

**Garfield County, Colorado**  
**Economic Profile**  
**April 2013**



Garfield County | 108 8<sup>th</sup> Street | Glenwood Springs | Colorado

970.945.1377 | [www.garfield-county.com](http://www.garfield-county.com)

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## Section I – Demographics

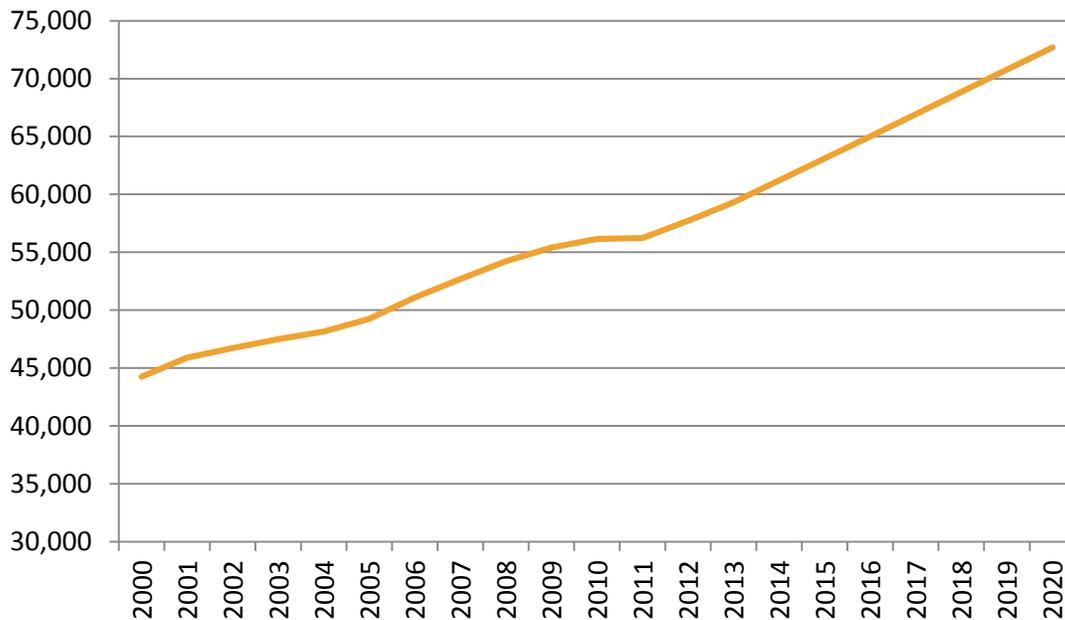
### Population

Generally Garfield County has experienced a steady increase in population over the past few decades but with more rapid growth occurring between 2004 and 2009. This was largely the result of a burgeoning natural gas extraction industry, but also due to an ongoing but slower expansion of tourism, second home development and regional services. During this period, there was a significant in-migration of new workers and families, which fueled housing development, retail expansion and rapid wage growth. At times during this period, Garfield County experienced shortages of labor and a rapidly appreciating housing market.

In 2008, an abundance of new natural gas reserves were uncovered elsewhere around the country and the value of natural gas began a national decline. The national recession also cut spending on travel, tourism and second home development, with predictable declines in all measures of local economic activity.

Due to the national and local recession population remained flat in 2011 and experienced a modest 0.2% growth rate in 2012. Forecasts indicate that the population of Garfield County will resume an upward trend in 2013 with a robust 3.0 percent per year growth rate over the next 20 years. This is largely predicated on continued growth in managing operating gas wells an eventual resurgence in natural gas exploration and development. The tourism industry is also expected to contribute to local economic expansion. The population is estimated at 59,306 for 2013. The US Census Bureau reported a population of 56,389 in 2010.

**Actual and Projected Population of Garfield County**



Source: Colorado Division of Local Government (DOLA), <https://dola.colorado.gov>

Garfield County has five municipalities that stretch along the Colorado River and the I-70 corridor and one town, Carbondale, which is situated along the Roaring Fork River and closely tied to the economic fortunes of Aspen and Snowmass Village. Glenwood Springs remains the largest local community in the county. In the period 1990 to 2010, the town of Rifle, which is about 25 miles west of Glenwood Springs, absorbed the majority share of the county's new growth—largely because of Rifle's proximity to the most active natural

gas development areas. The incorporated municipalities have absorbed most of the County’s growth for many years, a reflection of expanding services and industrial sectors, as well as the slowly diminishing role for agriculture and ranching. Population in unincorporated areas, as a percent of total county residents, shrank from 57 percent of all county residents in 1990 to 40 percent in 2010.

**Population of Cities and Towns within Garfield County, 2011**

Area	Population
Carbondale	6,406
Glenwood Springs	9,570
New Castle	4,500
Parachute	1,078
Rifle	9,145
Silt	2,921
Unincorporated Area	22,617
<b>Total</b>	<b>56,237</b>

Source: Colorado Division of Local Government (DOLA), <https://dola.colorado.gov>

Like much of western Colorado, Garfield County has a largely Anglo population with a significant Hispanic minority population, which grew rapidly during the mid-2000s energy boom. The county’s proportion of Hispanic and Anglo populations mirrors that of the state as a whole.

