

The Economics of Land Use



Final Report

Comprehensive Plan Economic Analysis

Prepared for:

City of Greeley

Prepared by:

Economic & Planning Systems, Inc.

June 30, 2017

*Economic & Planning Systems, Inc.
730 17th Street, Suite 630
Denver, CO 80202-3511
303 623 3557 tel
303 623 9049 fax*

*Denver
Los Angeles
Oakland
Sacramento*

www.epsys.com

EPS #173003

Table of Contents

1.	INTRODUCTION AND SUMMARY OF FINDINGS	1
	Project Introduction and Approach	1
	Summary of Findings	2
2.	ECONOMIC AND DEMOGRAPHIC FRAMEWORK	3
	Employment Conditions and Trends.....	3
	Demographics	11
	Commuting Patterns.....	15
3.	COMMERCIAL AND INDUSTRIAL DEVELOPMENT	17
	Office Inventory.....	17
	Industrial and Flex Inventory.....	23
4.	GREELEY’S PRIMARY EMPLOYMENT AREAS	30
	Employment Land Use Framework	30
	Primary Employment Areas	32
5.	GREELEY’S ECONOMIC OPPORTUNITIES	38
	Strengths and Assets	38
	Weaknesses and Threats	39
	Opportunity Industries and Areas.....	40
	Recommended Policies and Actions	43

List of Tables

Table 1	Wage and Salary Employment, Weld and Larimer Counties, 2001 to 2015.....	4
Table 2	Wage and Salary Employment, Greeley, 2002 to 2014.....	7
Table 3	Largest Employers, Greeley, 2015.....	9
Table 4	Employment by Industry Type, 2016.....	10
Table 5	Population and Household Change, 2000 to 2016.....	11
Table 6	Household Income, 2016.....	13
Table 7	Educational Attainment, 2016.....	14
Table 8	Workforce Place of Residence and Resident Place of Employment, Greeley, 2014 ...	15
Table 9	Office Inventory, 2000 to 2016.....	18
Table 10	Industrial and Flex Inventory, 2000 to 2016.....	24

List of Figures

Figure 1	Alignment of Opportunities and Employment Areas	2
Figure 2	Share of Total Employment, Weld and Larimer Counties, 2001 to 2015.....	3
Figure 3	Total Employment Change, Weld and Larimer Counties, 2010 to 2015	5
Figure 4	Location Quotient by Industry, Northern Colorado and Colorado, 2015	6
Figure 5	Average Annual Wages of Greeley’s Largest Industries, 2015	8
Figure 6	Resident Age, 2016	12
Figure 7	Workforce Place of Residence, Greeley, 2014.....	16
Figure 8	Office Rent, 2000 to 2016	19
Figure 9	Office Vacancy, 2000 to 2016	20
Figure 10	Office Construction, 2000 to 2016	21
Figure 11	New Office Development, Weld and Larimer Counties, 2000 to 2016	22
Figure 12	Industrial and Flex Rent, 2000 to 2016	25
Figure 13	Industrial and Flex Vacancy, 2000 to 2016	26
Figure 14	Industrial and Flex Deliveries, 2000 to 2016.....	27
Figure 15	New Industrial Development, Weld and Larimer Counties, 2000 to 2016	29
Figure 16	Greeley’s Employment Land Use Framework.....	31
Figure 17	Greeley’s Primary Employment Areas	32
Figure 18	Presence of Adequate Public Facilities in Greeley	33
Figure 19	Areas with Existing or Proximity to Sewer Infrastructure	34
Figure 20	Areas with Existing Adequate Fire Service	35
Figure 21	Alignment of Opportunities and Employment Areas	42

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

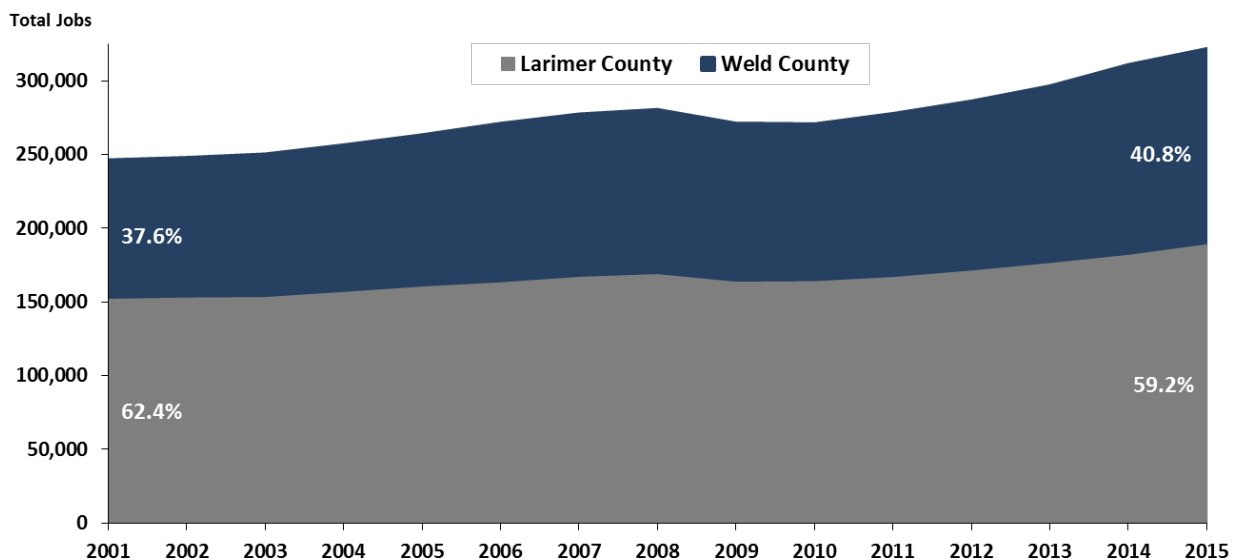
Region Employment

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

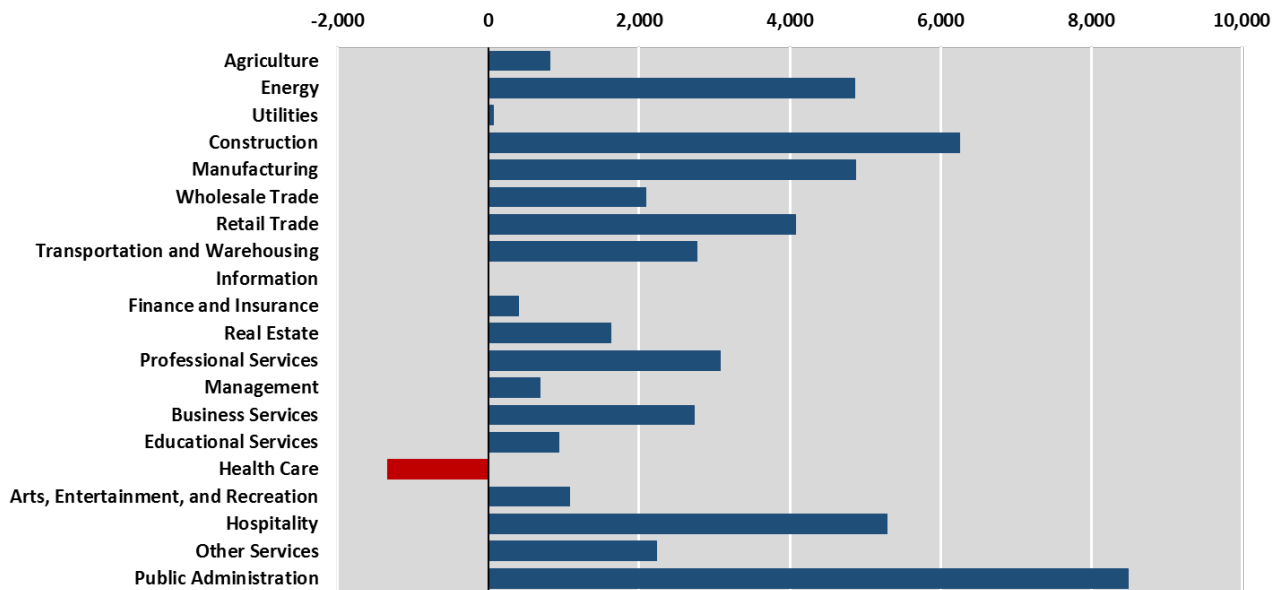
Sector	2001	2010	2015	Change 2001-2015			Change 2010-2015		
				Tot. #	Ann. #	Ann. %	Tot. #	Ann. #	Ann. %
Agriculture	8,453	8,115	8,930	477	34	0.4%	815	163	1.9%
Energy	1,909	3,822	8,678	6,769	484	11.4%	4,856	971	17.8%
Utilities	449	519	588	139	10	1.9%	69	14	2.5%
Construction	21,908	19,883	26,141	4,233	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 Recrea	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	<u>38,508</u>	<u>45,219</u>	<u>53,706</u>	<u>15,198</u>	<u>1,086</u>	<u>2.4%</u>	<u>8,487</u>	<u>1,697</u>	<u>3.5%</u>
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.

