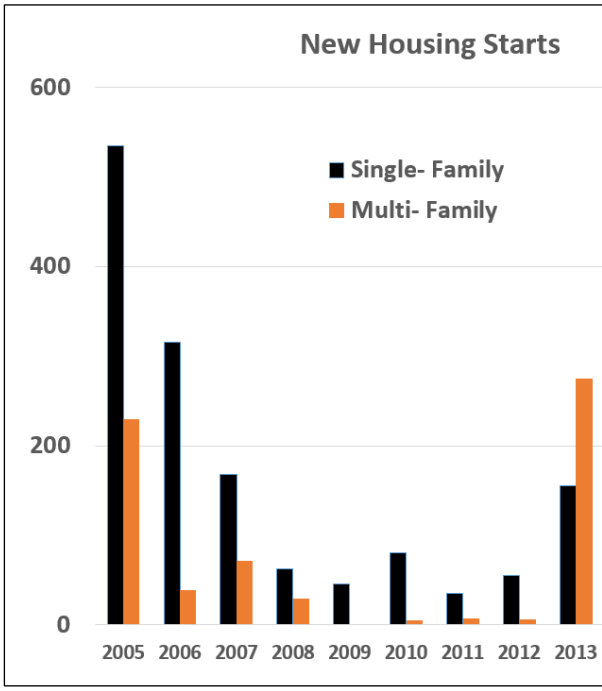




- Appendix -

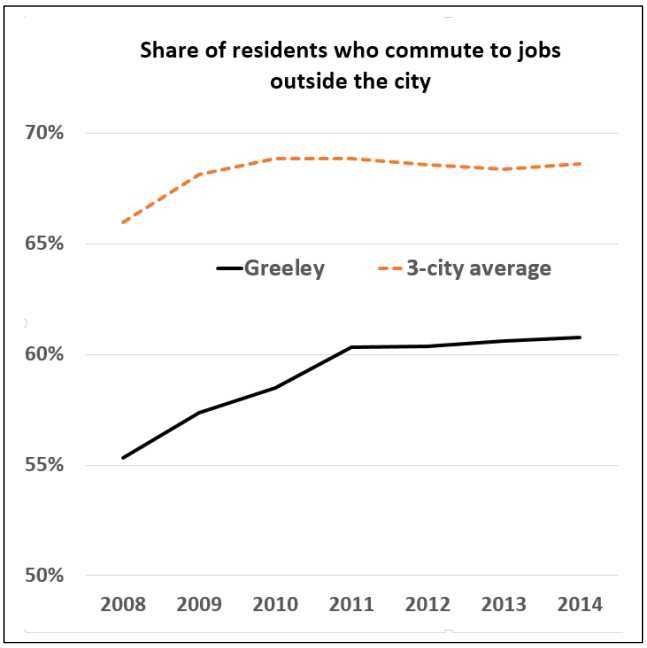
Housing

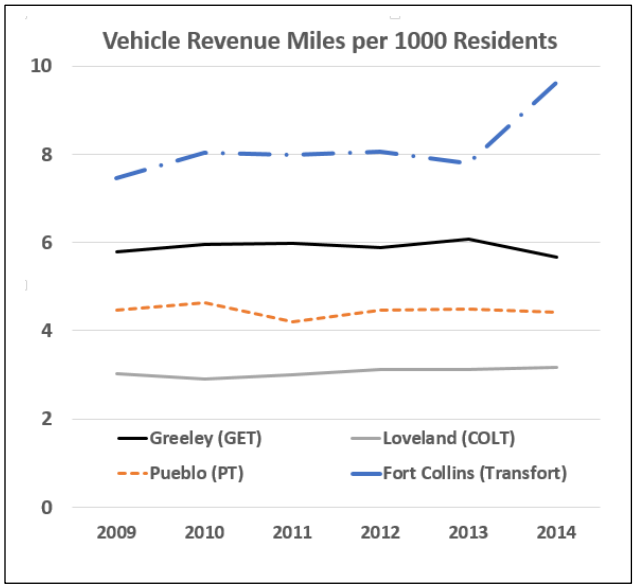


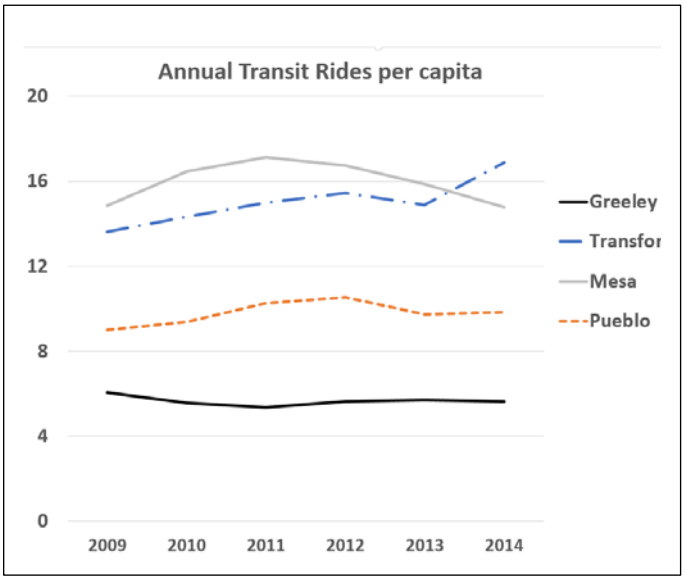


- Appendix –

Transportation

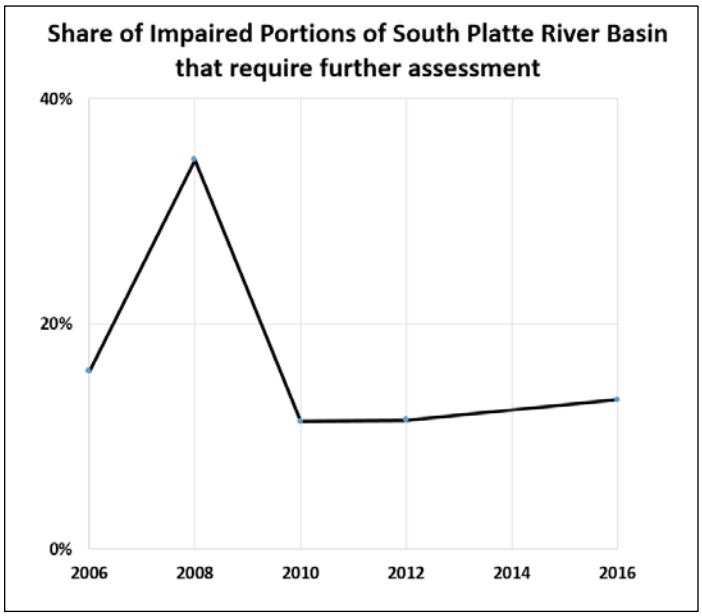






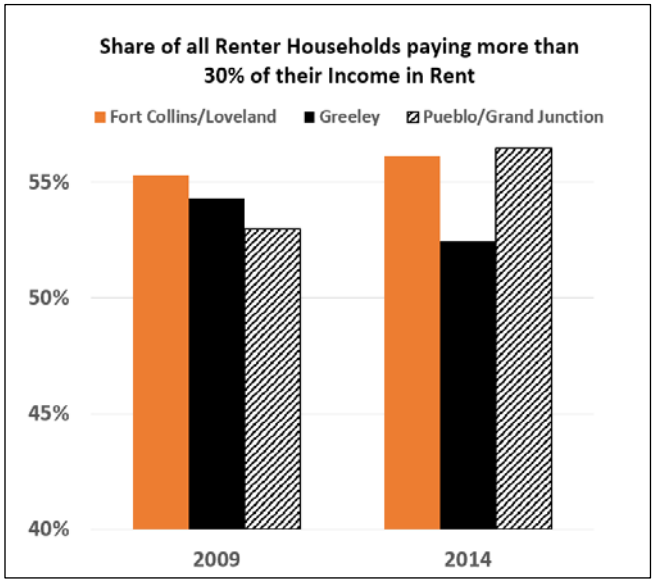
- Appendix -

Environmental Quality



- Appendix -

Community Health



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2017 ANNUAL GROWTH AND DEVELOPMENT PROJECTION REPORT

Prepared in Support of the Capital Improvement Planning Process

Staff

John Barnett, Long Range Planner
Brad Mueller, Community Development Director
March, 2017

Contents

Executive summary

The Annual Growth and Development Projections Report estimates new residential construction in the near future. This report provides a "snapshot" of the growth anticipated in the beginning of each year. Over many years, the number of new single-family homes has significantly exceeded the number of multi-family units. During the most recent economic recovery, however, the number of multi-family units has greatly exceeded the number of single-family units. In 2015, building permits were issued for 941 new dwellings, of which 449 were single-family and 492 were multi-family. In 2016, building permits were issued for 244 single family homes and 333 multi-family units for a total of 577 residential units.

As Greeley has approached full employment, the rate of employment growth has declined during the last year. The unemployment number and rate both declined, although less substantially than in previous years as the Greeley MSA approached full employment.

It is unclear why the number of permits for new residential units has declined in 2016 in Greeley at the same time as more new residential permits were issued in Fort Collins, Loveland, and Windsor than in 2015. It is possible that the number of finished lots is beginning to limit the ability of builders to supply new housing units.

There are a total of 275 multi-family units under construction as of Feb. 1, 2017, down from 407 a year ago. In addition, there are permit ready sites for an additional 209 additional units up from 60 a year ago. There are 100 units currently under site planning or zoning review down from 433 (Community Development Department, 2016).

Between 1991 and 2015, growth rates ranged from a low of 0.12% to a high of 4.14%. The distribution of these growth rates is highly bimodal, with lower growth rates occurring during and immediately following recessions and higher growth rates occurring during recovery periods.

Greeley experienced an unexpected 38% drop in permits issued for new residential units in 2016 while other large municipalities saw growth. This does not appear to be related to the economy since median household income increased significantly and Greeley is near full employment. The household income growth and low unemployment rate is counter to declines in oil drilling throughout 2015 and 2016. This speaks of the growing diversity of the Greeley and Front Range economy. We are projecting that the recent drop in residential building activity will continue through 2018 with a return to higher rates in 2019. Long term diversification of Northern Colorado's economy is expected to continue, and this has, and will continue to have,

a positive effect on Greeley. We can expect between 400 and 500 permits for new housing units to be issued during each of the next two years.

Figure 1: Year-end forecast housing units 2017 through 2019

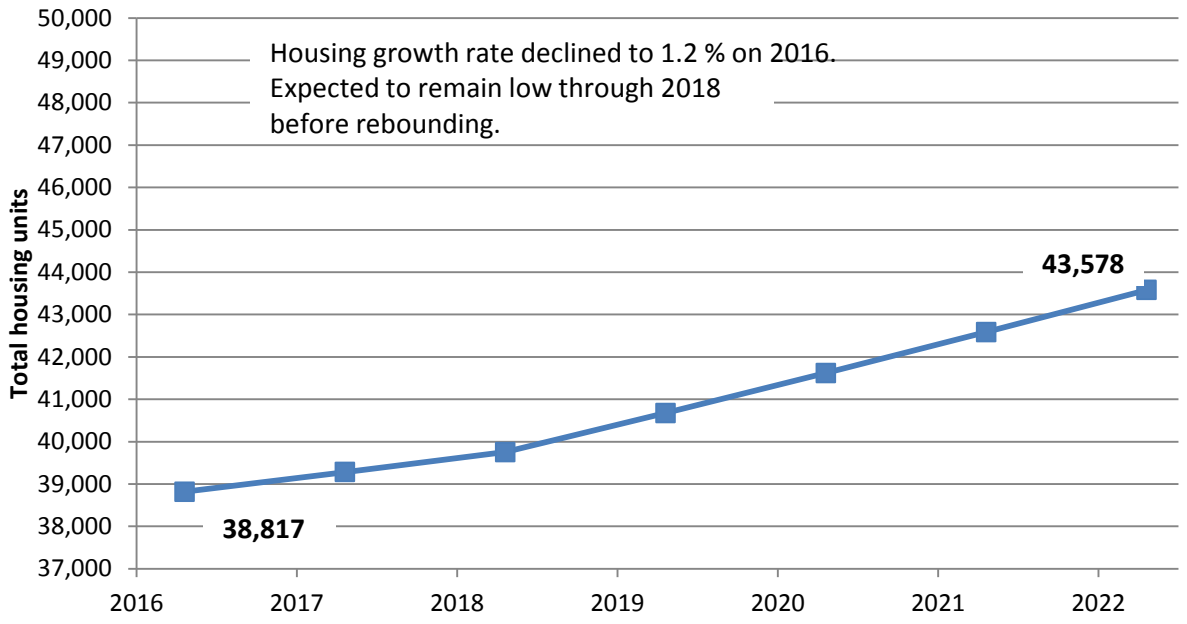


Table 1: Projected Split Of Multi-Family and Single Family Housing

	Total New Housing Permits	Single Family Permits	Multi-Family Permits
2017	466	146	320
2018	471	203	269
2019	922	397	526
2020	944	377	566
2021	966	386	579
2022	992	397	595

I Introduction and Methodology

The Annual Growth and Development Projection Report provides estimates of how much new residential development will occur in the next five years within the City of Greeley, Colorado. It examines historic and recent development and annexation activity, and uses apparent trends, along with local and regional projections, to forecast building activity in the coming years.

This report is intended to provide a "snapshot" of the growth anticipated at the beginning of each year based on:

1) The actual history of growth and development during previous years;

2) Regional economic projections;

3) Permit ready lots; and

4) Other factors that have the potential to affect expected trends.

After permits were issued for 941 new residential units in 2015, during 2016, only 577 permits (a 39% drop) were issued for new residential units in 2016. As the economic recovery continued, there was significant growth in the size of the workforce and the number of persons employed as well as a significant decline in the number of persons unemployed. The unemployment rate declined less as the area approaches full employment. Some of this growth was driven by increased oil and gas drilling activity as hydraulic fracking technology was deployed. A more than 50% decline in the price of oil throughout the second half of 2014 and all of 2015 has a lower impact than might be expected on the local economy because of diversification over the last decade.