**Ethnic Diversity, 2010**

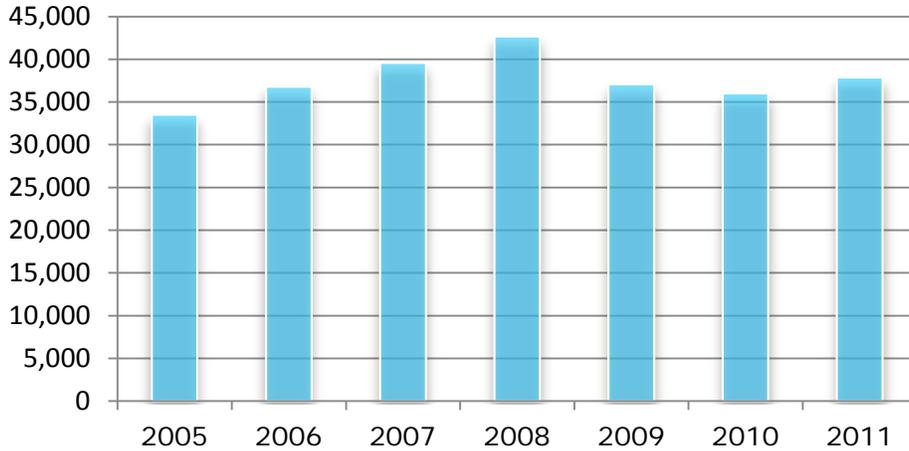
Ethnicity or Race	Percent of population
Caucasian or White	82%
Hispanic	13%
Other	5%
<b>Total</b>	<b>100%</b>

Source: Colorado Division of Local Government (DOLA), <https://dola.colorado.gov>

## Income

Steady growth in per capita personal incomes took place until 2008 peaking at \$42,666. In 2009 per capita personal income for Garfield County declined by 13% followed by a more moderate drop in 2010. 2011 saw a return to growth.

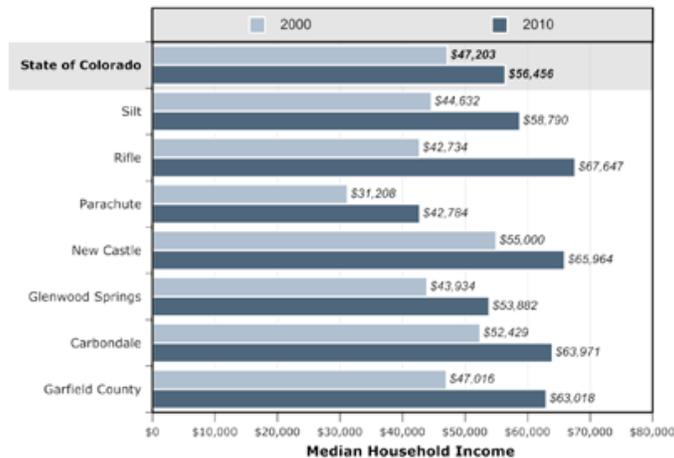
**Garfield County Per Capita Personal Income**



Source: U.S. Bureau of Economic Analysis [www.bea.gov](http://www.bea.gov)

During the period 2000-2010, median household income grew significantly. In 2000, county median household income was slightly below the statewide average. By 2010, every community in Garfield County, with the exception of Parachute and Glenwood Springs, reported median household income in excess of the statewide average. The median household income of Garfield County is \$60,456 in 2010 (U.S. Census Bureau), higher than the state median of \$54,411 and the national median of \$50,046.

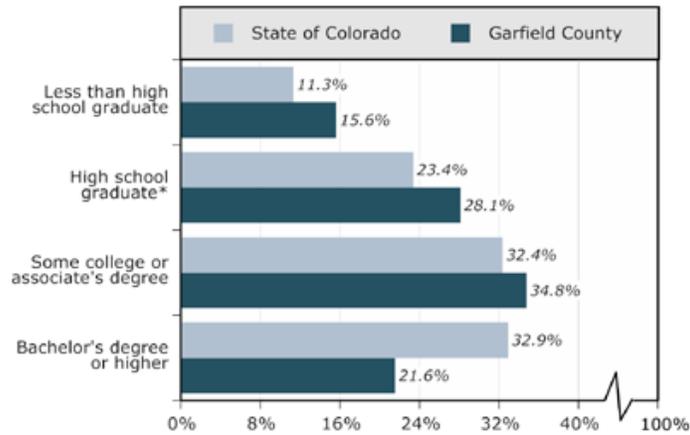
**Median Household Income by Municipality, Garfield County, 2000 and 2010**



## Educational Attainment and Public School Enrollment

Educational attainment is slightly lower in Garfield County than in the state as a whole.

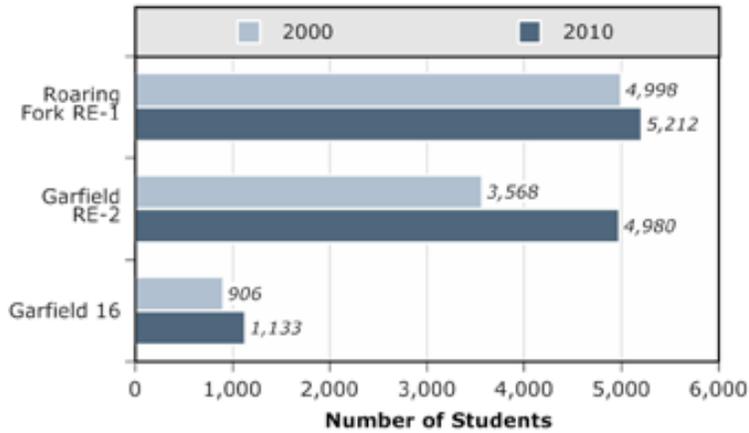
### Educational Attainment, Garfield County and Colorado, Residents 18 and older



Source: U.S. Census 2008-2010 3-year estimates

In total, the number of pupils attending public schools in Garfield County grew by 20 percent between 2000 and 2010, faster than state population growth (11%) but slower than overall county population growth. Garfield RE-2 and Garfield 16 school districts, which cover the central part of the County, including the towns of Parachute, Rifle, New Castle and Silt, added the largest number of pupils and grew at the most rapid rates. District RE-1, which serves Carbondale and Glenwood Springs, grew at a much slower pace.