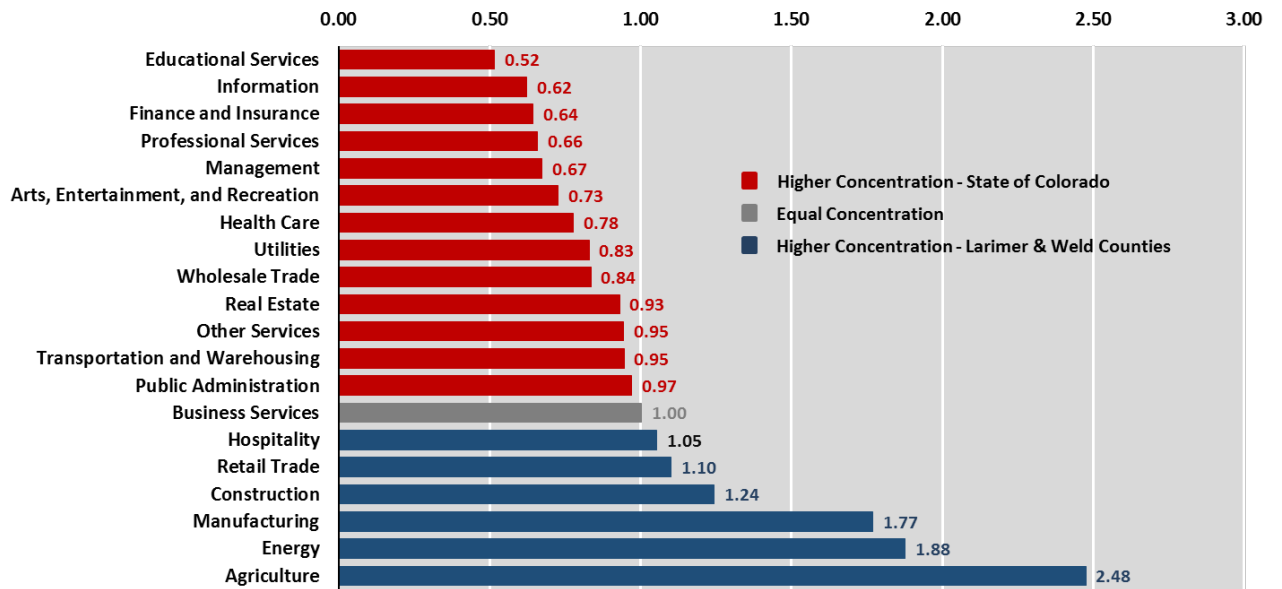
Figure 3
Total Employment Change, Weld and Larimer Counties, 2010 to 2015



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	<u>2,660</u>	<u>2,029</u>	<u>2,927</u>	<u>267</u>	<u>22</u>	<u>0.8%</u>
Total	37,099	35,422	45,695	8,596	716	1.8%

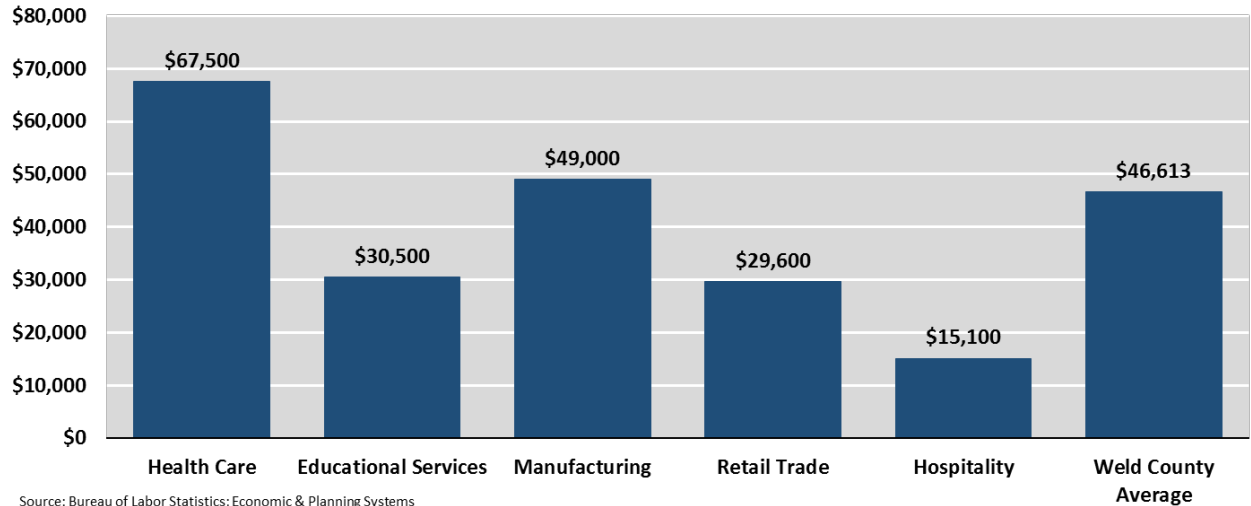
Source: LEHD; Economic & Planning Systems

H:\173003-Greeley Comprehensive Plan\Data\173003-Employment Summary.xlsx\Greeley 2 dig LEHD

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



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 Teletch 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
Teletch Services	662
Aims Community College	609
Colorado Premium Foods	423

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

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

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

H:\173003-Greeley Comprehensive Plan\Data\Employment\[Greeley Microdata Composite.xlsx]Primary Table (2)