This report is part of a four step analysis used to help inform the City's five-year Capital Improvements Plan (CIP), a mechanism for meeting the service and infrastructure needs of future development while maintaining existing service levels and managing community resources. The other parts of this analysis are the annual population estimate and the mapping of adequate public facilities. Through the CIP, the City also estimates development fee revenue that may be available to meet growth demands. City departments recommend projects which may then be incorporated into the City budgeting process. Future infrastructure upgrades and public facility construction are scheduled based on available resources.

The methods used in this report include both quantitative projections and qualitative forecasting and are employed in a four-step process. Staff uses a variety of information

sources, including building permit data, information from the real estate and building communities, and economic data from regional and state organizations.

Step 1

The first step uses historic home-building activity trends and projects growth for the following year, assuming continuation of recent trends. Using records from 1991 through 2016 provides a 25-year record of homebuilding activity that extends through high and low growth periods. This record covers three recessions and their recoveries. It also captures trends driving homebuilding including the increase in recent oil and gas drilling employment, increased employment in agricultural processing, the collapse of the so called "housing bubble," the trend to "drive 'till you qualify", and other trends during that time. This historic permit data is used to project high, medium, and low projections of new units expected to be constructed for the next five years assuming current trends continue.

Step 2

The next step is to identify regional economic trends that will affect where the actual number of new permits will fall within the confidence interval projected from historic trends. These include an assessment of current regional and Greeley employment history, a review of the *Colorado Business Economic Outlook* published by the Leeds School of Business at the University of Colorado, and the Northern Colorado Economic Forecast sponsored by the Montfort College of Business at Northern Colorado University. In addition, staff also considers state housing and population projections generated by the Colorado Department of Local Affairs (DOLA), more localized population projections published by the North Front Range Metropolitan Planning Organization (NFRMPO), the Colorado Division of Housing Multi-Family Vacancy and Rental Survey (Throupe, 2015 a), input from the building community and planning staff on upcoming projects, and information from the real estate community. Specific assumptions are noted throughout the report.

Step 3

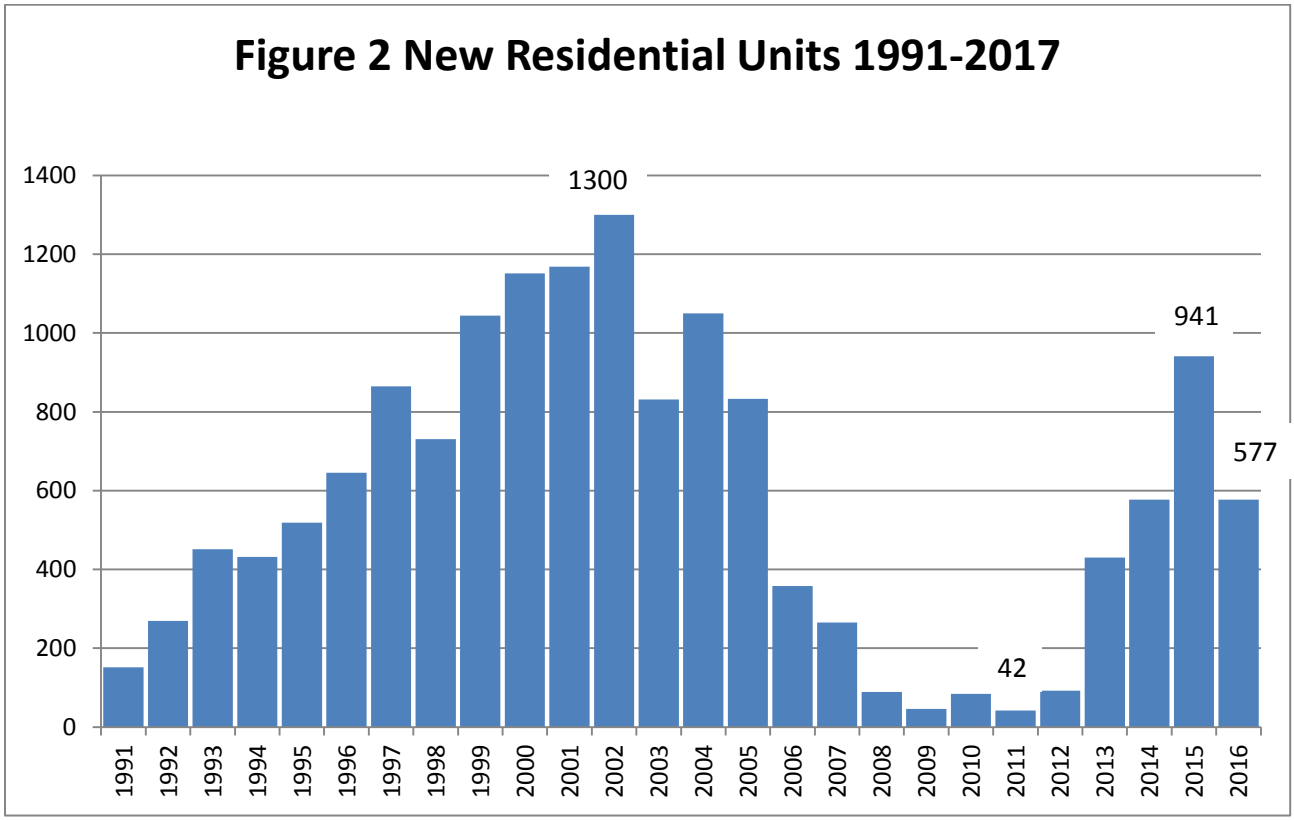
The third step is to prepare an inventory of permit-ready lots and lots in the review process that will likely become permit-ready within the forecast period.

Step 4

The final step is to examine other factors and trends that could affect expected homebuilding trends. These include the recent change in the ratio of multi-family to single-family housing, recent changes in the price of oil discussed above, and recent increases in the cost of raw water in Northern Colorado.

II History of Residential Growth

Since 1991, Greeley's residential growth has been occurring in waves ranging from approximately 0.5 % to 4% per year with an average of about 1.9%. Figure 2 shows 26 years of new residential building permits. After relatively modest but steady increases in home construction throughout most of the 1990s, Greeley began to experience annual permit growth rates of nearly 4% beginning in 1999. The high growth rate peaked in 2002 with 1,300 new residential units, translating to an actual growth rate of 4.14% over 2001. Beginning in 2003, Greeley experienced five years of declining new construction followed by three years of stagnant low level housing construction. During the mortgage crisis and Great Recession, Greeley experienced limited building. Permits for new housing reached a low of 42 units in 2011. Beginning with a small increase in building activity in 2012, Greeley experienced four years of significant growth in new housing construction. New housing construction peaked again in 2015 with 941 permits for new units (Community Development Department, 2015). In 2016, there were 577 permits issued for new residential units.



Mix of single and multifamily units

Since 2012, most of the new home construction consisted of multifamily units as shown in Table 2 and Figure 3. Over many years, the number of new single-family homes has significantly exceeded the number of multi-family units. During the most recent recovery, however, the number of multi-family units has greatly exceeded the number of single-family units (Community Development Department, 2015).

TABLE 2: NEW HOUSING MIX

Year	Single Family units	Multifamily Units	Total
2008	63	29	92
2009	46	0	46
2010	80	5	85
2011	35	7	42
2012	55	42	97
2013	155	275	430
2014	244	333	577
2015	449	492	941
2016	244	333	577

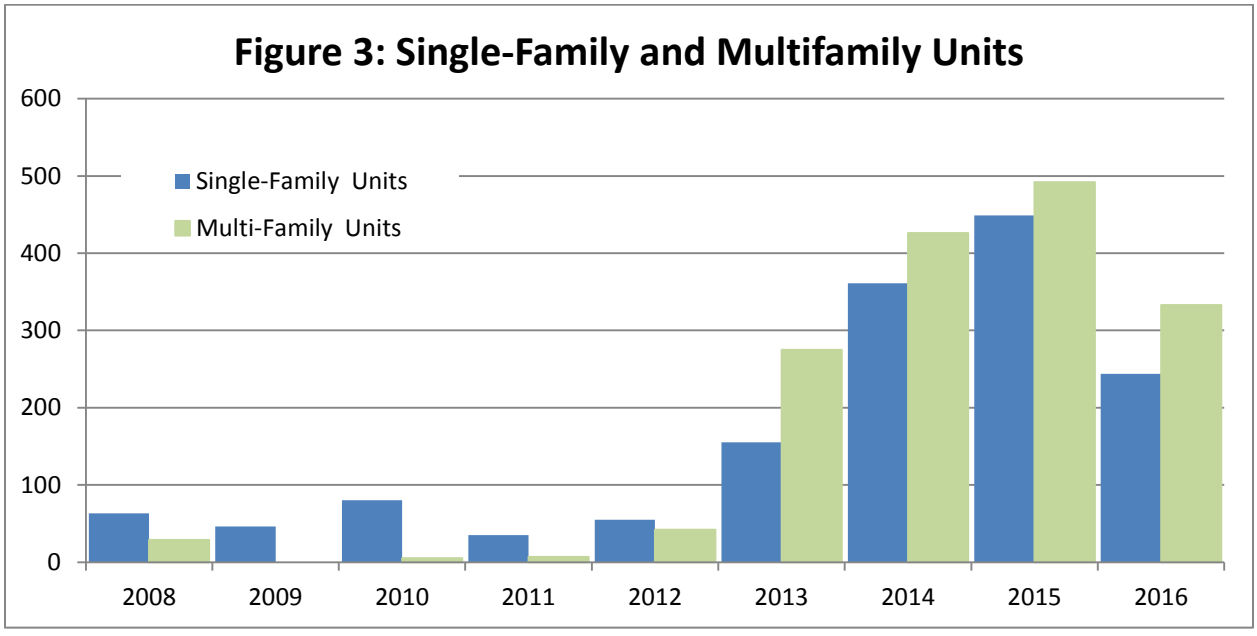


TABLE 3: RESIDENTIAL VACANCY RATE		
	Vacancy Rate	
year	Multifamily	Single Family
2010	8.6%	4.9%
2011	5.6%	4.5%
2012	4.6%	3.3%
2013	3.3%	3.3%
2014	3.8%	3.0%
2015	5.0%	2.9%
2016	3.8%	2.8%

Table 3 and Figure 4 show the vacancy rates for single and multi-family housing. Since 2010, the multi-family vacancy rate has declined by 81% from 8.6% to 1.6% (Greeley Urban Renewal Authority, 2014) (Throupe, 2015 a). Between the second and third quarters of 2015, several large multi-family projects were completed that raised the vacancy rate to 5% (Throup, 2015 b). A healthy multi-family vacancy rate is considered to be 5% since this gives prospective tenant a reasonable chance at finding a suitable housing unit while giving landlords a reasonable chance at renting any vacant units fairly quickly. At an optimal 5% vacancy rate in multi-family there would be 689 vacant units. A vacancy rate of 1.6% would mean there are only 220 vacant units.

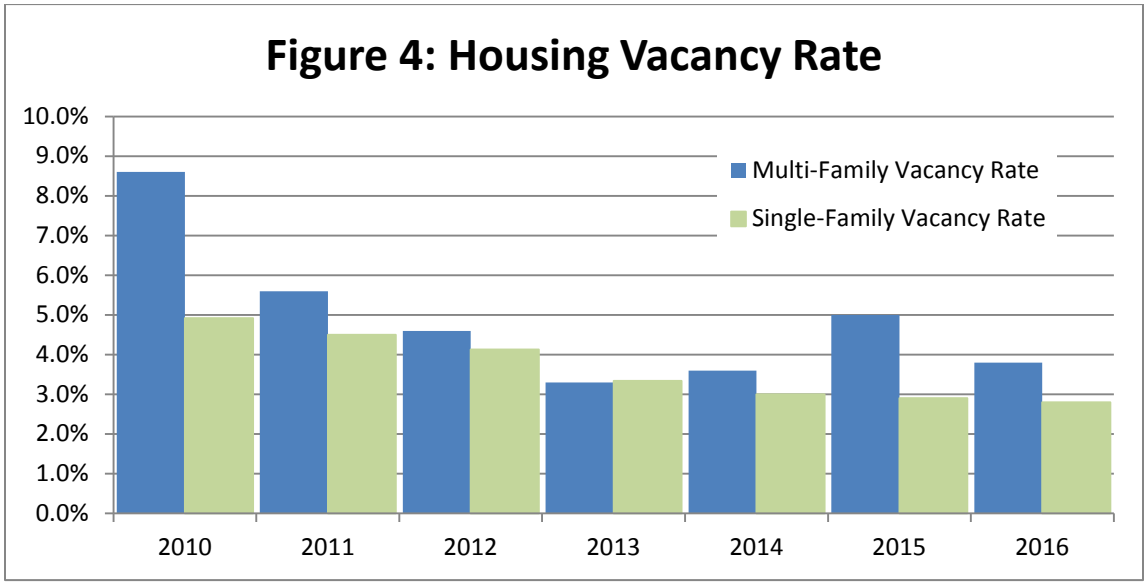


Table 4 shows the change in Greeley's housing stock from construction, annexation, and demolitions from 2008 through 2016. It also shows the year-over-year percent change in construction activity and percent change in the total housing stock. The percent change in new construction from one year to the next provides a vivid picture of one of the uncertainties of housing. Given that the number of new units

can decline by as much as 50% or rise by over 360% from one year to the next, it becomes extremely difficult for subcontractors or tradespersons to predict whether there will be work or not. This may be a reason why many contractors throughout Northern Colorado are having difficulty finding experienced people to fill jobs in the skilled trades.