### Public School Enrollment Growth, 2000 and 2010

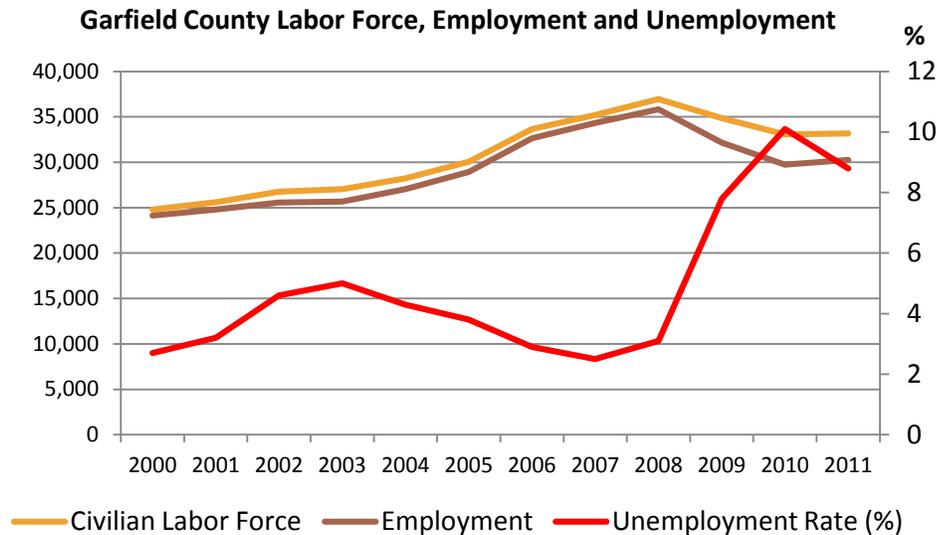


Source: Colorado Department of Education, 2000-2010 Pupil Membership District Level Data.

## SECTION II – The Local Economy

### Labor Force and Employment

Garfield County has seen strong job growth and historically low unemployment rates over the last decade. However, with gas drilling reductions, in combination with the effects of a national economic recession and reduced area tourism and second home development, the County's employment outlook began to change drastically in 2008. There was a significant reduction in both jobs and the available labor force (approximately 14% over a two year period) and the unemployment rate spiked, reaching a peak of 11.7% in March 2010. Since then there has been a steady drop in unemployment and as of November 2012 Garfield County's unemployment rate was 7.3%, lower than both the State and nation at 7.7%. It is expected this rate will continue to decline albeit at a slow pace.



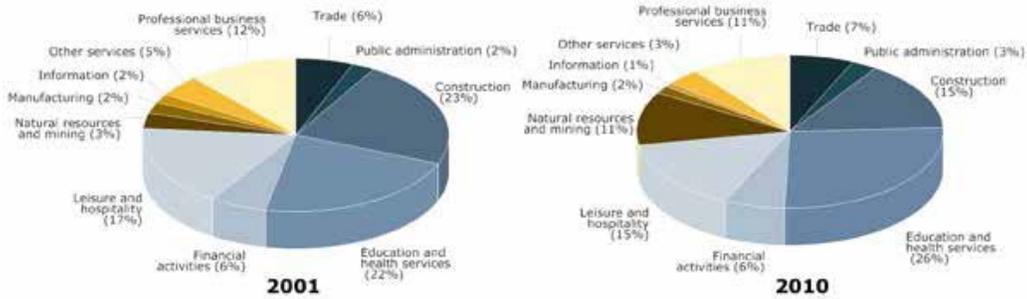
Source: Colorado Department of Labor and Employment (CDLE)

At the end of the 4<sup>th</sup> quarter, 2011 the estimated average annual wage in Garfield County was \$46,696, 92% of the Colorado average hourly wage. Garfield County ranks as the 9<sup>th</sup> highest wage in the state.

### Industry Sector Overview

As mentioned above, between 2000 and 2010, Garfield County employment experienced strong growth, increasing by 9,000 jobs, or about 4.5 percent per year. During this same period of rapid economic expansion, there was a significant shift in employment patterns.

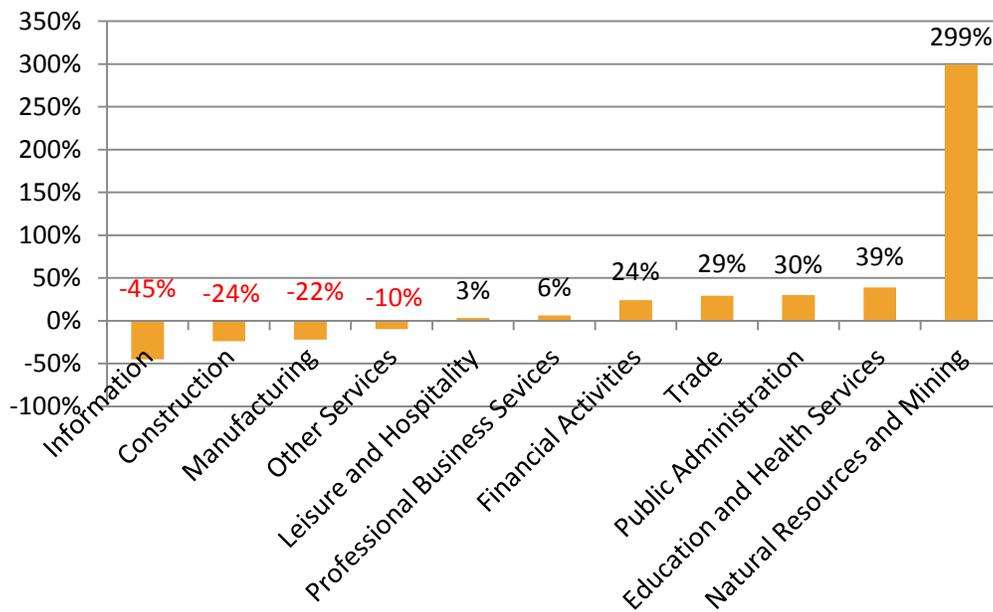
## NAICS Industry Average Employment, Garfield County, 2000 and 2010



Source: Colorado Department of Labor and Employment, QCEW annual totals. Data includes all Federal, State, Local and privately owned firms

The largest increase in employment share by category occurred in the mining and natural resources industry, which includes oil and gas production activities. It should also be noted that many natural resource extraction-related jobs occur in other employment categories, such as construction and transportation. The local construction industry lost a significant share of county employment. The downturn in resort-related real estate construction, beginning in about 2008, had a major impact on Garfield County, which was home to a large share of contractors, fabricators and suppliers that support the second home industry in both Eagle and Pitkin counties. The average change of all industries was 16% increase from 2001 to 2010.