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

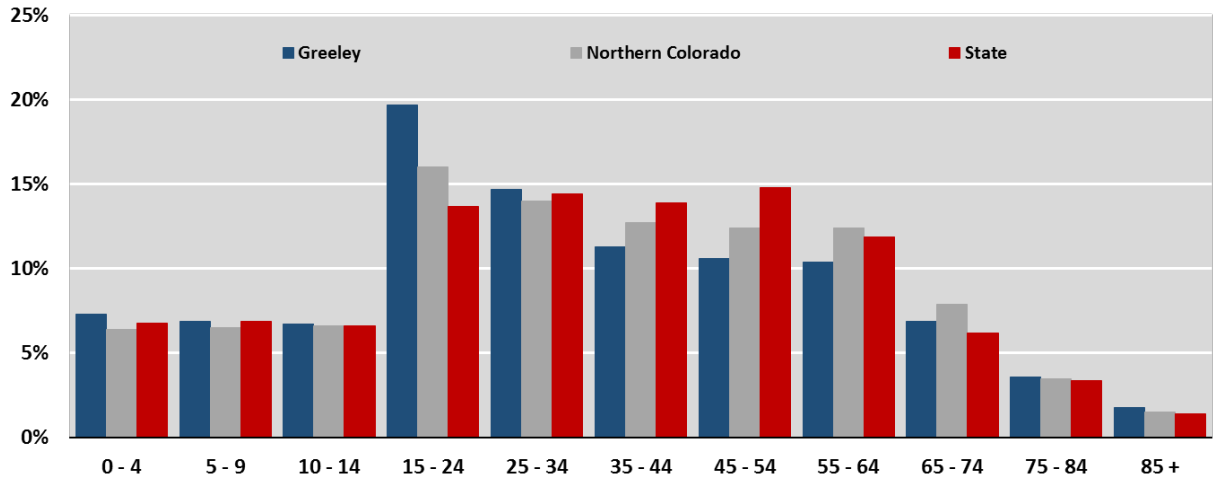
Description	2000	2010	2016	2000-2016		
				Total	Ann. #	Ann. %
Population						
Greeley	79,161	93,029	101,706	22,545	1,409	1.6%
Other Weld County	180,498	252,825	284,494	103,996	6,500	2.9%
Larimer County	<u>251,494</u>	<u>299,630</u>	<u>332,234</u>	<u>80,740</u>	<u>5,046</u>	<u>1.8%</u>
Northern Colorado 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	<u>97,164</u>	<u>120,295</u>	<u>133,203</u>	<u>36,039</u>	<u>2,252</u>	<u>2.0%</u>
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

H:\173003-Greeley Comprehensive Plan\Reports\173003-Greeley Tables and Charts.xlsx\Pop HH

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

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

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.

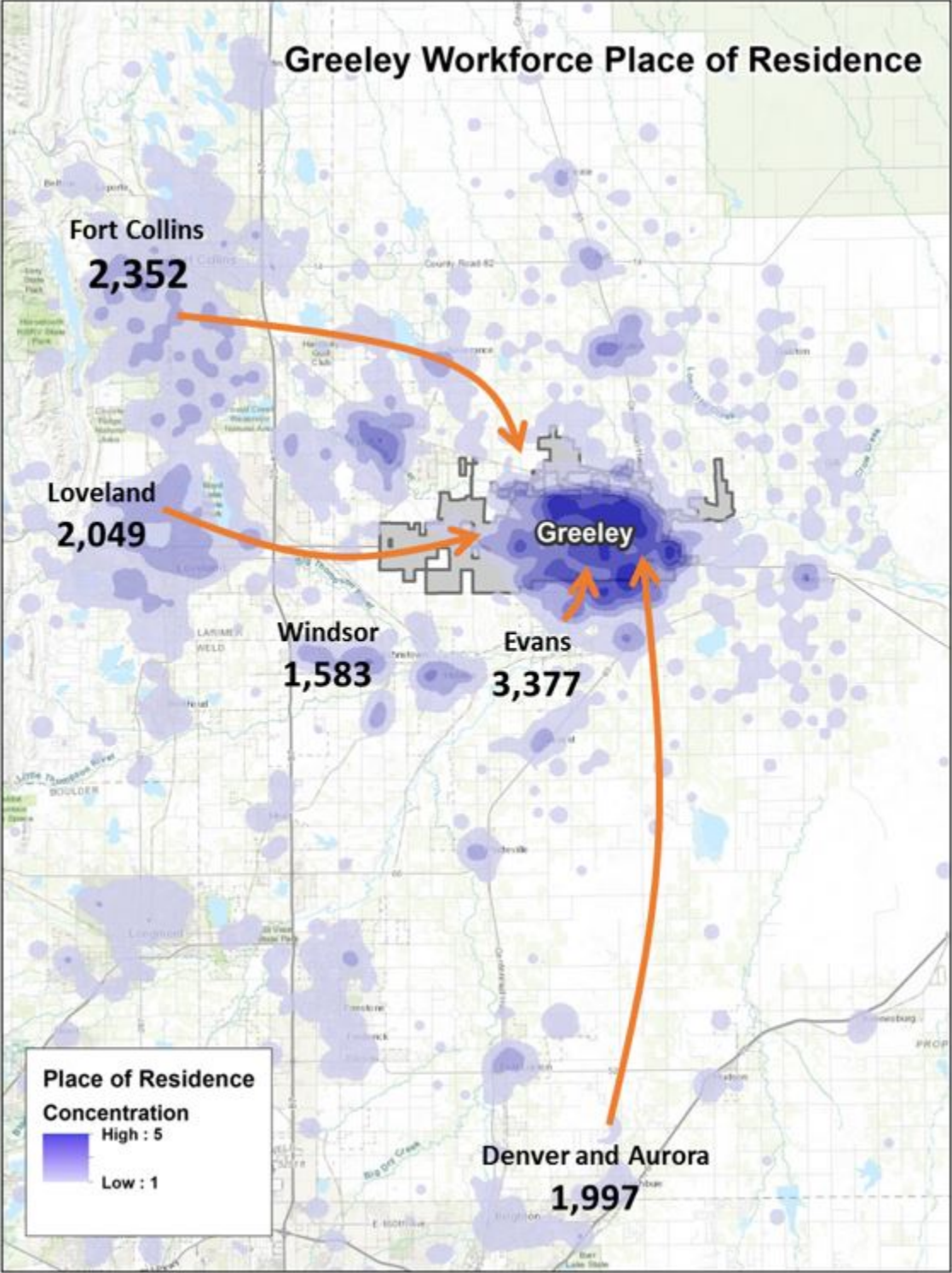
Table 8
Workforce Place of Residence and Resident Place of Employment, Greeley, 2014

Place of Residence	Workforce		Place of Work	Residents	
	Jobs	Pct.		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	<u>15,850</u>	34.7%	Other	<u>14,783</u>	32.9%
Total	45,695		Total	44,936	

Source: LEHD; Economic & Planning Systems

H:\173003-Greeley Comprehensive Plan\Reports\[173003-Greeley Tables and Charts.xlsx]InOut25

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	<u>7,164,502</u>	<u>10,083,909</u>	<u>10,547,631</u>	<u>3,383,129</u>	<u>211,446</u>	<u>2.4%</u>	<u>463,722</u>	<u>77,287</u>	<u>0.8%</u>
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

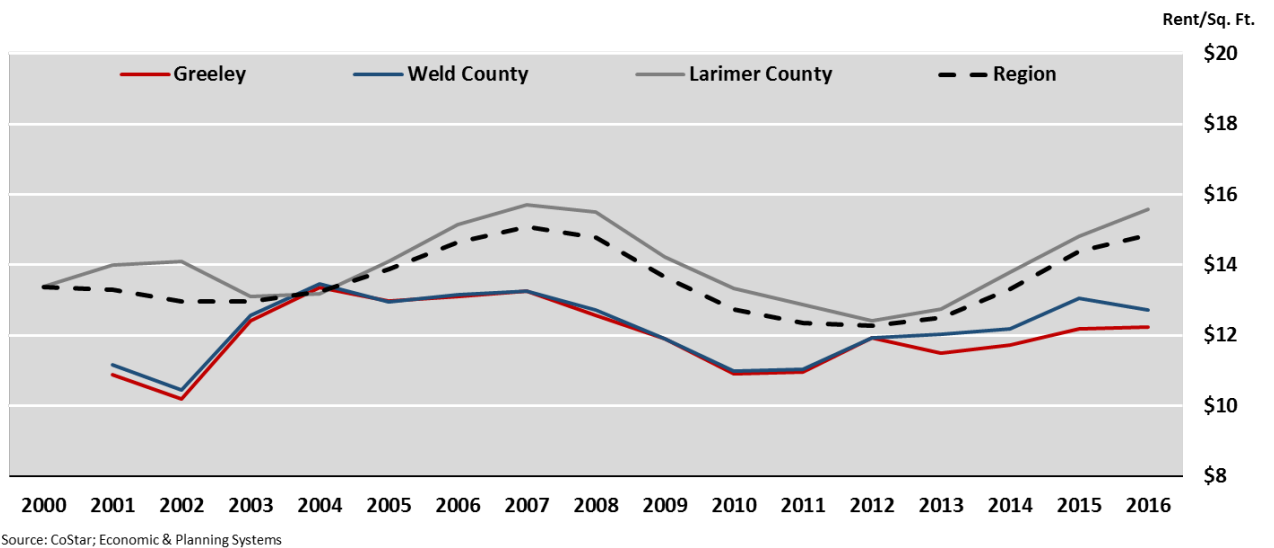
H:\173003-Greeley Comprehensive Plan\Data\173003-CoStar Summary.xlsx\Inventory (2)

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 2000 levels. As with Greeley and Weld County, Larimer County largely drives the regional trend as it contains 66 percent of the Region's space.