Table 4: Change in Housing Activity 2008-2015

Year	Construction Only (Units)	Percent Change in Construction	Housing Units Annexed	Additional Housing (Construction + Annexation)	Gross Units	(-) Demolitions	(=) Net Units Beginning of next year	Housing Growth Rate
2008	86	-48.8%	3	89	36,076	0	36,076	0.25%
2009	45	-47.7%	1	46	36,122	9	36,113	0.10%
2010	84	86.7%	0	84	36,197	8	36,189	0.21%
2011	42	-50.0%	0	42	36,231	0	36,231	0.12%
2012	92	119.0%	0	92	36,323	10	36,313	0.23%
2013	430	367.4%	1	431	36,744	3	36,741	1.18%
2014	577	34.2%	1	787	37,529	0	37,529	1.57%
2015	941	63.1%	0	941	38,470	7	38,463	2.51%
2016	577	-38.7%	0	577	39,040	16	39,024	1.50%

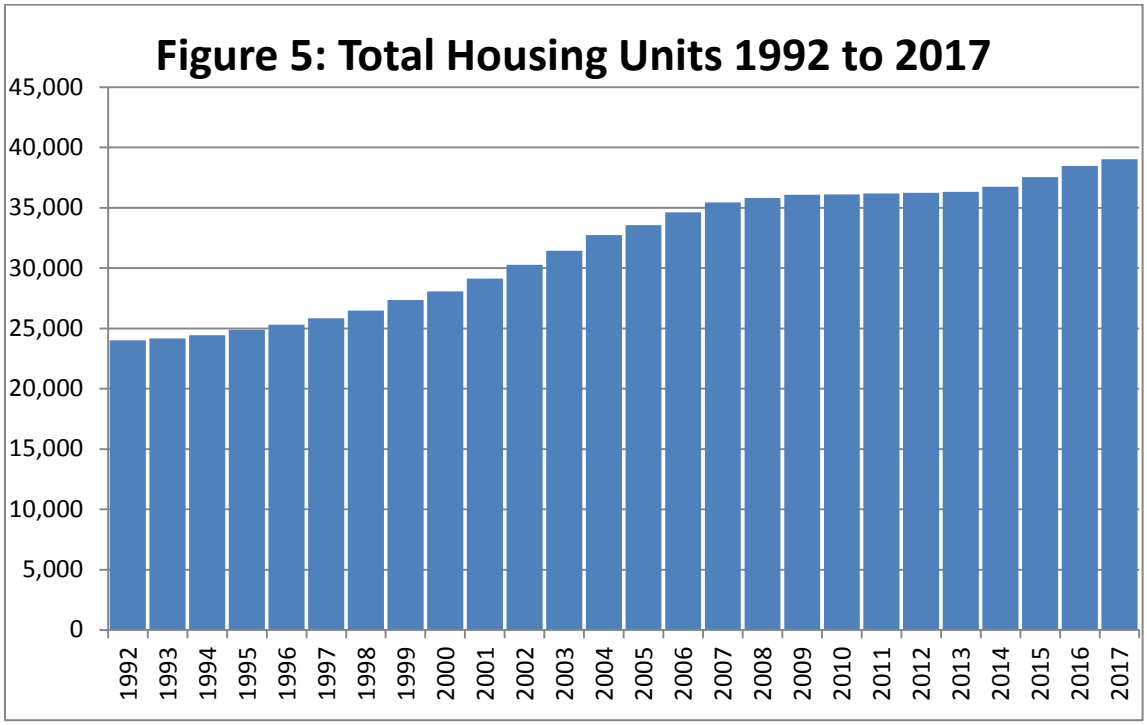
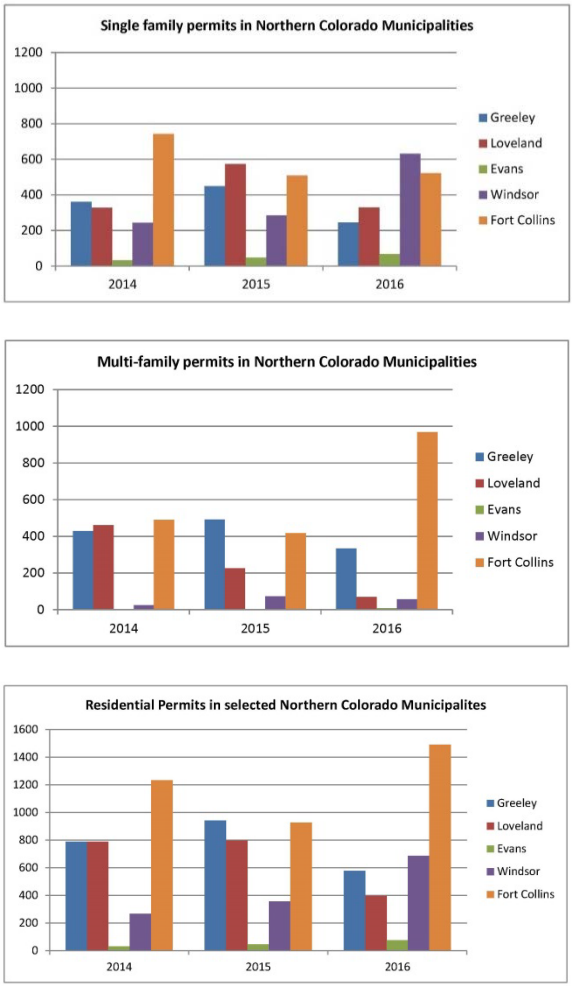


Figure 5 shows that the total housing stock plus building permits and annexations and subtracting demolitions has increased from 24,012 to 39,024 between 1992 and January 2017.

III Regional Housing Trends

Comparing new housing permits in Greeley to the rest of Northern Colorado helps to provide insights into trends in Greeley. Figure 6 shows a comparison of building permits in Greeley, Loveland, Evans, Windsor and Fort Collins for single family, multi-family, and total residential units permitted in 2014, 2015, and 2016.

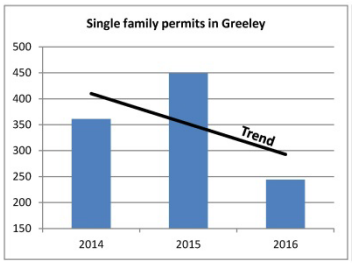
Figure 6 Comparison of new residential permit activity in Northern Colorado municipalities over the last 3 years



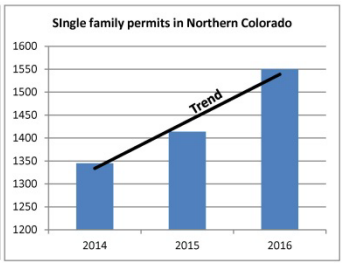
Over the three year period, Fort Collins has lead in the number of single family residential permits issued with 1774, followed by Loveland with 1229, Windsor with 1159, and Greeley with 1054.

Figure 7 Comparison of new single family permits in Northern Colorado municipalities over the last 3 years

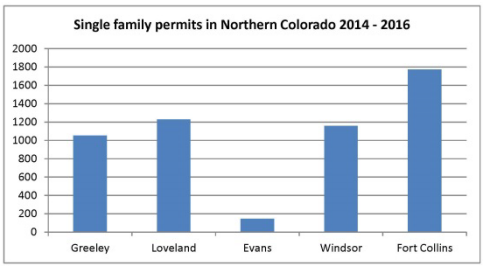
A



B



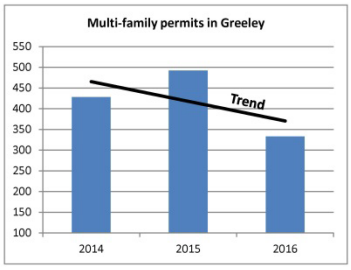
C



Fort Collins issued permits for the most multi-family units with 1875, followed by Greeley with 1253, and Loveland with 755. Evans and Windsor combined issued permits for fewer than 200 units.

Figure 8 Comparison of new multi-family permits in Northern Colorado municipalities over the last 3 years

A



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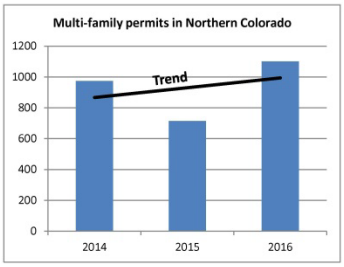

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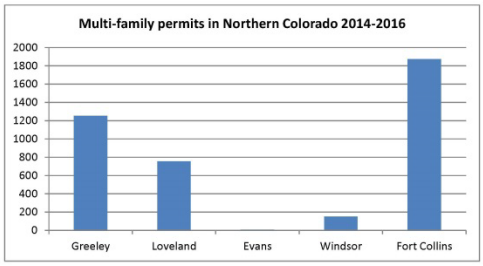
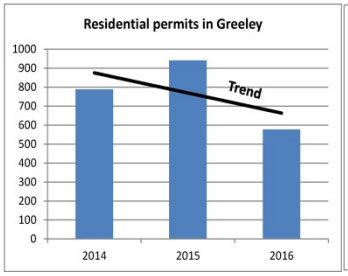


Adding the single and multi-family permits gives the tolal resindetial permits issued during the three year period. The results can be seen in Figure 9. Fort Collins issued the most residential permits with 3649, followed by Greeley with 2307, Loveland with 1984, and Windsor with 1311.

Figure 9 Comparison of residential permits in Northern Colorado municipalities over the last 3 years

A



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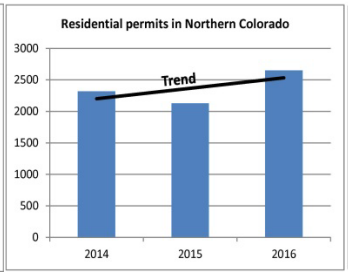

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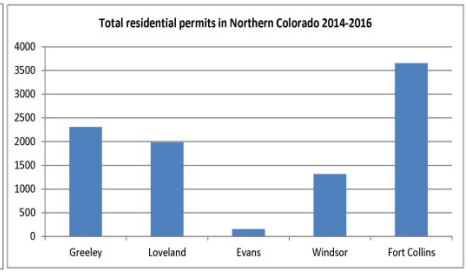


Figures 7, 8 and 9 show that since 2014, residential permits in Northern Colorado have shown an upward trend in both single, multi-family, and total units permitted. In Greeley, however, this trend has pointed downward. With only three years of data, it is too soon to make any long-term projections, but the trend bears watching in future years. The reasons for the decline in new residential permits when the rest of Northern Colorado has an increased numbers of both single and multi-family units permitted are discussed in more detail in Chapter VIII. In all cases, single family, multi-family, and total housing units, the three-year trend in Greeley was

negative while the trend in Northern Colorado municipalities was positive. This trend has not been followed prior to 2014 but it bears watching during future years.

IV Population Estimate

Table 5 shows Greeley's population estimates from 2010 to 2017. Figure 10 shows the annual estimated population between 1992 and 2017. Since 1992, Greeley's estimated population has grown 61.9% from 64,832 to 104,939 people. The growth rate has fluctuated between 0.10% and 4.13 %, averaging 1.9% and with a standard deviation of 1.06%.

Table 5: 2017 Population Estimate

Year	SFD	SFDocc	MFD	MFDocc	AHS	UP	Population
2017	**24,910**	**0.972**	**14,002**	**0.962**	**2.7**	**3196**	**104,939**
2016	24,670	0.950	13,681	0.971	2.7	3347	103,037
2015	24,221	0.971	13,189	0.962	2.7	2671	100,428
2014	23,976	0.967	12,856	0.0967	2.7	3196	98,423
2013	23,743	0.967	12,581	0.954	2.7	2,900	97,320
2012	23,688	0.959	12,539	0.944	2.7	2,980	96,093
2011	23,646	0.955	12,539	0.0914	2.7	3,027	95,453
2010	23,570	0.951	12,539	0.914	2.7	3,090	94,358

Population Estimate Based on Modified Housing Method (2010)

SFD= Single family detached; SFD occ= SFD occupancy rate; MFD= Multi-Family Units; MFDocc= MFD occupancy rate; AHS= Average Household size; UP= University Population