## Employment Change by Industry Sector 2001 to 2010



Source: Department of Labor and Employment (CDLE), <http://lmigateway.coworkforce.com>

### Top Employers in Garfield County, 2011

Employer	Rank	Type of Business	Number of Employees	Percentage of Total
Valley View Hospital	1	Healthcare	902	3.09%
Roaring Fork School District RE-1	2	Schools	750	2.57%
Garfield County School District RE-2	3	Schools	737	2.53%
Colorado Mountain College	4	College	523	1.79%
Garfield County	5	Government	481	1.65%
Wal-Mart	6	Retail	423	1.45%
City Market	7	Retail	348	1.19%
Grand River Hospital & Medical Center	8	Medical	344	1.18%
City of Glenwood Springs	9	Government	337	1.16%
Garfield County School District 16	10	Schools	163	0.56%
Total employed by principal employers			4,106	14.07%
Employed by other employers			26,155	85.9258%
Total employed in Garfield County			<u>30,261</u>	<u>100%</u>

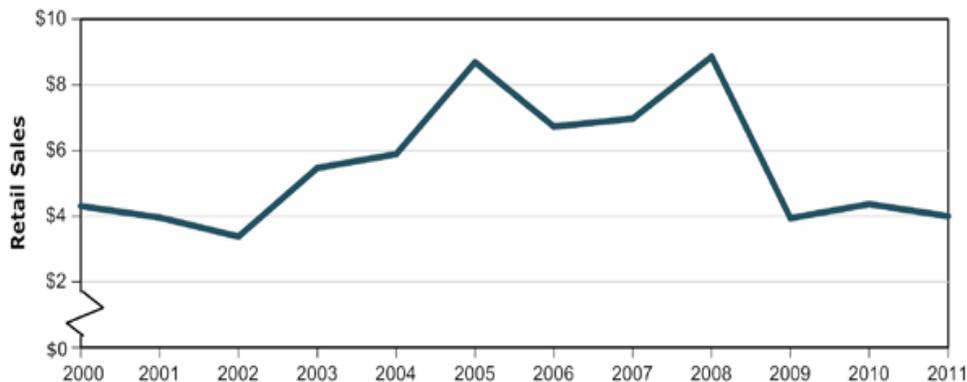
Source: Garfield County Finance Department

### Energy and Natural Resource Industry

Natural Resource development, specifically natural gas and prospectively oil shale, has had the most dramatic economic influence on Garfield County over the last decade. As of 2008, nearly one-third of all mining industry employment for the State of Colorado was located in Garfield and the neighboring Mesa and Rio Blanco counties. Between 2004 and 2005, Garfield County experienced a rapid increase in its share of statewide mining employees, which then leveled off and modestly declined between 2006 and 2009. The industry slowed in 2008 as gas prices fell and operators began pulling drilling rigs to pursue emerging gas field prospects elsewhere in the U.S. Currently approximately 9.5 percent of Colorado mining employment is within Garfield County.

The natural gas boom, which spurred Garfield County's economy in the 2000s, was driven in part by a rapid escalation in gas prices.

Henry Hub Natural Gas Spot Prices per 1,000 Cubic Feet, 2000 to 2011

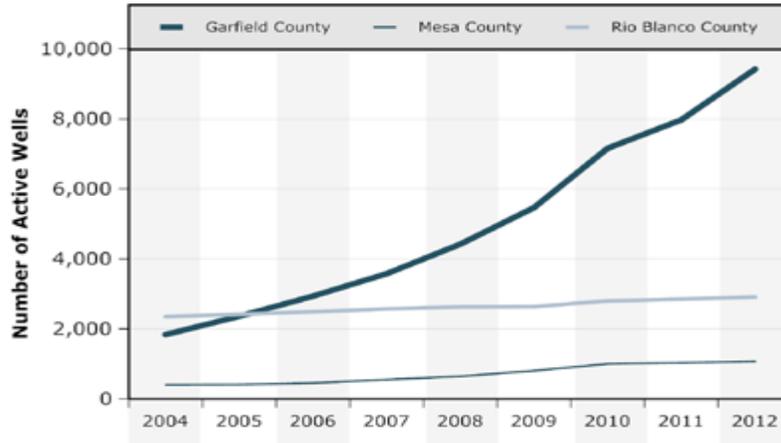


Note: Prices are annual averages of the Henry Hub spot prices for natural gas

Source: U.S. Energy Information Agency, Independent Statistics and Analysis, Natural Gas Wellhead Prices

Garfield County has evolved from a new exploratory play to a large gas producing county. Although natural gas prices have declined, overall Garfield County gas production continues to rise as new wells come on-line, and Garfield County continues to dominate regional gas production. During the last eight years, Garfield County has had a rapid increase in active oil and gas wells.

**Total Active Wells, Garfield, Mesa and Rio Blanco Counties, 2004 to 2012**



Note: Each year reports active wells at midyear.

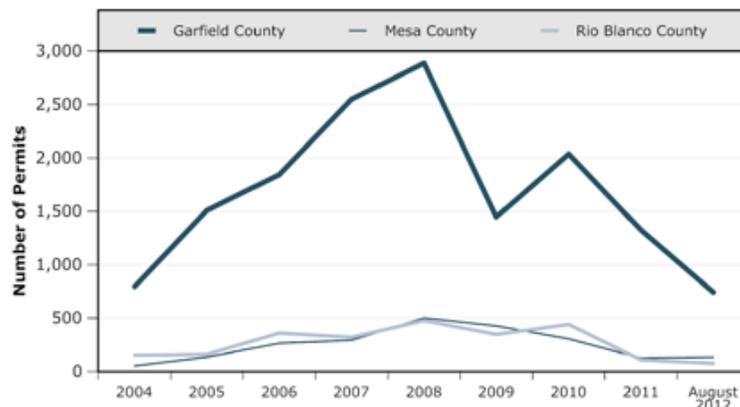
Source: Colorado Oil and Gas Conservation Commission (COGCC), Colorado Oil and Gas Information System Production by Colorado County.