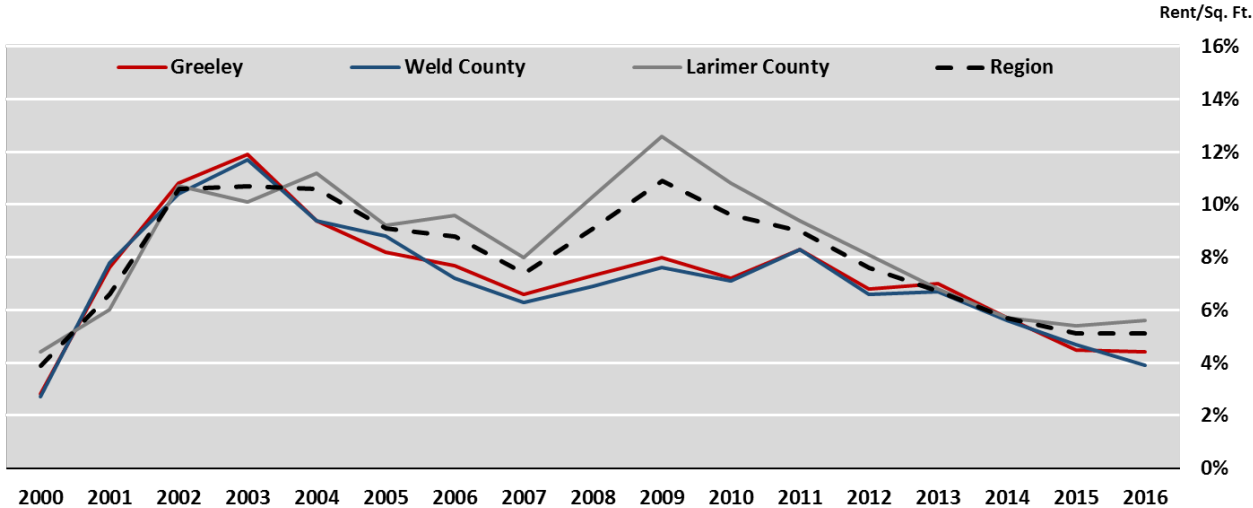
Figure 8
Office Rent, 2000 to 2016



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

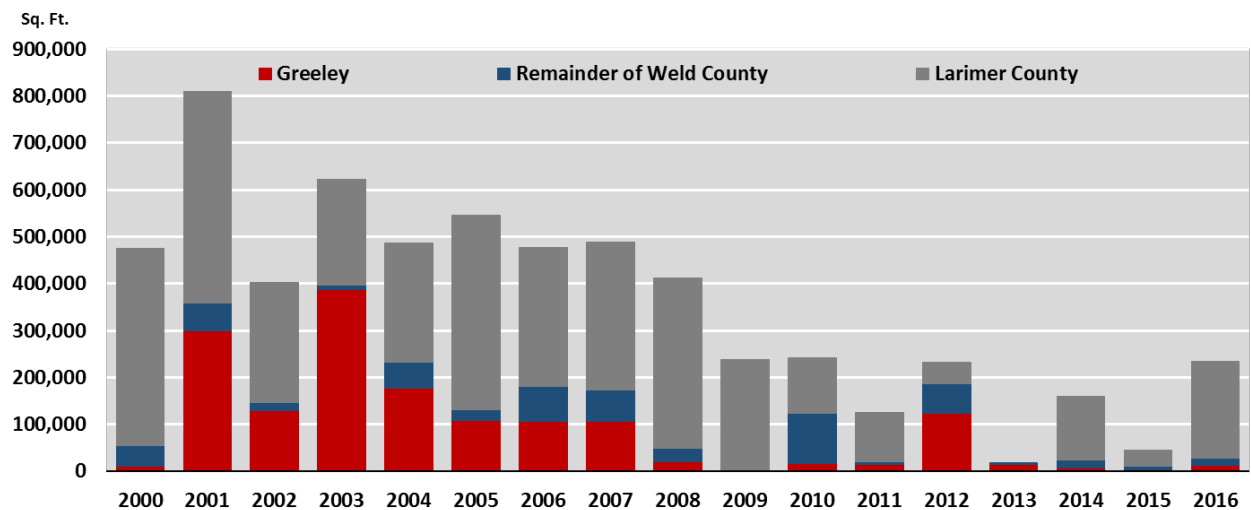


Source: CoStar; Economic & Planning Systems

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.

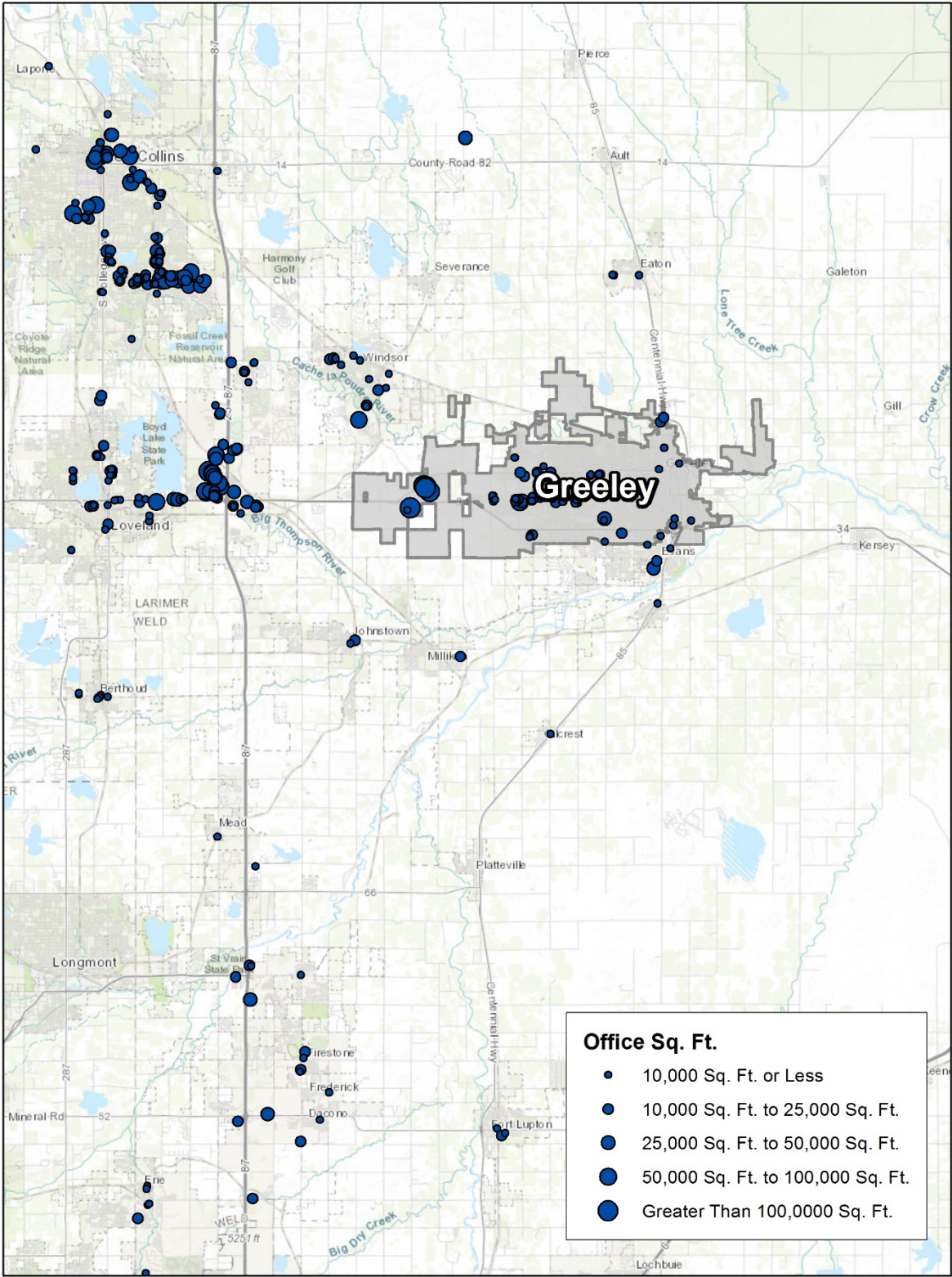
Figure 10
Office Construction, 2000 to 2016