Estimated Population = [(SFD x SFDocc) + (MFD x MFDocc)] x AHS + UP

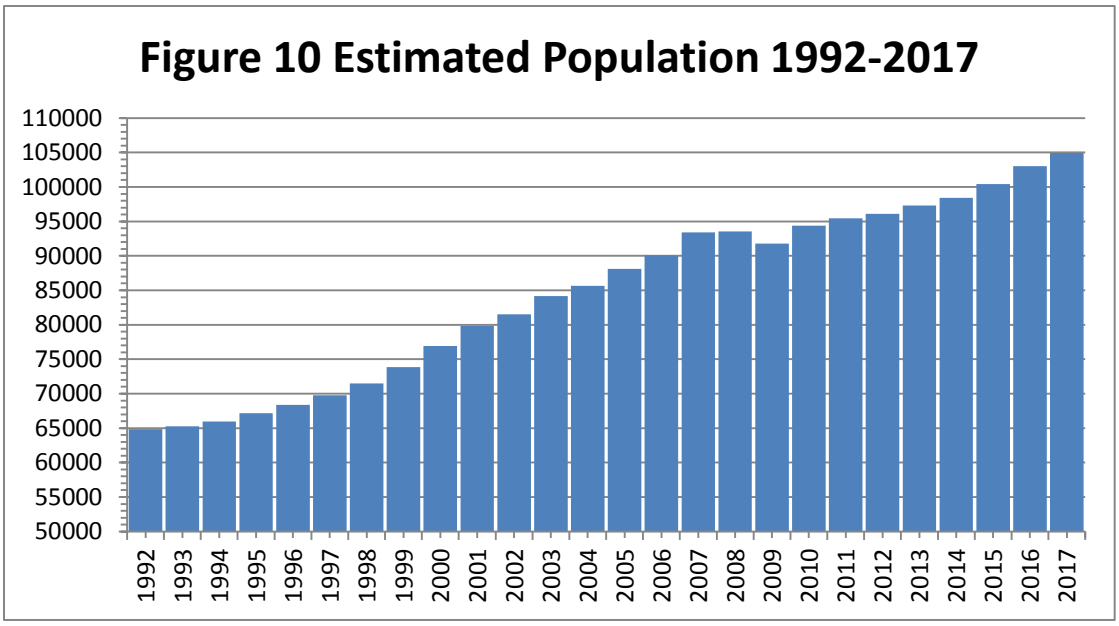
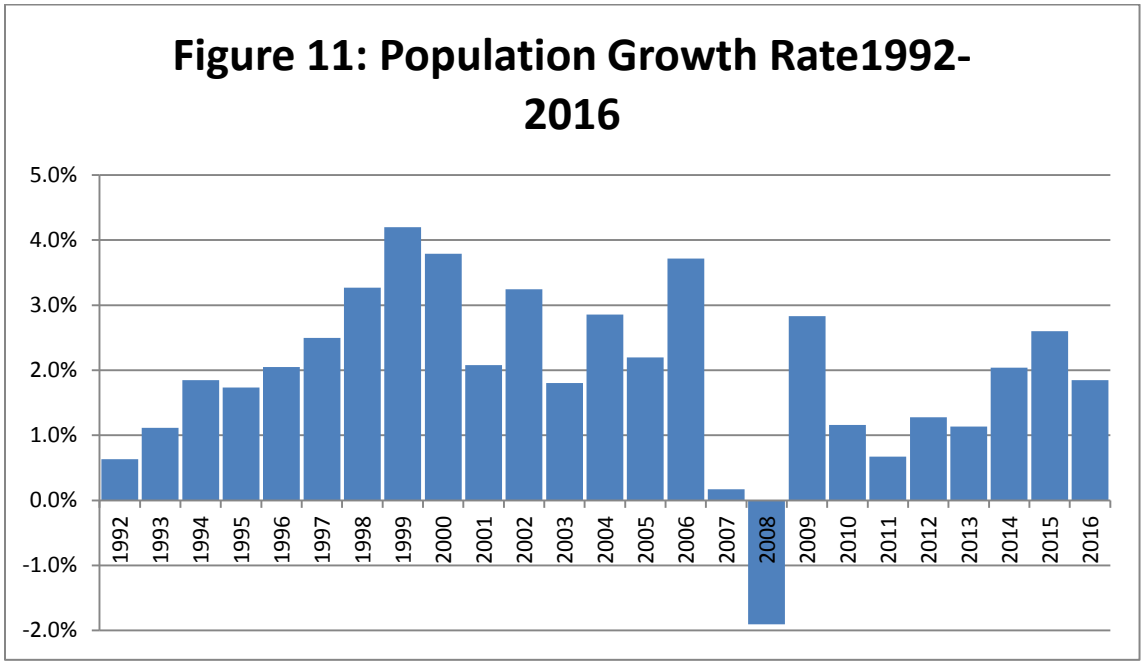


Figure 11 shows that the total population growth rate has varied between -1.91% and 4.20% between 1992 and January 2017.



The population growth rate in Greeley has averaged 1.9 % per year since1992. Since 1980, the population growth rate has averaged 1.87 %. This growth rate has been slower than that of Weld County and the Northern Colorado region as a whole. Nonetheless it is healthy and includes significant in-migration, especially when compared to portions of western Kansas and Nebraska that are losing population.

V Employment

Employment continues to improve slowly throughout Colorado, but significantly more in Northern Colorado. The civilian labor force grew by 3.96% statewide, while the Greeley MSA, which includes all of Weld County, civilian labor force grew by only 1.28%, the lowest of any Metropolitan Statistical Area in the state as shown in Table6 after several years of being at the highest growth rate.

Table 6: Employment Statistics for Colorado MSAs December 2016

MSA	Civilian Labor Force	% Change over Dec. 2014	Number Employed	% Change over Dec. 2014	Number Unemployed	% Change over Dec. 2014	Unemployment Rate	% Change over Dec. 2014
Boulder-Longmont	182,496	4.51%	178,066	4.73%	4,430	-3.76%	2.20%	-15.38%
Colorado Springs	325,997	4.96%	314,691	5.55%	11,306	-9.06%	3.20%	-20.00%
Denver Aurora	1,560,290	4.44%	1,515,220	4.84%	45,070	-7.42%	2.60%	-21.21%
Fort Collins-Loveland	186,996	4.08%	182,231	4.64%	4,765	-13.58%	2.30%	-25.81%
Grand Junction	72,771	0.56%	69,305	1.36%	3,466	-13.26%	4.30%	-21.82%
Greeley	153,414	1.28%	148,866	1.78%	4,548	-12.71%	2.60%	-23.53%
Pueblo	73,860	2.94%	70,363	3.28%	3,497	-3.40%	4.30%	-14.00%
Colorado Totals	**2,920,064**	**3.96%**	**2,826,542**	**4.08%**	**93,522**	**0.38%**	**3.20%**	**-3.03%**

(Colorado Department of Labor and Employment, 2016)

The total number of employed people also increased, with a statewide growth of 4.08% statewide and 1.78% in the Greeley MSA. At the same time, the unemployment number and rate declined at 12.71% and 23.53% respectively.

Table 7 shows the year-over-year comparison of employment in the Greeley MSA (Colorado Department of Labor and Employment, 2016). While the total workforce and the number of employed persons grew more slowly than in recent years, this is most likely the result of

reaching full employment rather than a softening of the economy. Examining low unemployment rate in the Greeley MSA appears to indicate that there could be significant pent up regional demand for housing. This demand may currently be addressed through doubling up on housing units, long distance commuting, or employed persons living in campers or group housing away from their families.

Table 7: Year to Year Employment Comparison

	2012	2013	2014	2015	2016
Civilian labor force	119038	124178	134817	150737	153414
Number Employed	108261	115507	128851	145334	148866
Number unemployed	10777	8671	5555	5403	4548
Unemployment Rate	9.1%	7.0%	3.9%	3.60%	2.60%

During the most recent recovery, Greeley's economy has continued to diversify depending much less on oil and gas than it had during the 1980s. As a result, the dramatic decline in oil prices, while it had a significant impact on employment in the oil and gas sector, had much less of an impact on the broader Greeley economy.

Figure 12 shows the percent of employment and the percent of payroll in industries in Northern Colorado. Industries with a higher percentage of total wages than the percentage of employees have a higher than average wage, while industries having a lower percentage of wages than employment have a lower than average wage.

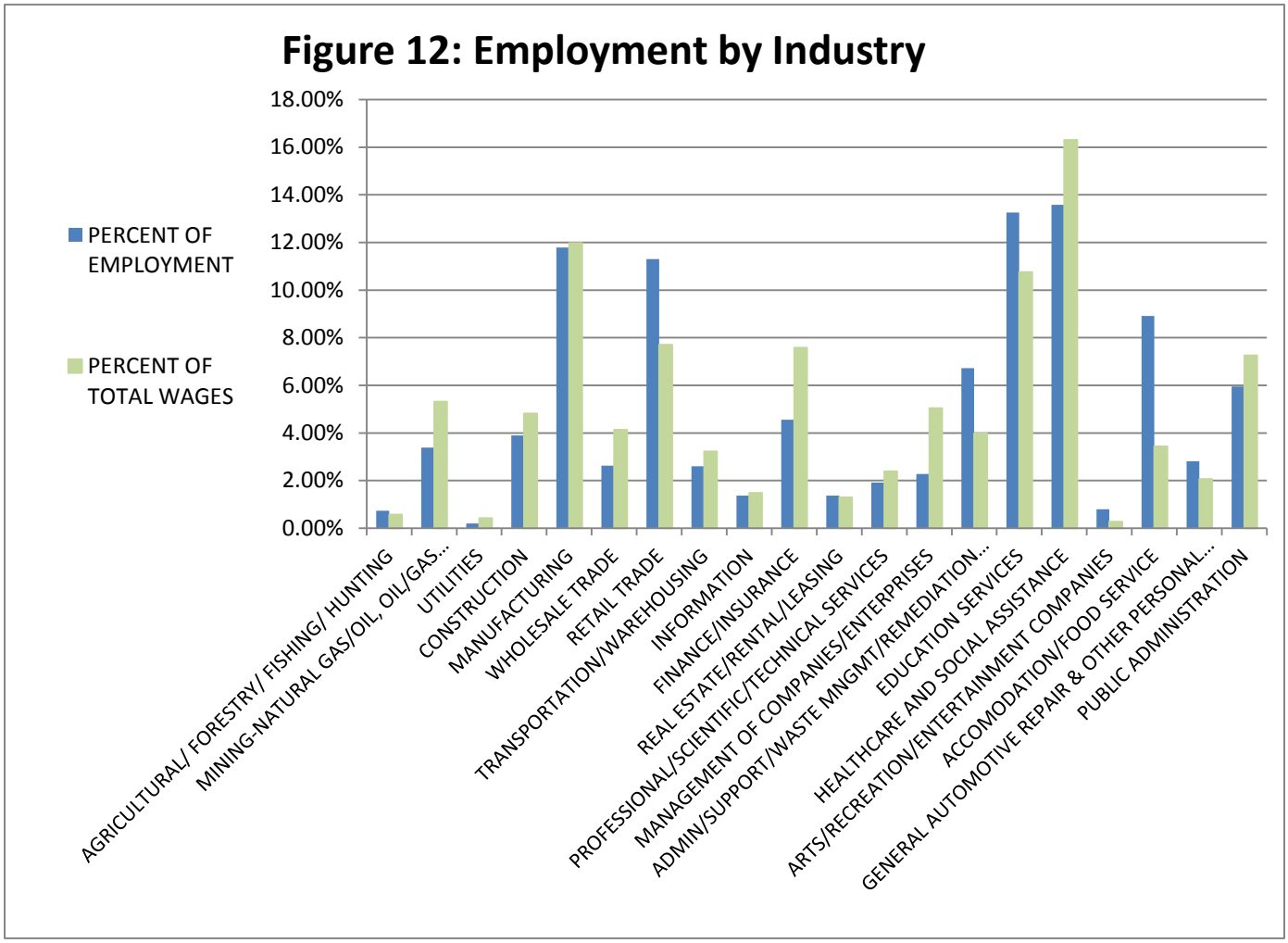


Figure 12: Employment by Industry
PERCENT OF EMPLOYMENT
PERCENT OF TOTAL WAGES
18.00%
16.00%
14.00%
12.00%
10.00%
8.00%
6.00%
4.00%
2.00%
0.00%
AGRICULTURAL/ FORESTRY/ FISHING/ HUNTING
MINING-NATURAL GAS/OIL, OIL/GAS...
UTILITIES
CONSTRUCTION
MANUFACTURING
WHOLESALE TRADE
RETAIL TRADE
TRANSPORTATION/WAREHOUSING
INFORMATION
FINANCE/INSURANCE
REAL ESTATE/RENTAL/LEASING
PROFESSIONAL/SCIENTIFIC/TECHNICAL SERVICES
MANAGEMENT OF COMPANIES/ENTERPRISES
ADMIN/SUPPORT/WASTE MNGMT/REMEDIATION...
EDUCATION SERVICES
HEALTHCARE AND SOCIAL ASSISTANCE
ARTS/RECREATION/ENTERTAINMENT COMPANIES
ACCOMODATION/FOOD SERVICE
GENERAL AUTOMOTIVE REPAIR & OTHER PERSONAL...
PUBLIC ADMINISTRATION

VI Employment and Income Picture

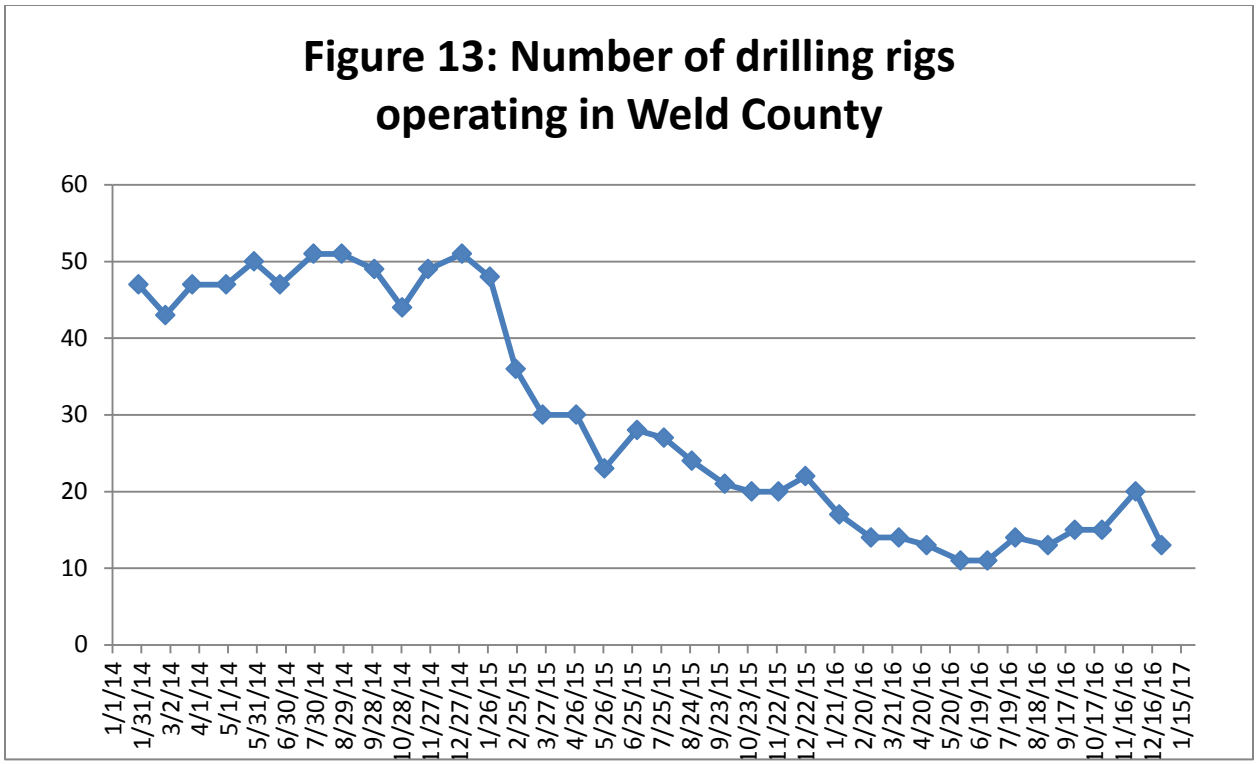
Agriculture

Weld County is the ninth most productive agricultural county in the United States and the most productive outside California in terms of the value of agricultural products produced (Bureau of the Census, 2012). While crop production is a significant portion of this value and is an important support of food processing plants, it is food processing that generates most of the added value. In 2015, agricultural commodity prices are expected to soften, leading to lower profits for farmers. This can lead to the consolidation of farms into fewer but larger operations that eventually rely on less labor but are larger and more capital intensive. Consolidation does not reduce total acreage or crop production, but urbanization of land and conversion of water to municipal and industrial use does affect agricultural crop production (Bureau of the Census, 2012). Leprino foods, a major dairy processing company has plans for a significant addition to its Greeley Plant. Workers in this plant are most likely to live in rental and multi-family housing.