Prospects for future growth in northwest Colorado gas drilling have been bolstered by the completion of the \$6.7 billion Rockies Express pipeline, which has alleviated some well to market shipping constraints that had previously restricted local natural gas distributions.

Natural Gas Liquids (NGLs), which are often a byproduct of gas well production, are used to produce lower grade liquid fuels and NGL values typically follow crude oil prices. As the price of natural gas has declined the value of NGL products have become a more important element of the overall economics of well drilling and production. The price of NGLs mirrors the price of crude oil which, although experiences price fluctuations, currently remains at high levels, and has boosted the value of gas production within Garfield County.

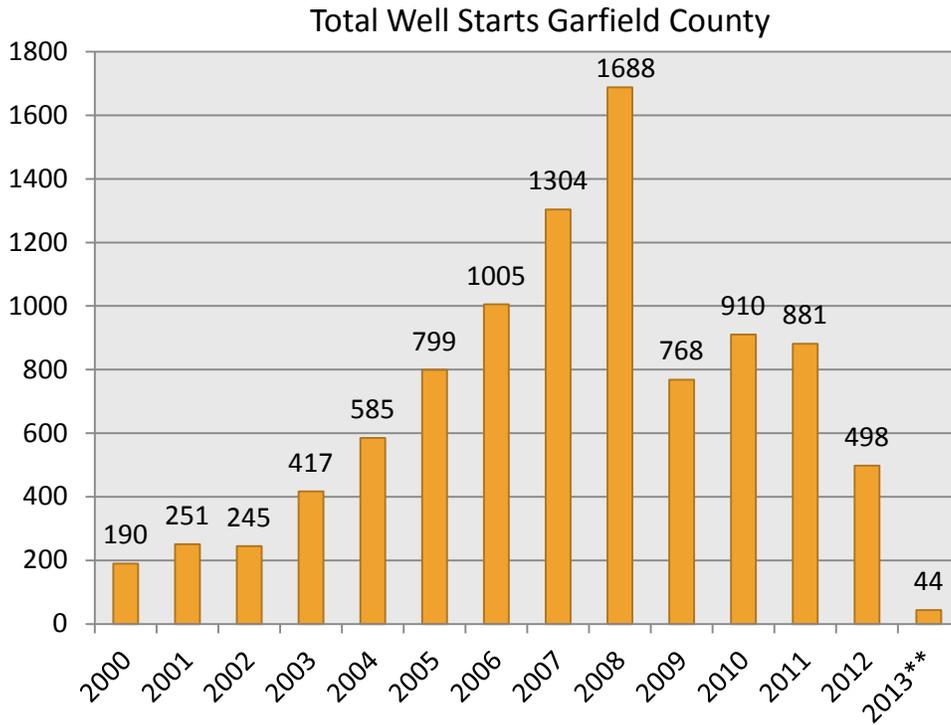
Although the growth in production has been notable, the decline in drilling activity, as shown below, has been even more pronounced:

**Annual Drilling Permits**

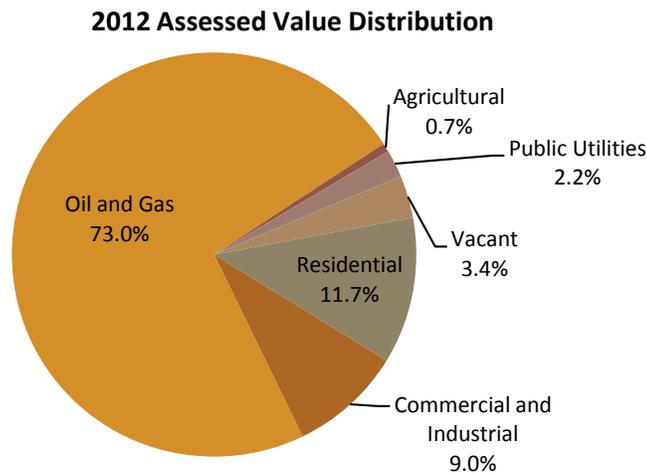


Source: Colorado Oil and Gas Conservation Commission (COGCC)

As of January 2, 2013, there are 9 active drilling rigs in Garfield County, all of which are natural gas rigs. The number in Garfield County has dropped from 20 rigs in January 2012 but increased since the fall of 2012. Annual well starts have also fallen:

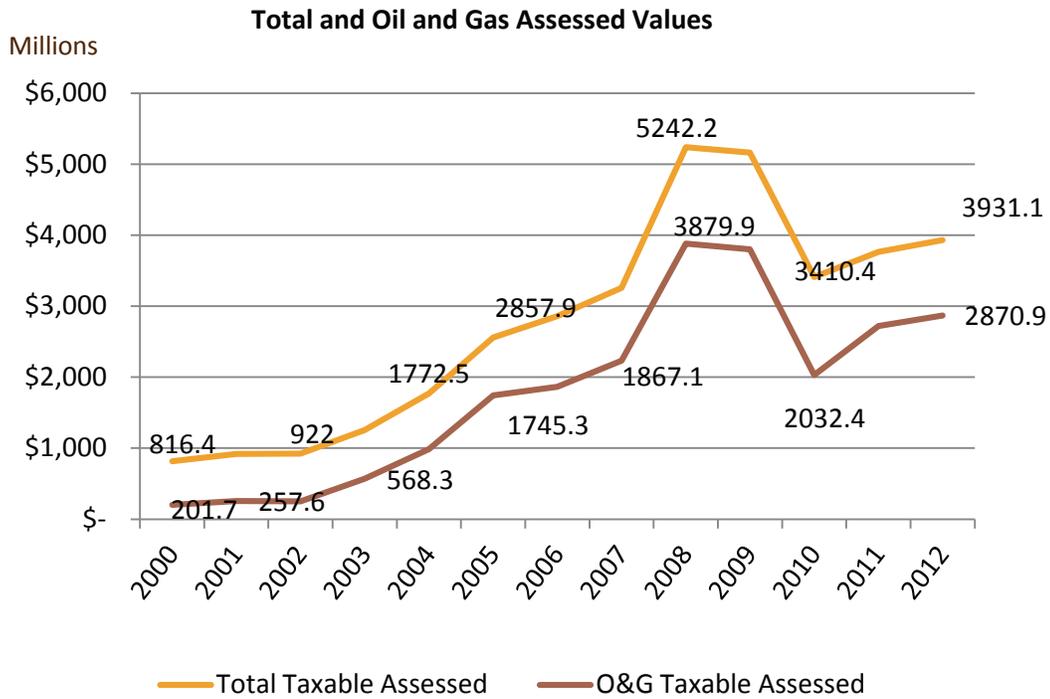


In addition to the local economy, the natural resources industry also has a significant impact on Garfield County taxes and revenues. In 2012, 73% of total property tax assessed values were accounted for by the oil and gas industry and of that 74.4% came from natural gas production.



Source: Garfield County Assessor

After a substantial drop in value between 2010 and 2011, assessed values increased in 2011 and 2012.



Source: Garfield County Assessor

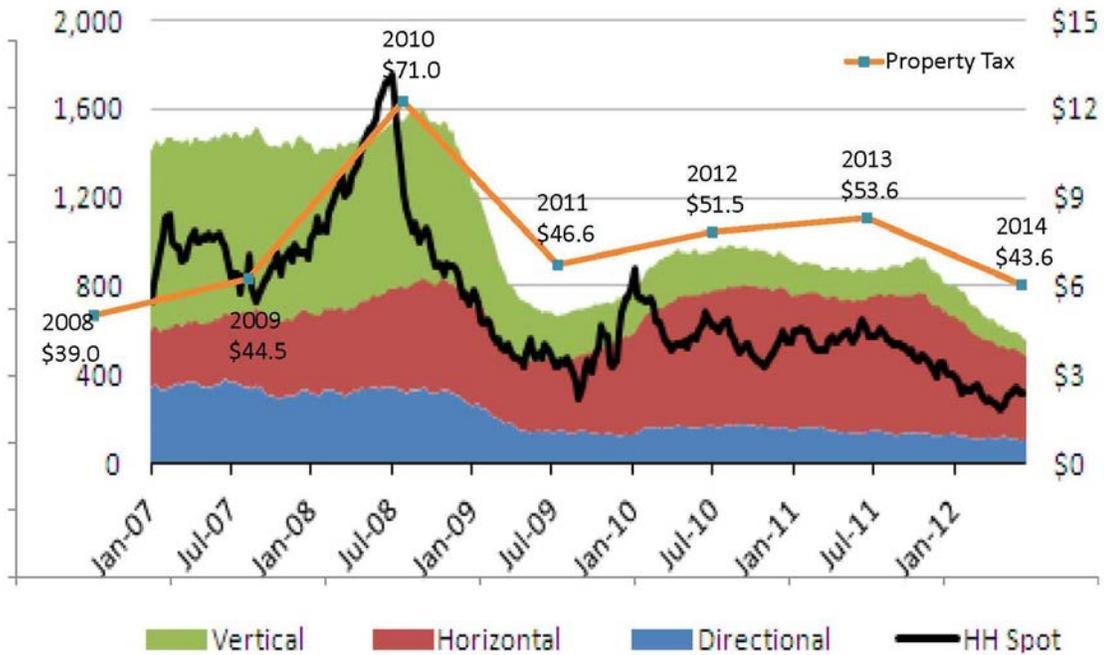
The County’s top taxpayers are in the oil and gas industry.

Company	2012 Assessed Value
WPX Energy Rocky Mountain, LLC	\$894,786,370
Encana Oil & Gas (USA) Inc	\$469,538,300
Bill Barrett Corporation	\$318,725,580
Oxy USA	\$133,424,460
Bargath, Inc	\$82,581,170
Grand River Gathering, LLC	\$66,504,600
Enterprise Gas Processing, LLC	\$59,149,420
Antero Resources	\$57,079,170
Chevron	\$36,397,790

Source: Garfield County Assessor

When Garfield County property tax revenues are overlaid the number of drilling rigs operating nationally and the price of natural gas at the Henry Hub the historical correlation is apparent.

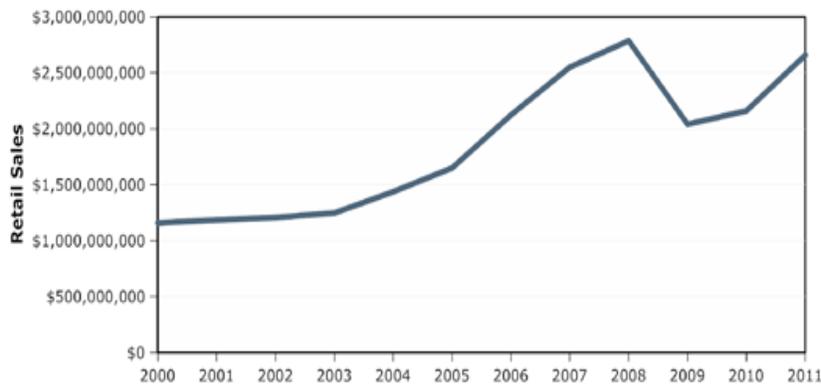
**Natural Gas Price, Number of Drilling Rigs and Garfield County Property Tax**