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	<u>17,412,444</u>	<u>20,385,642</u>	<u>21,324,870</u>	<u>3,912,426</u>	<u>244,527</u>	<u>1.3%</u>	<u>939,228</u>	<u>156,538</u>	<u>0.8%</u>
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

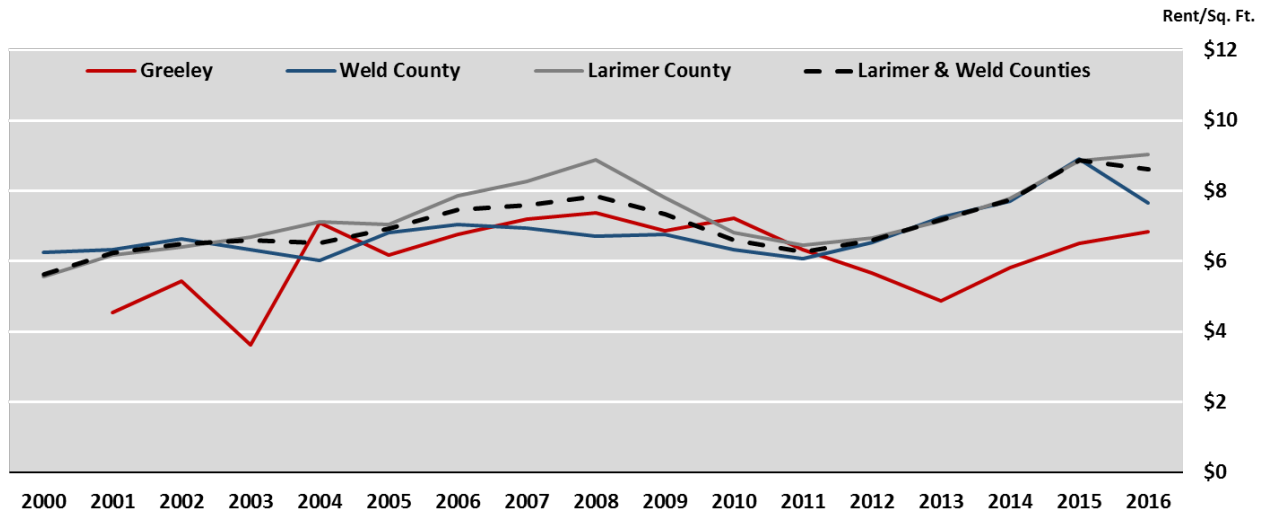
H:\173003-Greeley Comprehensive Plan\Data\173003-CoStar Summary.xlsx\Inventory (2)