One of the major trends affecting the future of agriculture is the sale of agricultural water for municipal and industrial uses which can lead to permanent reduction in irrigated cropland. During the past two years, the price of agricultural water has nearly tripled (Lynn, 2015). This dramatic increase in price together with the average age of farmers can create an incentive to sell these water rights. After the sale of water rights for future municipal and industrial use, a municipality typically pursues a “change in use” and a “change in diversion” through the water court and the water continues to be rented to the farmer for agricultural use. As more water is converted, land is taken out of production and dried up.

Uncertainty in oil and gas

The price of West Texas Intermediate crude oil has dropped from $105.79 per barrel on June 24, 2014 to under $30.00, prices not seen since 2004. It has since recovered to between $50.00 and $60.00 per barrel. As can be seen in Figure 13, the number of drilling rigs took a substantial drop from the upper 40s to low 50s before January to May of 2015 and has remained in the low to mid-twenties since then dropping to 13 in May of 2016 (Colorado Oil and Gas Conservation Commission, 2015).



Since the drilling and fracking of each well employs approximately 100 to 125 people. (Shields, 2015), the reduction of 30 active drilling rigs represents the loss of 3600 to 3750 jobs that pay well above the median income. During 2016, the number of active drilling rigs in Weld County reached as high as 20 only in December after falling as low as 11 in May and June. Despite the reduced drilling activity, median household income in Greeley increased during 2015.

Long term U. S. real wage trends

A long term trend in the American economy is the decline in real wages as higher wage jobs are lost to automation and the international labor market and replaced by lower wage jobs in service industries. Lower wage workers are less likely to be able to afford the mortgage payments on single-family homes. Many of the recently created high wage jobs are in the energy industry, which is subject to rapid changes in unemployment. Many energy workers have been reluctant to invest in single-family housing even if they can afford it, because they may need to relocate within a short timeframe.

Figure 15 shows the inflation adjusted median household incomes for the U. S., Colorado, and Greeley from 2005 through 2015. U. S. real median household income adjusted for inflation peaked in 2007 at $57,211. From 2007 until 2012, real median household income declined 7.4% to $52,970(see figure 10). Since then it has recovered to 98 % of its 2007 high, $56,516 in 2015 (the latest year for which median household income is available). Colorado's real median

household income adjusted for inflation also peaked in 2007 at $63,042 and declined by 15.4% to $58,304 in 2011. Since then it has recovered nearly its entire decline to $63,909 in 2015

Figure 14: U. S. Median Household Income (inflation adjusted dollars)

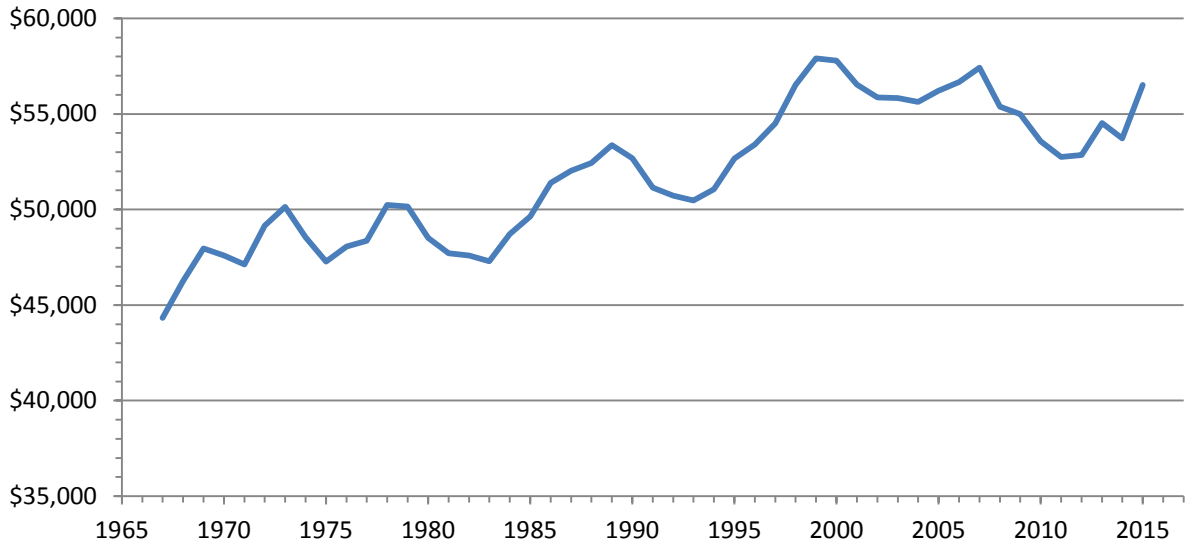
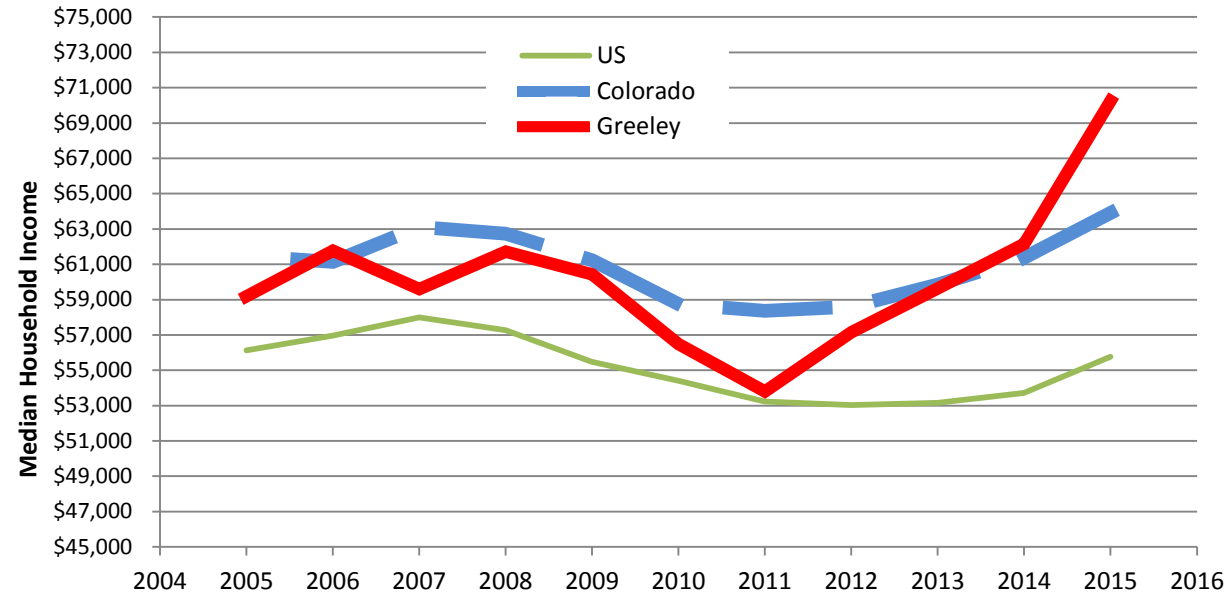


Figure 15: Inflation Adjusted Median Household Income of U. S., Colorado, and Greeley 2005 to 2015



Greeley's real median household income adjusted for inflation peaked in 2006 and again in 2008 at $61,767 and 61,719, respectively, and declined 12.9% to $53,810. Since then it has reached $70,256 surpassing its previous peaks and exceeding the Colorado adjusted household median income. Much of this increased income can be attributed to the regional energy activity as well as increased demand for workers in the broader economy.

As can be seen in Figure 15, at the end of 2014, Greeley's household median income exceeded that of both Colorado and the U. S. and was increasing. Figure 7, however shows a significant decrease in oil and gas drilling rigs operating in Weld County through 2015. In spite of the continued decline in drilling activity in Weld County, in 2015, median household income adjusted for inflation spiked significantly.

VII Land supply

An important factor in projecting building permits is an examination of the supply of lots. As existing developed lots are absorbed by building activity, are they being adequately replaced by developed and platted lots? Table 8 shows the inventory of developed and final platted single-family lots as of the beginning of 2014 through the beginning of 2017. Single-family lots are rapidly being absorbed and built upon. With the increase in home building in 2014, several subdivisions were approved through final platting, developed and had many homes completed.

Table 8: Potential Single Family Units Based on Buildable Lots

Approval Status	Single Family Lots			
	2014	2015	2016	2017
Approved projects with infrastructure installed (permit ready)	656	651	509	395
Created via demolition since 2012	13	13	20	1
Total Permit Ready Units	**669**	**664**	**529**	**396**
Approved Projects with incomplete infrastructure	620	646	519	549
Net Permit ready Lots + Platted Lots	**1289**	**1310**	**1048**	**945**

The net change in available lots between 2014 and 2015 is a 20% decrease in both total lots and finished lots. At the beginning of 2015, 664 developed lots remained available for builders. By 2016 the number of permit-ready lots had declined 20% to 529, while the total number of both permit ready and paper lots also declined 20% to 1048. In 2016, there were 244 single family permits issued significantly below the trend in permit activity regionally leaving 396 permit ready lots and 549 paper lots for 2017. At the rate of building, 449 single-family dwellings in 2015, the current activity in platting and development of lots appears to be insufficient to maintain an adequate long-term flow of lots. It is possible that the scarcity of lots actually had a negative effect on single family home building activity during 2016. The available lots and those in process are just adequate for just over the next two years. For this growth to occur, all approved lots would need to be developed (Community Development Department, 2016). To supply lots for future needs, significant additional land needs to be brought forward through the platting process.

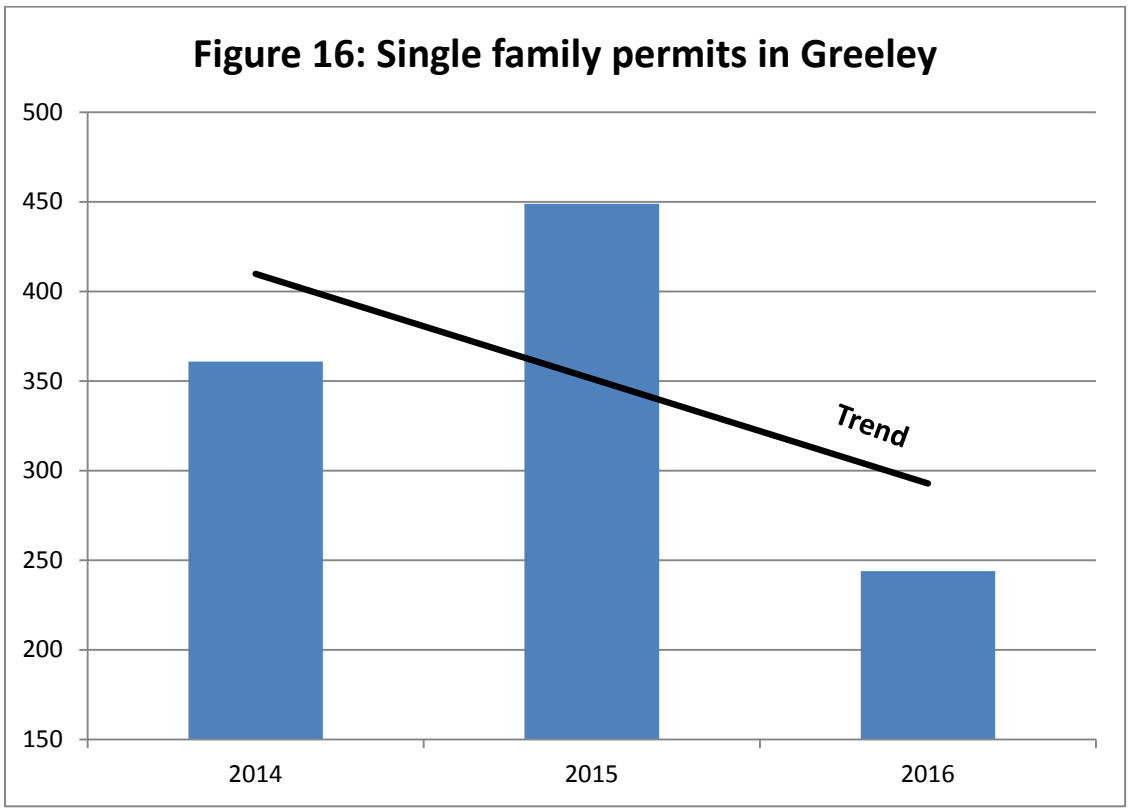


Figure 16: Single family permits in Greeley
500
450
400
350
300
250
200
150
Trend
2014
2015
2016