**Retail and Tourism**

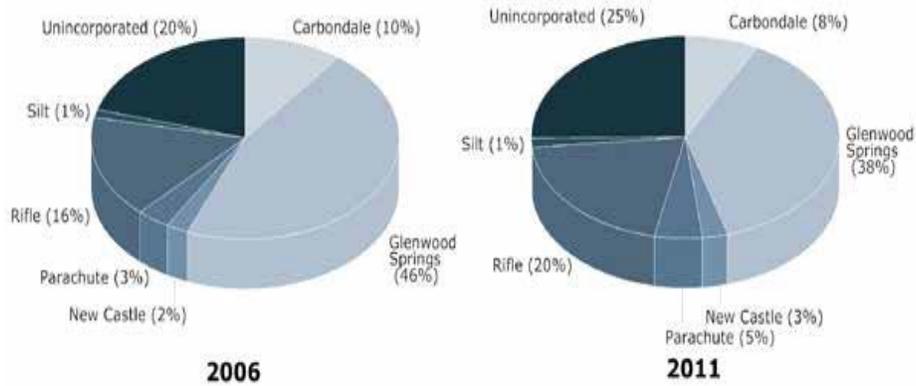
In addition to the natural resources industry, retail and tourism are an important part of the Garfield County economy. The previously noted “boom” period 2002 to 2008 is evident in retail sales trends, as is the sharp economic decline beginning in 2008. Some retail recovery in 2011 and 2012 is evidence suggesting a return to improved economic conditions.

**Garfield County Retail Sales, 2000 to 2011**



It is also noteworthy to document the shift in location of sales, as Rifle, Parachute and the unincorporated county have all significantly increased retail activity, in part at the expense of Glenwood Springs.

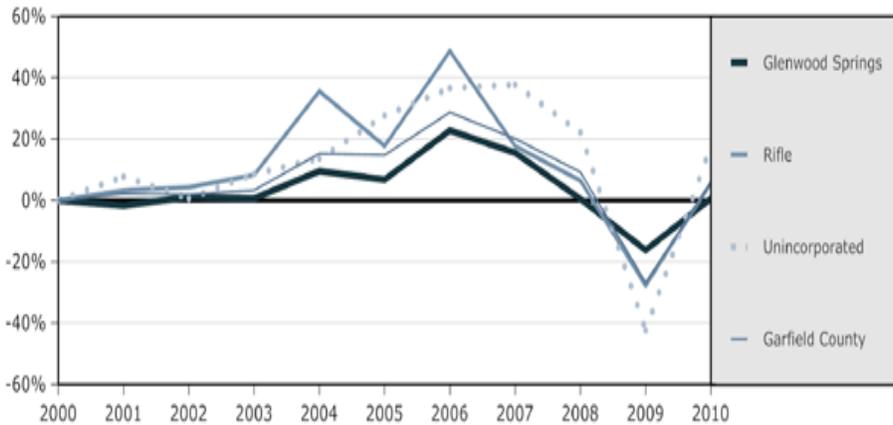
### Share of Garfield County Retail Sales by Municipality, 2006 and 2011



Source: Colorado Department of Revenue, State Sales Tax Collected in Colorado Counties and Selected Cities and Related Statistics

The figure below shows the annual pace of growth by community for the period 2006 to 2010. The recent rebound in sales for all communities is noteworthy.

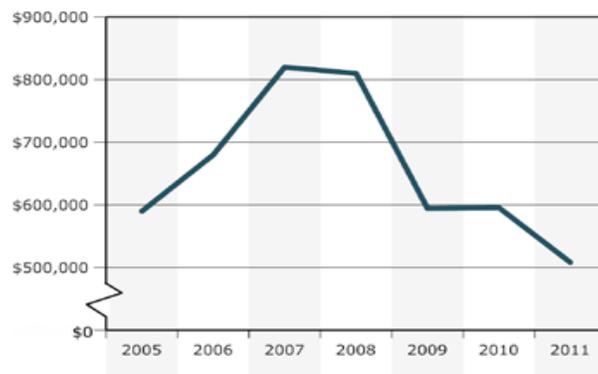
### Retail Sales Percent Growth from Previous year, Major Retail Centers, 2007 to 2010



Source: Colorado Department of Revenue, State Sales Tax Collected in Colorado Counties and Selected Cities and Related Statistics

Not all municipalities collect or report accommodation or lodging tax trends, although these data are one reflection of travel and tourism activity, which otherwise offers few standard statistical measures. Glenwood Springs hosts the majority of hotel rooms and most directly benefits from overnight tourism stays. Glenwood Springs’ annual accommodation data are shown below.

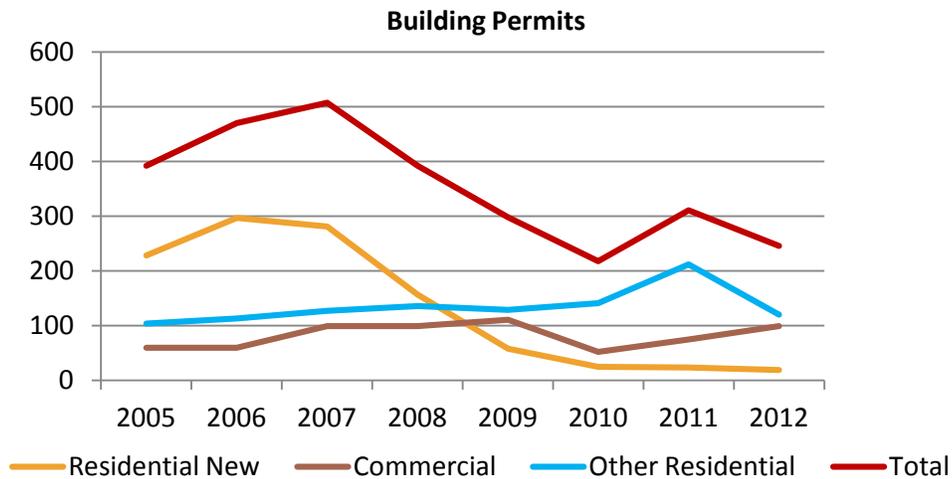
### Glenwood Springs Accommodation Tax Revenues, 2005 to 2011