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

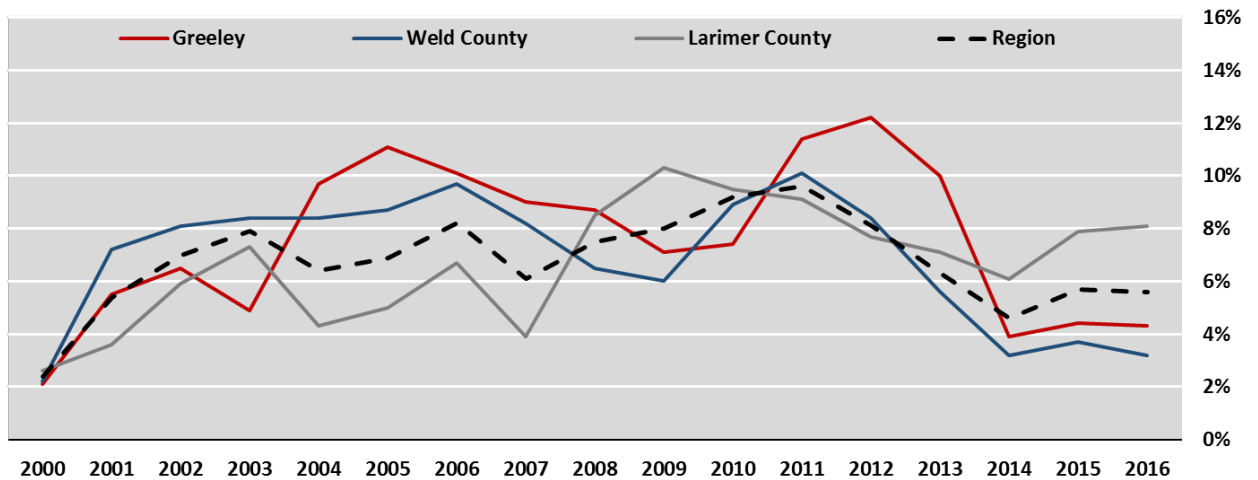


Source: CoStar; Economic & Planning Systems

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

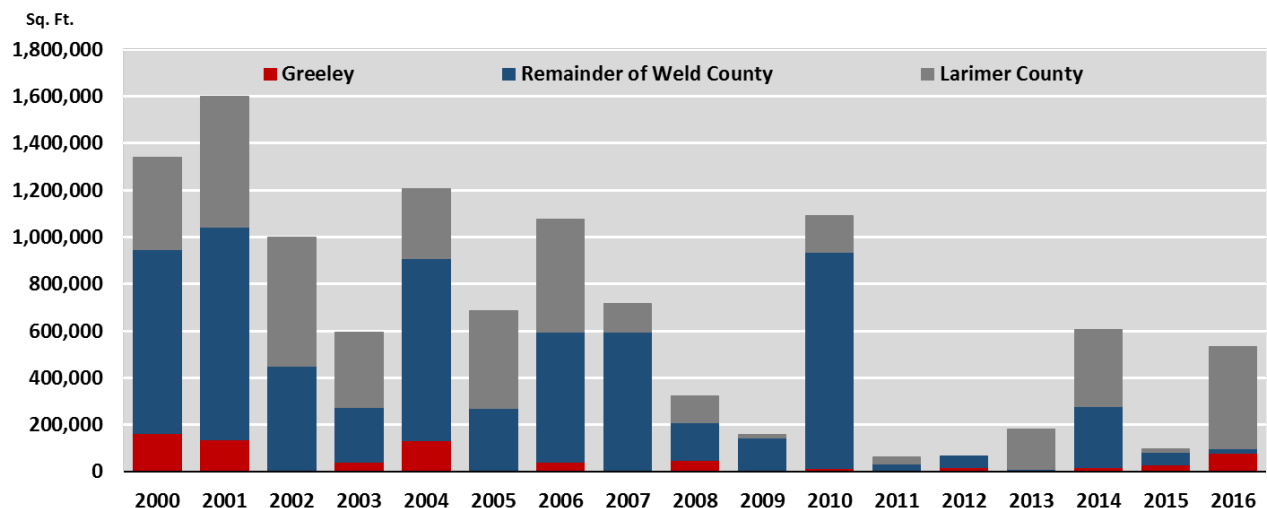


Source: CoStar; Economic & Planning Systems

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

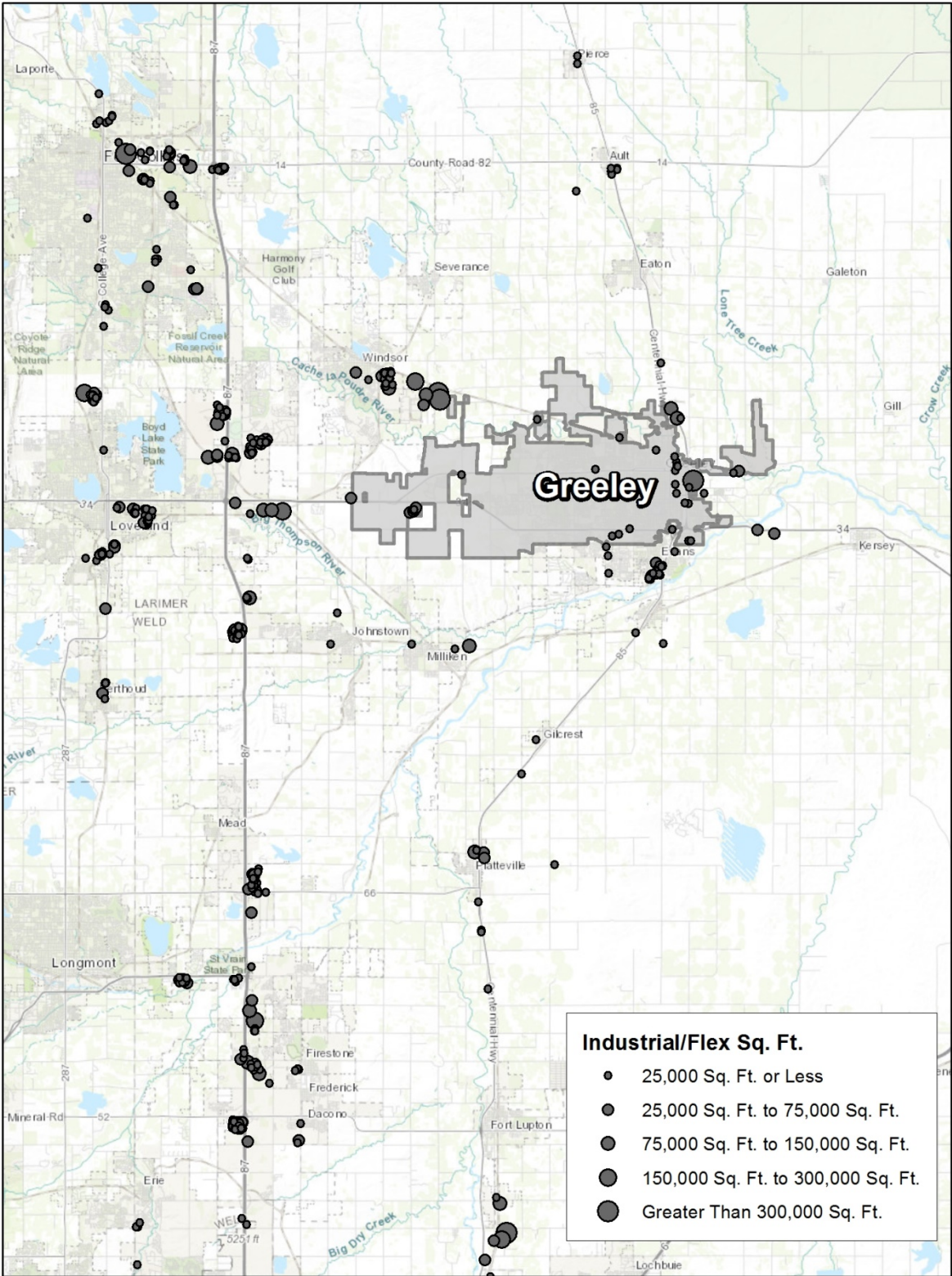
The raising rental rates, strong economic growth and low vacancy rates would indicate there is demand for new industrial space in the region. The lack of new industrial development in recent years is surprising given the job growth. New development of industrial has been scattered in variety of locations 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



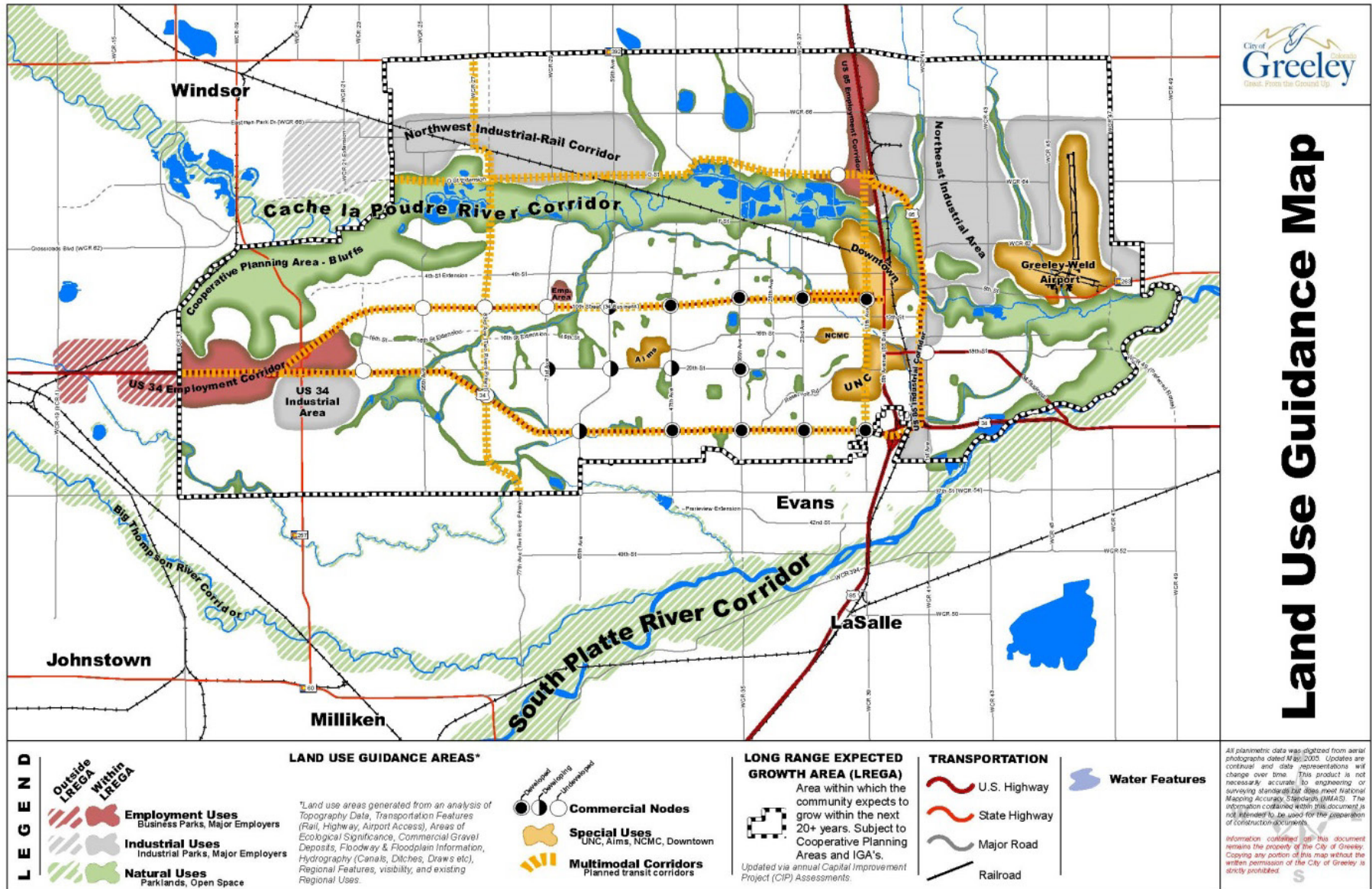
4. GREELEY'S PRIMARY EMPLOYMENT AREAS

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.