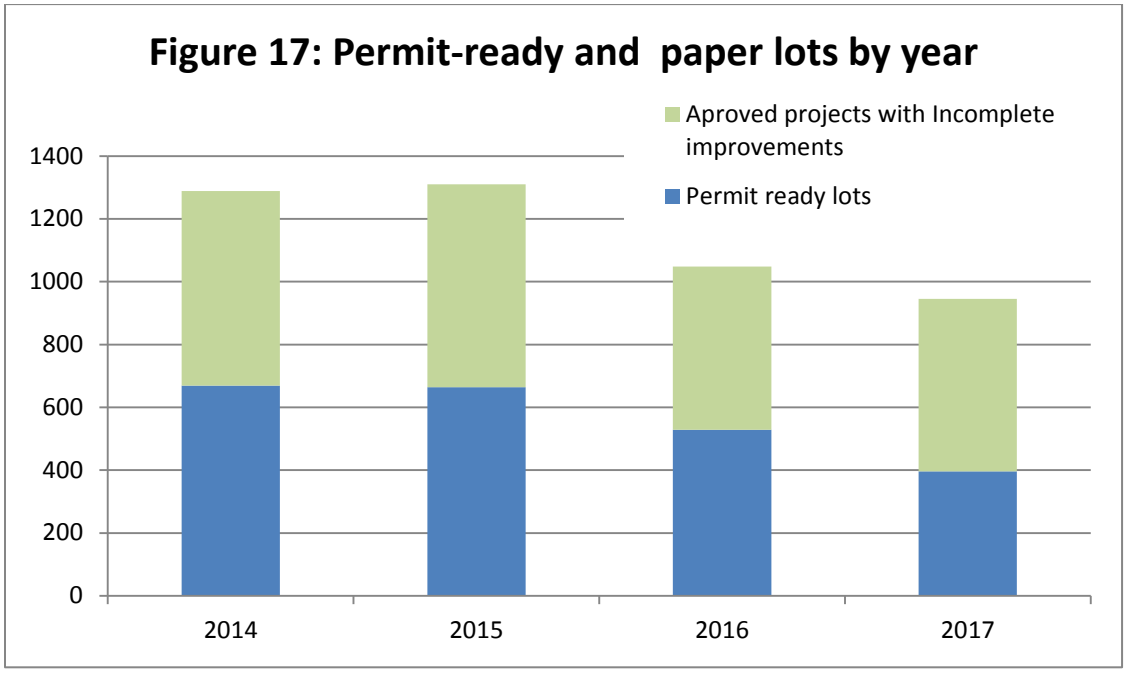


Figure 17: Permit-ready and paper lots by year
Aproved projects with Incomplete improvements
Permit ready lots
1400
1200
1000
800
600
400
200
0
2014
2015
2016
2017

MAP 1: Single Family Residential Building Permits issued in 2015

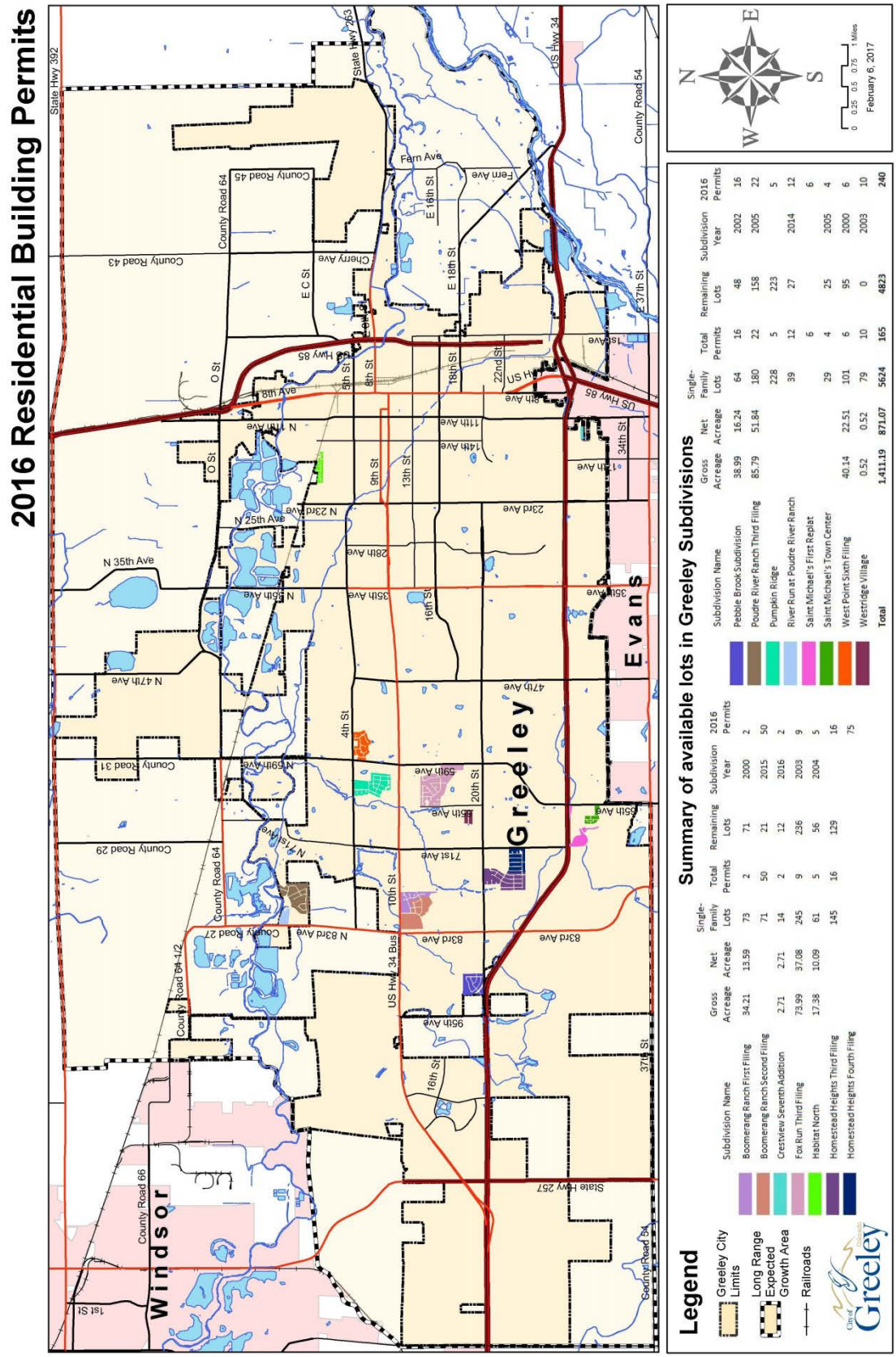
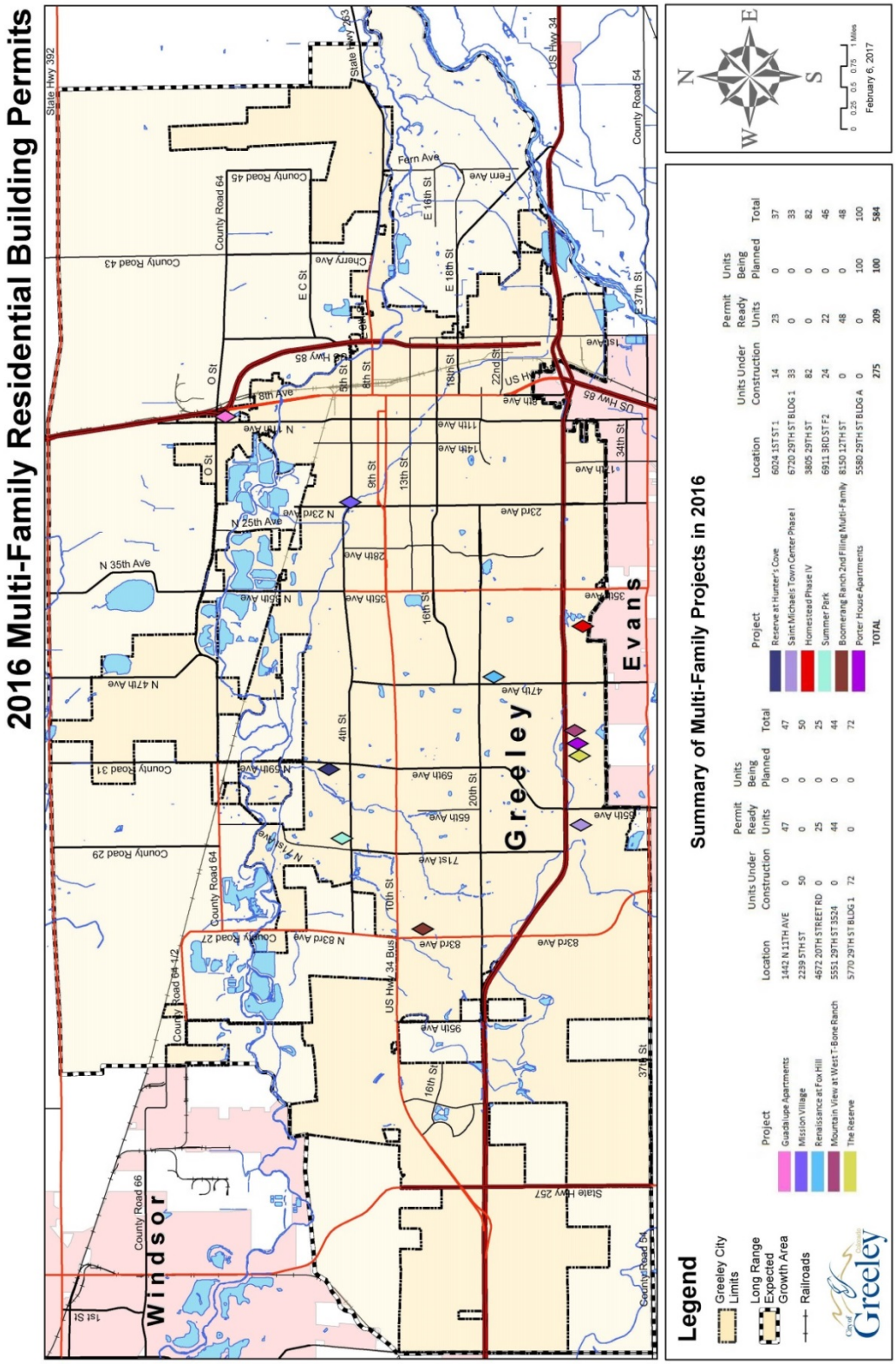


Table 9 shows that there are a total of 275 multi-family units under construction as of January 1, 2017, down from 407 a year ago. In addition, there are permit ready sites for an additional 209 additional units up from 60 a year ago. There are 100 units currently under site planning or zoning review, down from 433 in 2015. The permit ready sites and the additional multi-family sites, if they are all approved, should be sufficient for approximately one year of new multi-family units (Community Development Department, 2016).

Table 9: Multi-Family Units in Process

Project	Location	Units Under Construction	Permit-Ready Units	Units Being Planned	Total
Homestead Phase IV	North of 29th Street, Approx. 125' East of 39th Avenue	82	0	0	82
Saint Michaels Town Center Phase I	6720 29th Street	33	0	0	33
Mission Village	2239 5th Street	50	0	0	50
Summer Park	SEC of 71st Avenue and Grizzly Drive	24	22	0	46
Renaissance at Fox Hill	4672 20th Street Road	0	25	0	25
Porter House Apartments	South of 29th Street, Approx. 600' West of 53rd Avenue	0	0	100	100
The Reserve	5770 29th Street	72	0	0	72
Guadalupe Apartments	1442 N. 11th Avenue	0	47	0	47
Boomerang Ranch 2nd Filing Multi-Family	SEC of 83rd Avenue and 12th Street	0	48	0	48
Reserve at Hunter's Cove	6024 1st Street	14	23	0	37
Mountain View at West T-Bone Ranch	5551 29th Street	0	44	0	44
TOTAL		**275**	**209**	**100**	**584**

MAP 2: Multi-Family Residential Building Permits issued in 2016



Project	Location	Units Under Construction	Permit Ready Units	Units Being Planned	Total
Guadalupe Apartments	1442 N 11TH AVE	0	47	0	47
Mission Village	2239 5TH ST	50	0	0	50
Renaissance at Fox Hill	4672 20TH STREET RD	0	25	0	25
Mountain View at West T-Bone Ranch	5551 29TH ST 3524	0	44	0	44
The Reserve	5770 29TH ST BLDG 1	72	0	0	72

Project	Location	Units Under Construction	Permit Ready Units	Units Being Planned	Total
Reserve at Hunter's Cove	6024 1ST ST 1	14	23	0	37
Saint Michael's Town Center Phase I	6720 29TH ST BLDG 1	33	0	0	33
Homestead Phase IV	3805 29TH ST	82	0	0	82
Summer Park	6911 3RD ST F2	24	22	0	46
Boomerang Ranch 2nd Filing Multi-Family	8150 12TH ST	0	48	0	48
Porter House Apartments	5580 29TH ST BLDG A	0	0	100	100
TOTAL		275	209	100	584