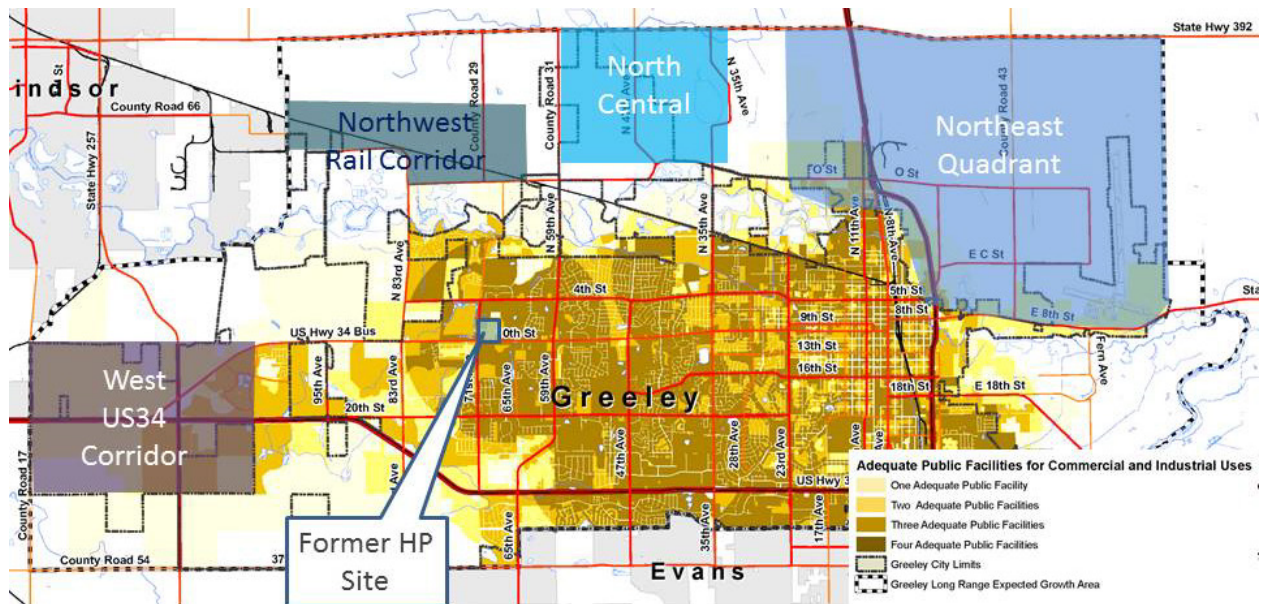
Figure 16
Greeley's Employment Land Use Framework



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

Adequate Public Facilities 2015

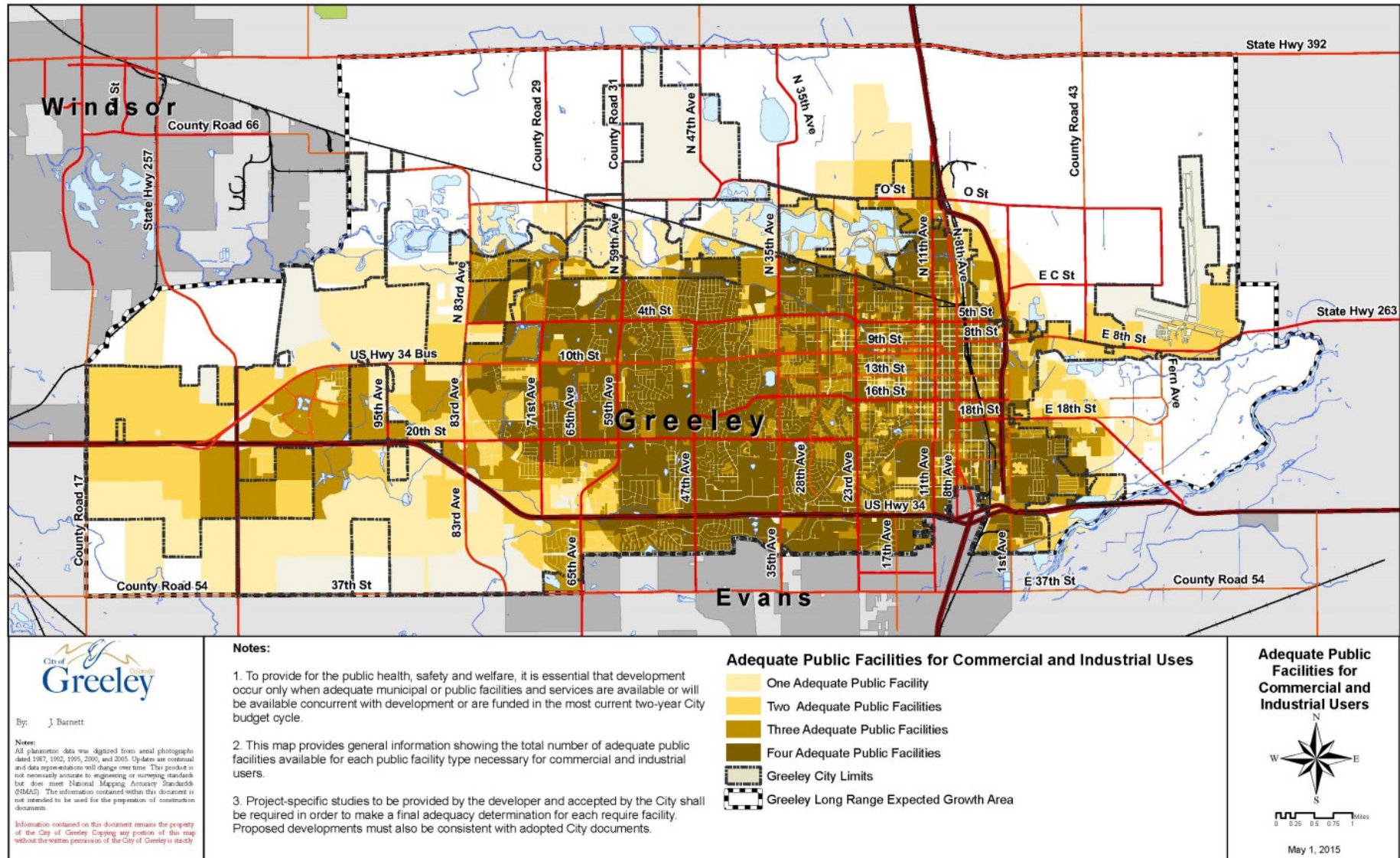


Figure 19
Areas with Existing or Proximity to Sewer Infrastructure

Adequate Public Facilities 2015

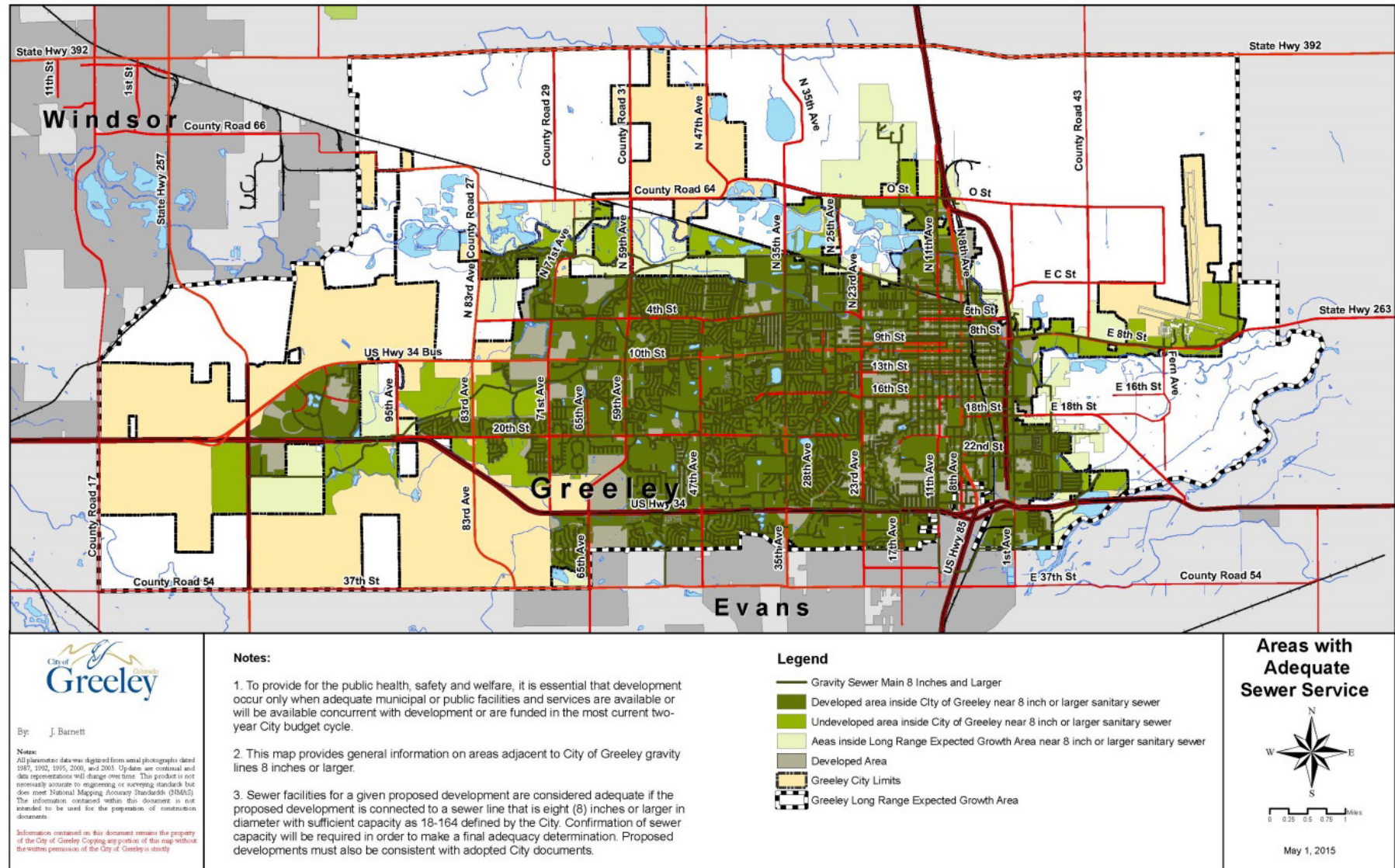
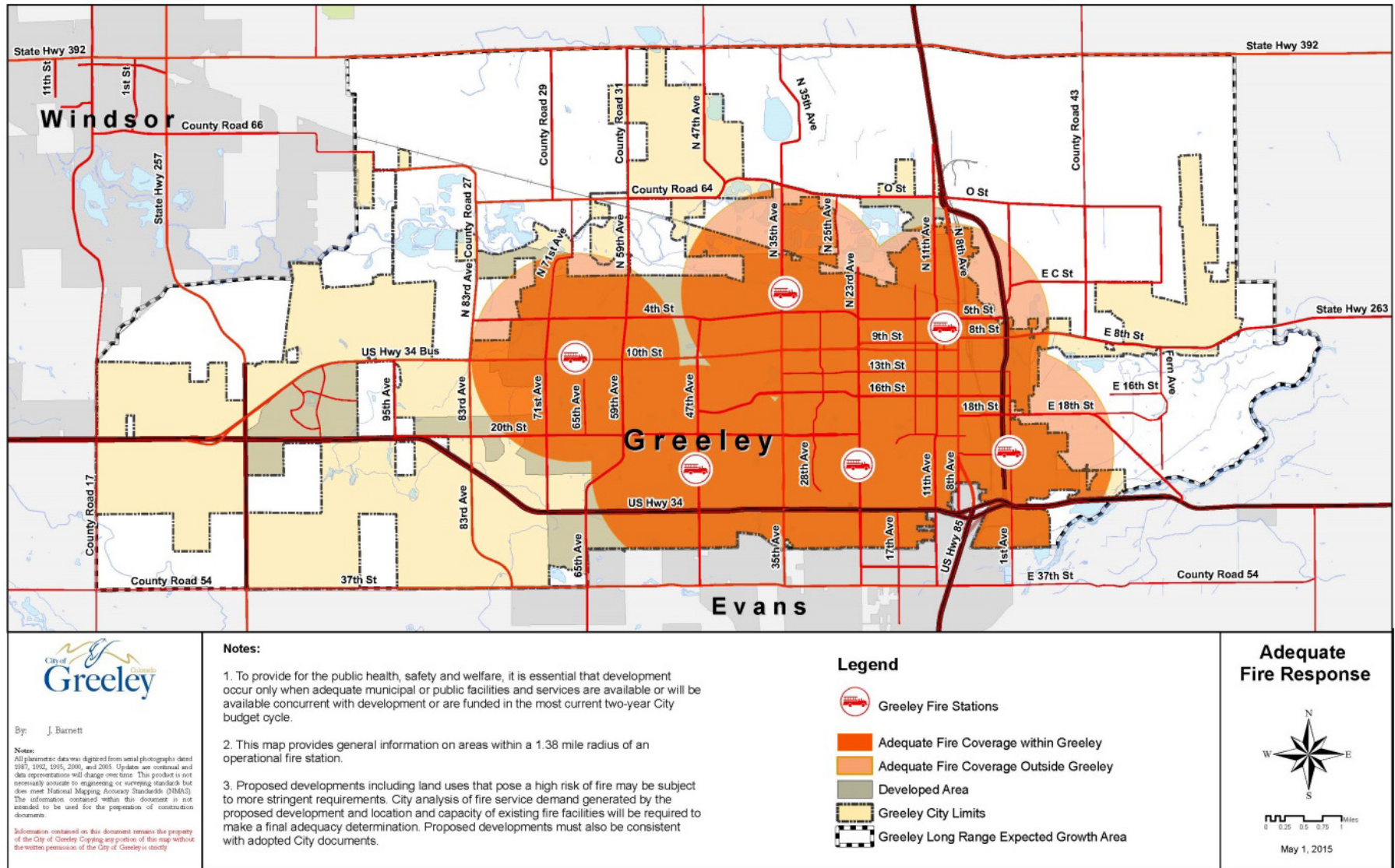


Figure 20
Areas with Existing Adequate Fire Service

Adequate Public Facilities 2015



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 than 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 plains 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.