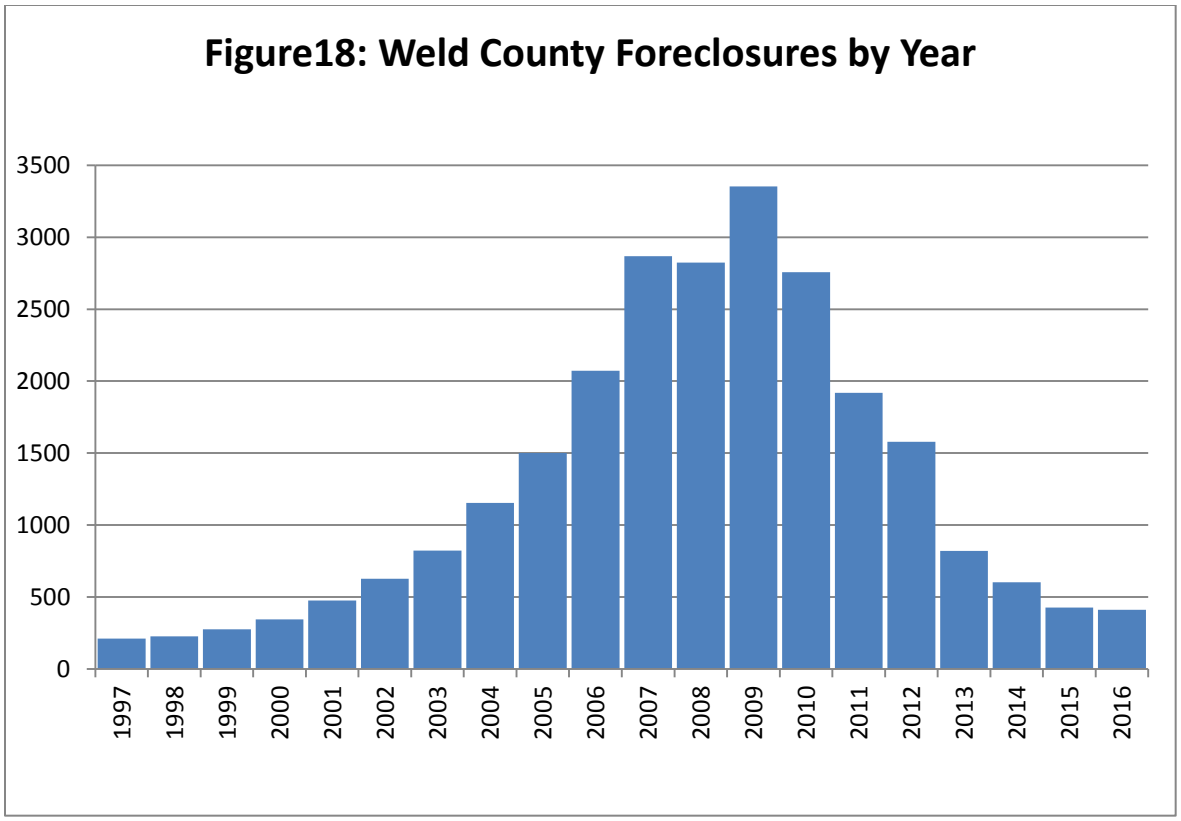
VIII Trends affecting Housing in Greeley

Trends that affect the number and mix of new single and multi-family residential units in Greeley include the history of foreclosures, available financing, the cost of raw water, generational changes in baby-boomers and the millennial generation, and regional growth trends.

The single-family vacancy rate has declined by 41%, from 4.9% to 2.9% (Water and Sewer Department, 2015). A healthy single-family inventory is considered to be an inventory of housing for sale equal to the demand for purchase of homes within six months (Pettigrew, 2015). The number of vacant single-family units can be used as a rough approximation of the inventory of for-sale units—some of these are vacant rental units and not for-sale, and some single-family units are for-sale but are not vacant.

Foreclosures during the Great Recession

During the Great Recession, Greeley was hit hard by foreclosures. During that time, foreclosure rates and unemployment were among the highest in the state as shown in Figure 18. Since the recovery, the number of foreclosures has declined from a high of 3,354 in 2009 to 411 in 2016. There are a number of possible reasons for change in housing mix. One of these reasons is that financing became available for multi-family developments sooner after the Great Recession than for single-family developments. In addition, because of the large number of foreclosures and tighter banking regulations, banks were slow to resume lending for single-family mortgages. In addition, many families who had lost their homes to foreclosure could no longer qualify for mortgages either because of low credit scores or the loss of down payment from the sale of their former home. Many families who lost their homes through foreclosure often became tenants in rental housing.



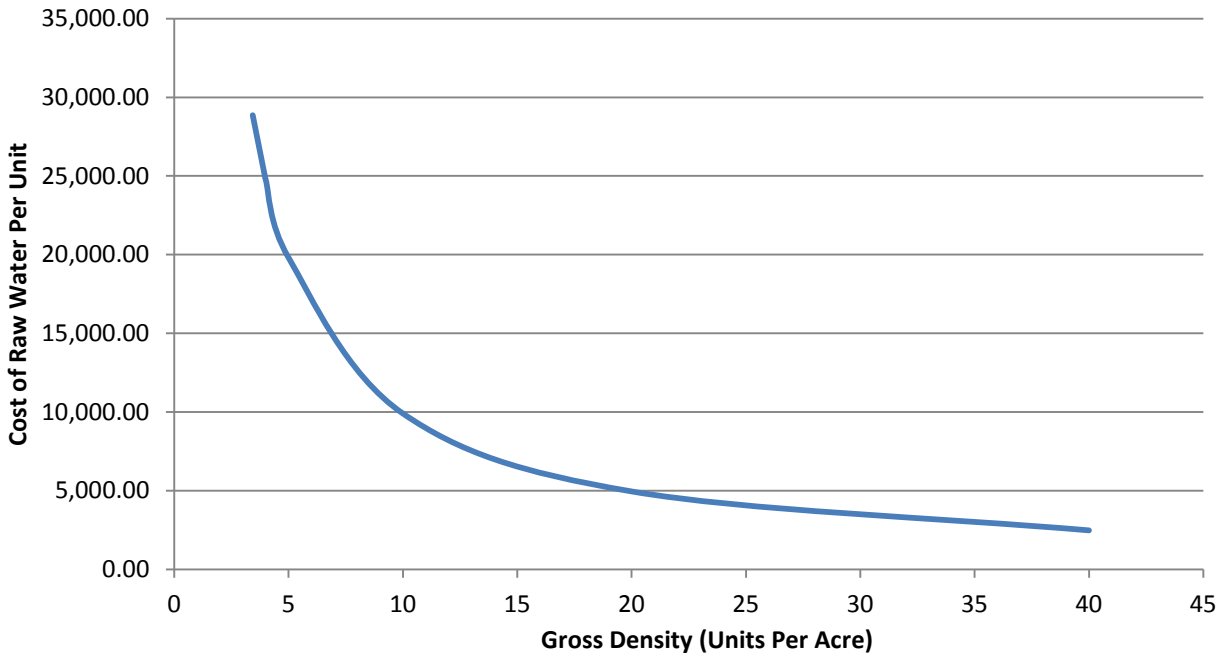
The Cost of Raw Water and Housing

New housing pays for water service in two ways: 1) plant investment fees that pay for the "buy-in" of the new housing unit to existing facilities to store, treat, and transmit water; and, 2) payment for, or dedication of the raw water rights to assure that the City has adequate senior, high-quality water rights to serve its water customers. Both the plant investment fees and the cost of providing raw water cost less per unit for higher density and multi-family housing than single family housing. In Greeley, approximately 55% of treated water is used for landscape irrigation.

Water plant investment fees vary by density, reflecting the higher per-unit water use in single-family houses because of higher water use per household for landscape irrigation. During summers, over 70% of water is used for outdoor irrigation, and a significant portion of the capacity in reservoirs, treatment plants, transmission lines, and water mains is required to provide capacity for this water. The plant investment fees and water dedication requirements are mechanisms that allocate costs toward users likely to use more water. Nonetheless, these costs per unit have the impact of encouraging higher density and multifamily housing.

The price of raw water in Northern Colorado has increased dramatically between 2013 and 2015, potentially creating an impact on the affordability of newly built housing. During the last year, four changes serve to mitigate the potential impact on housing affordability in Greeley. First, the rapid escalation in the price of raw water appears to have ended, at least in the short term. In fact, the price of raw water remains at approximately $33,000 per acre foot for the second year. During the last year, the average density of single-family subdivisions in Greeley has increased from a gross density of 3.43 units per acre to 3.96 units per acre thus lowering the raw water required for each unit based on volume per area of raw land. The increase in density reduces the impact of the price of raw water per average single-family house in Greeley by $ 3,863 from $28,863 to $25,000. Two other changes are the result of policy actions the City is taking to reduce the burden of raw water dedication and use water more efficiently. Greeley is exploring options to lessen the impact of the cost of raw water dedication on housing. Fourth, Greeley recently adopted a "Landscape Policy Plan for Water Efficiency". The City is in the process of implementing it through code changes, incentives, and education measures. One recently adopted incentive for water conservation is an innovative water budget approach in billing for water in Greeley.

Figure 19: The Effect of Density on the Cost of Raw Water Per Unit



To date, no projects have been developed using water rights purchased since the recent water price escalation. It appears that there is a sufficient supply of lots where water rights have

been dedicated in Greeley to meet the need for lots for approximately two years at the 2015 rate of single-family building.

Table 10: The Effect of Raw Water Price on Per Unit Cost by Gross Density

Density (units per acre) *	Raw Water Cost Per unit
3.43	28,863
3.96	25,000
4	24,750
5	19,800
10	9,900
20	4,950
40	2,475

* The average gross density for single-family lots available in Greeley during 2014 was 3.43 units per acre and during 2015 and 2016 was 3.96 units per acre.

The increase in water price appears to be driven by projections of continued high growth in Northern Colorado municipal and industrial demand. As more conversion of agricultural water to municipal and industrial use takes place, there is less available water suitable for this conversion. Continued raw water price escalation can be expected to affect the market for new housing. Raw water is paid for in the price of new single-family homes and in the rent paid for rental units.

Generational trends in baby boomers and millennials

The socio-economic status of potential home buyers has also shifted significantly—in part because of the Great Recession and partly because the changes in lifestyle aspirations of the baby-boomer generation and millennial generations. Many baby boomers are remaining in the workforce longer than their parents because they may not have saved enough to support a retirement lifestyle, because they may not wish to give up a career they have invested in so heavily, or they may feel uncertainty about the future.

Throughout American history, each generation has been significantly different than their parents in important characteristics, including attitudes, expectations, education, and aptitudes. The latest generation to come of age is the millennial generation. While far from uniform, this generation is the most highly educated and most technologically skilled in history.

While they are the most educated and high tech-savvy generation in history, many of them are heavily burdened by debt from higher education. In addition, many of them delayed obtaining drivers' licenses, preferring instead to build urban lifestyles around walking, cycling, social interaction, in rich, high density, mixed-use neighborhoods that are rich in diverse restaurants, culture, and other amenities.

Regional Economy

The economy of Northern Colorado can be divided into two parts: 1) science, technology, and information; and 2) oil and gas and agriculture. These two sectors are affected by different trends and must be analyzed differently (Shields, 2015).

Growth in the science, technology, and information sectors has been strong since the Great Recession and remains so. This growth is expected to continue for the next several years. Many jobs in these sectors pay well and workers in these industries can often afford upscale homes. Many of these workers have a strong preference for significant community amenities such as natural areas, and trails, and walkable communities with bicycle transportation networks and mass transit and they are willing and able to pay premium housing prices to live in these communities (Shields, 2015) (Leeds School of Business, 2015) (Wobbekind, 2016).

New federal Administration

Forecasts for economic activity under the new federal administration rage from optimistic to pessimistic depending on what happens with trade policy, immigration policy, healthcare, environmental regulation, and banking and financial regulation. Earlier forecasts that had shown a slowing in growth after the election have generally been revised upward.

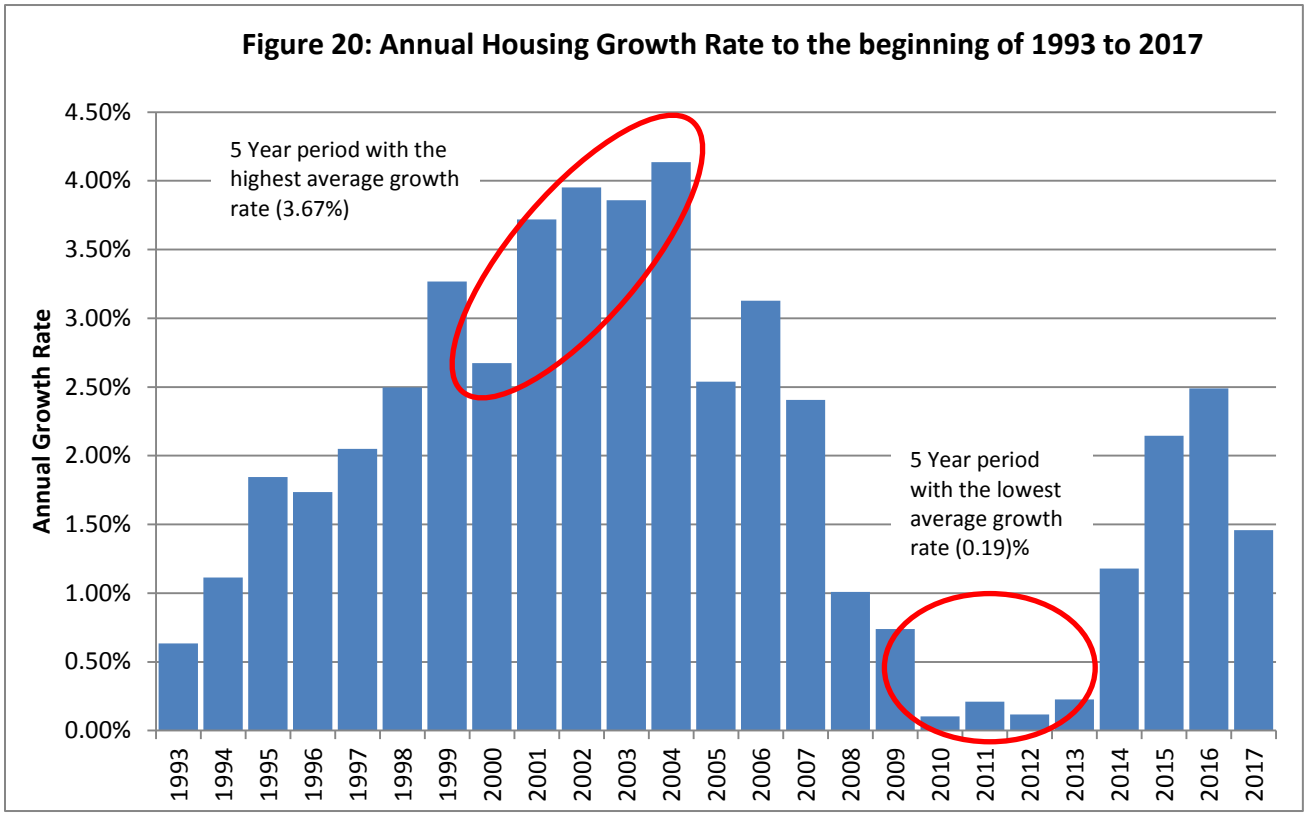
Growth in Northern Colorado is expected to be similar to 2016 in the 2% to 2.5 % range. This growth is likely to continue because of Northern Colorado's diversified economy more than because oil and gas will recover (Wobbekind, 2016).

Trends that could impact growth and development in Greeley include those that could affect the regional economy, such as continued growth in the technology sector, trends in agriculture, continued uncertainty in the oil and gas industry, and factors affecting the mix of single and multi-family housing. Factors affecting the mix of single and multi-family housing include apparent lifestyle preferences of the Millennial Generation, and the availability of financing, and the high cost of raw water.

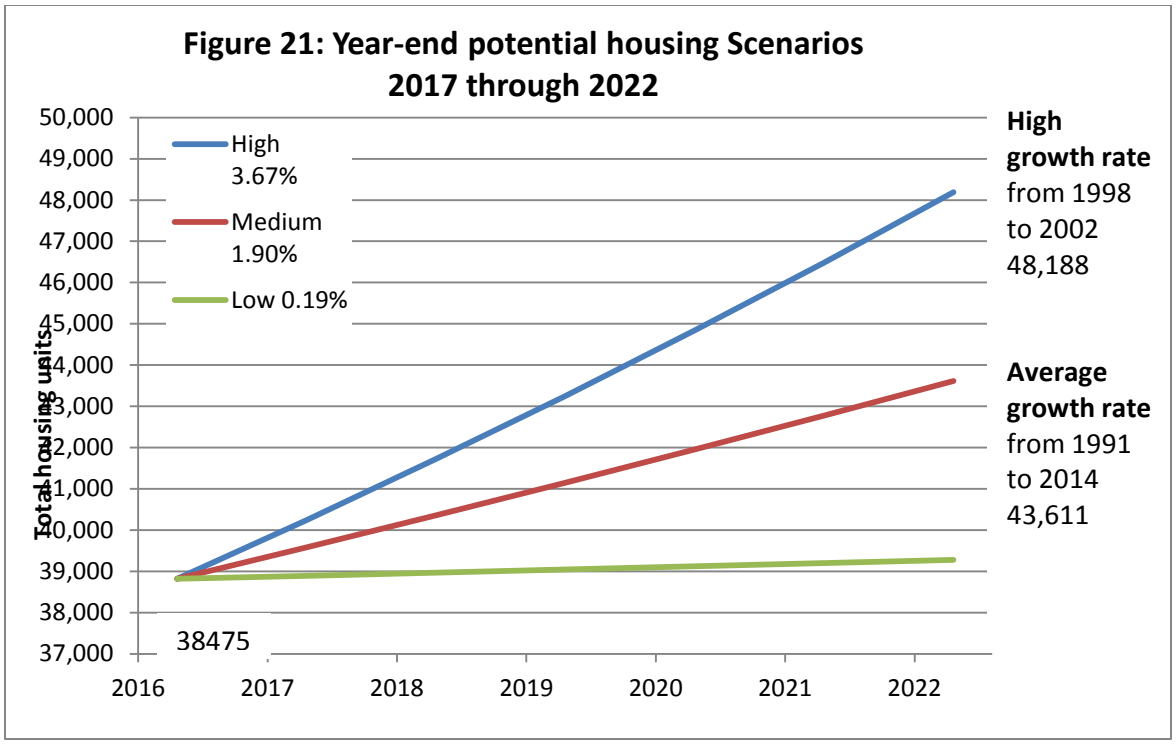
According to the State Demographers Office, Colorado is expected to have the fourth fastest growth rate and be eighth fastest in terms of absolute population growth of any state. Most of this growth will occur along the Front Range (Leeds School of Business, 2016).

IX Potential Scenarios and Growth Projections

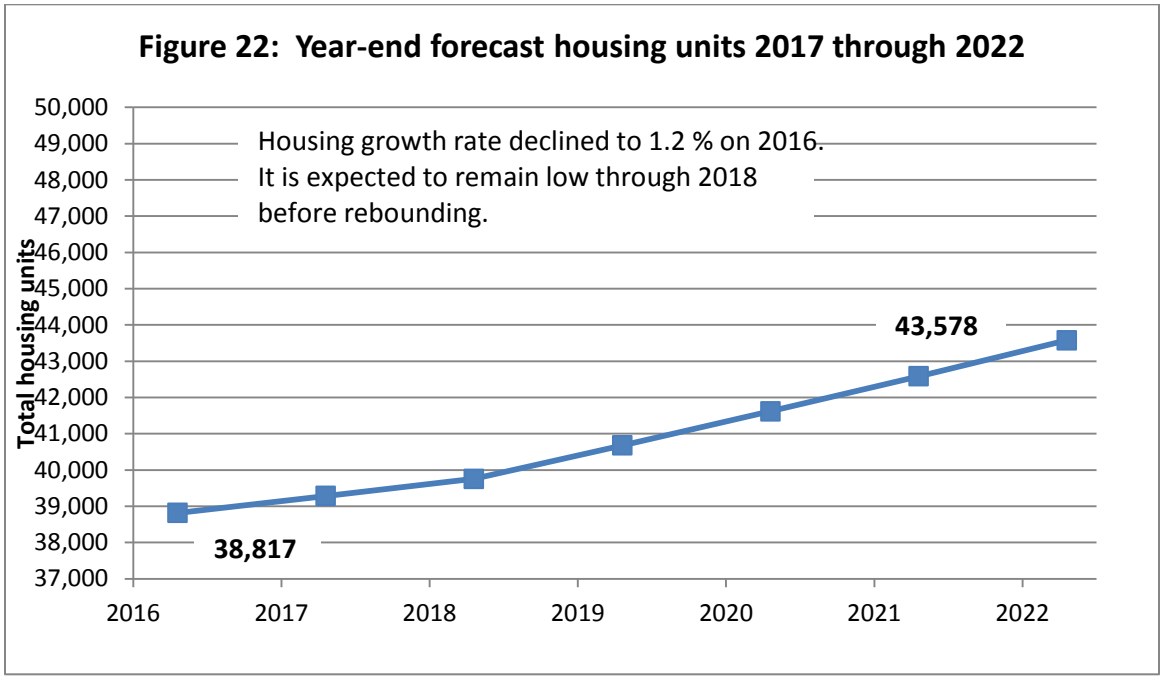
Between 1991 and 2016, growth rates ranged from a low of 0.12% to a high of 4.14% as shown in Figure 20. The distribution of these growth rates is highly bimodal with lower growth rates occurring during and immediately following recessions and higher growth rates occurring during recovery periods.



Additionally, strong growth after the Great Recession was driven by energy development, especially during 2013 and 2014. Although oil and gas employment remained steady through January, 2015, the oil and gas price drops and volatility lead to a 60% drop in drilling rigs operating in Weld County. Because many of the oil field workers employed in Weld County had relocated to this area, there is potential for negative energy employment effects to impact the real estate and housing markets.

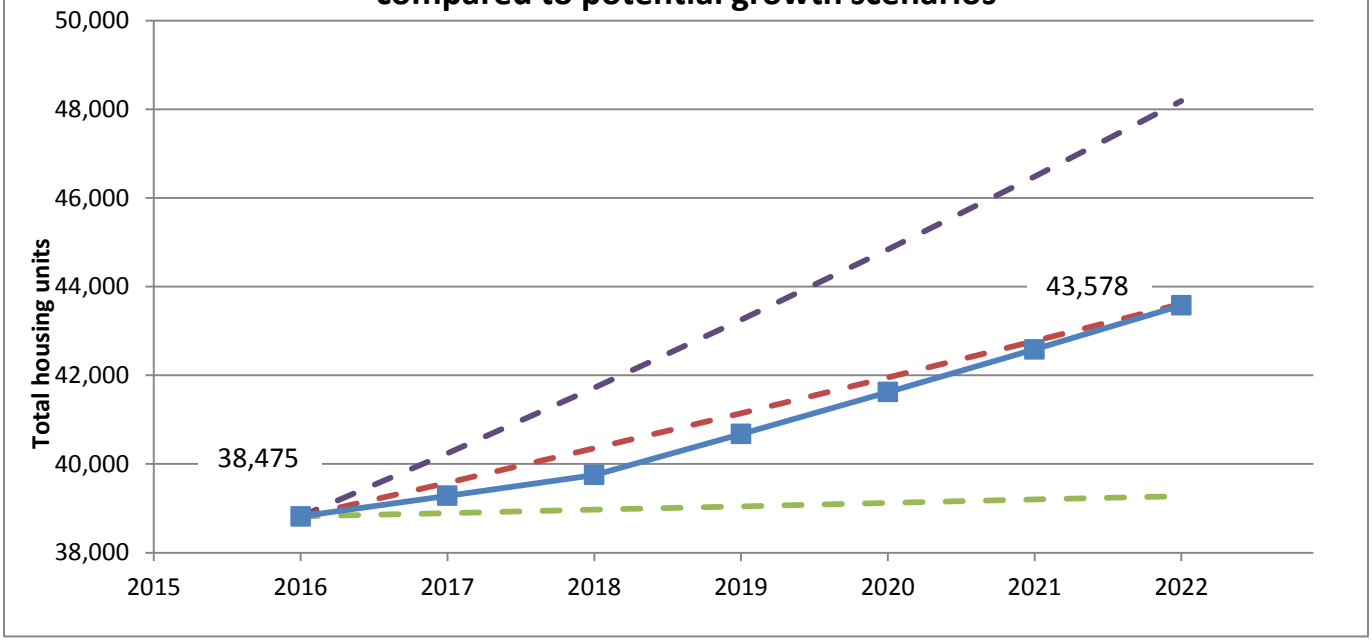


We had anticipated a decline in residential building permits in Greeley to begin during 2017, with 2016 being having had an increase in residential building permits. Instead the decline appears to have begun in 2016 with a 38% drop in permits from 2015. Trends that may be driving this recent decline are discussed above. So far, there is no reason to expect these trends to contribute to a permanent slowing of Greeley's growth rate.



We anticipate growth will rebound to its historic 1.9% average rate per year by 2022 based in historic fluctuations in the residential growth rate as shown in Figure 15.

Figure 23: Year-end forecast housing units 2016 through 2022 compared to potential growth scenarios



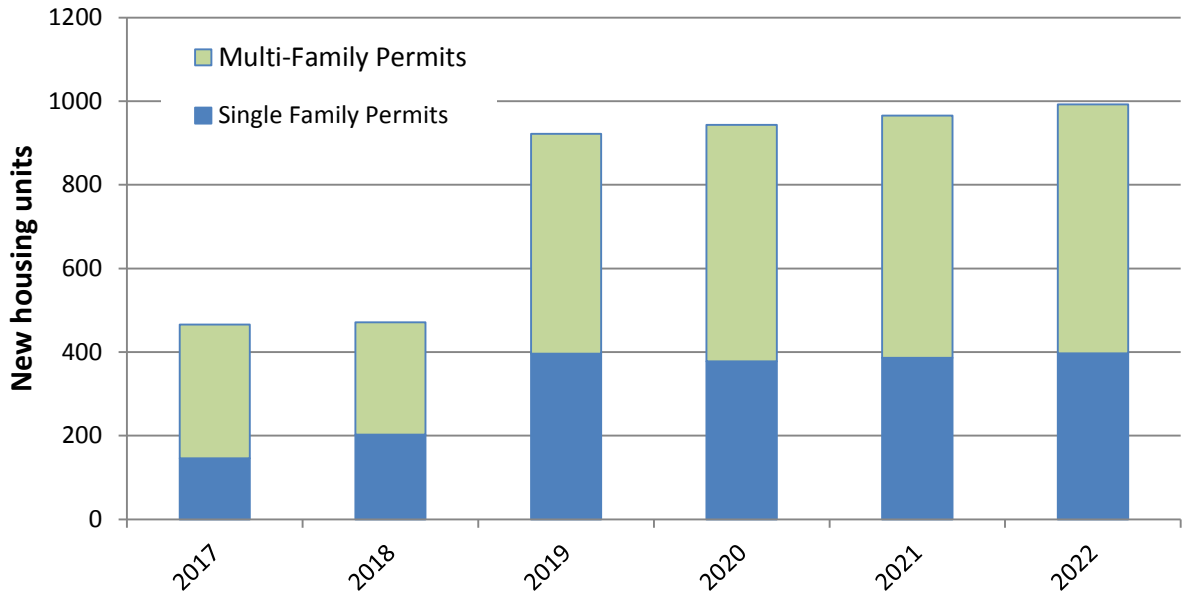
It is anticipated that the trend toward higher density multi-family housing that began during the most recent recovery will continue as raw water available for conversion to urban uses becomes scarcer and more expensive.

Table 11: Projected Split Of Multi-Family and Single Family Housing

	Total New Housing Permits	Single Family Permits	Multi-Family Permits
2017	466	146	320
2018	471	203	269
2019	922	397	526
2020	944	377	566
2021	966	386	579
2022	992	397	595

It is expected that trends in place will continue as they have since 2012. Long term diversification of Northern Colorado's economy is expected to continue, and this has, and will continue to have, a positive effect on Greeley. It is anticipated that much of the pent up demand for housing should be addressed after 2018. As land with water already dedicated is absorbed and single-family housing becomes less affordable, market forces will likely mean that a higher proportion of these housing units will be multi-family because of the lower cost per unit of raw water and tap fees.

Figure 24: Projected Split Of Multi-Family and Single Family Housing



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