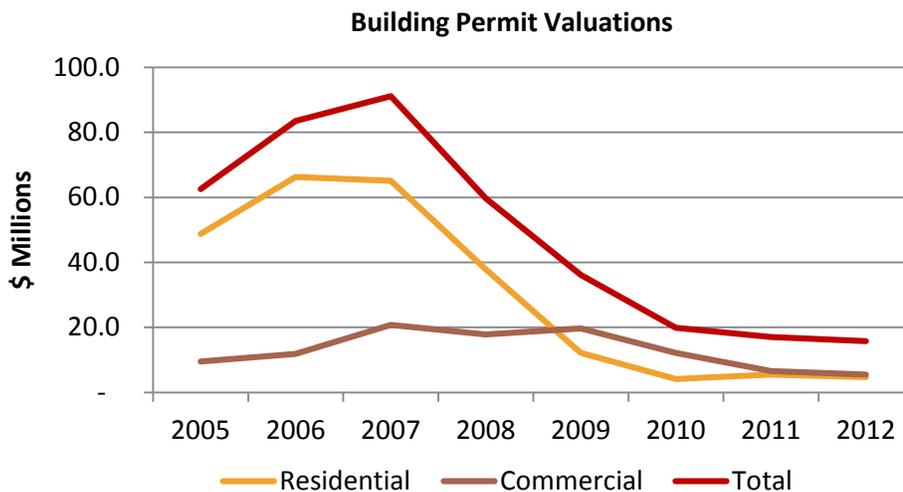
From 2005 to 2008, many hotel rooms were rented as temporary lodging during the gas boom and the loss of this steady business probably exaggerates the apparent downturn in overnight tourism shown from 2009 to 2011. Anecdotally, tourism and lodging activity have picked up throughout the region, although rentals during the 2011-12 ski season was hurt by poor snowfall.

### Construction

One of the best indicators of construction activity is the number of building permits and the value thereof, issued by the Garfield County Community Development Department. These have declined significantly in recent years though 2011 saw a temporary improvement in the number of building permits issued. 2012 also shows a decline once again in residential permits but an increase in commercial activity. It is expected that 2013 will not see much change from 2012. Valuations also remain stagnant.



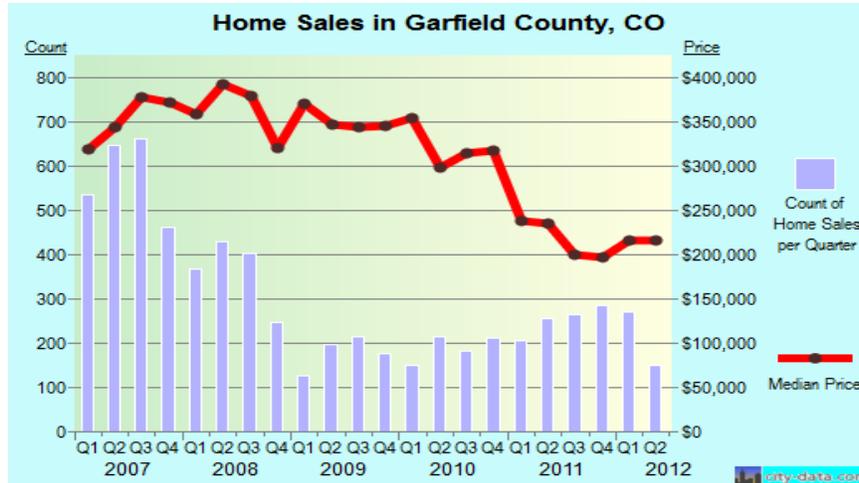
Source: Garfield County Community Development Department



Source: Garfield County Community Development Department

## Real Estate

As noted previously, housing values grew rapidly during the energy expansion from 2002 to 2008, concurrent with national trends. Both activity and prices have declined from their 2008 highs but have shown improvement since late 2011. According to the monthly transactions report for Garfield County prepared by Land Title Guarantee Co. of Glenwood Springs, through November 2012 there were 1,112 transactions for a 34 percent increase year-to-date over 2011. Total dollars from countywide sales for the 11-month period was just over \$348 million, for an increase of 35 percent compared to the same period in 2011. Although, at time of writing, numbers were not yet available through December, it is believed the trend appeared to be holding through the final month of the year. Real estate activity in the county, including dollar volume and transaction totals, surpassed totals for each of the previous three years as of the end of October.

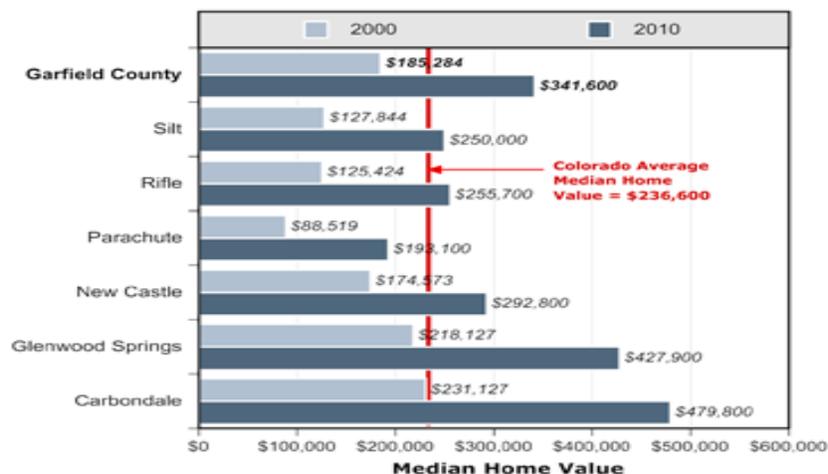


Source: City-data.com

According to the United States Census, Garfield County has not experienced the dramatic decline in values witnessed in many areas around the country. County housing values grew about 30 percent between 2000 and 2010 and remain above the current statewide median home value.

The County's housing stock is comprised largely of single family homes, which in part explains the high property values compared with statewide figures. More notably, Carbondale and Glenwood Springs are significantly influenced by second home ownership, which explains their far higher median home values and influences the countywide averages.

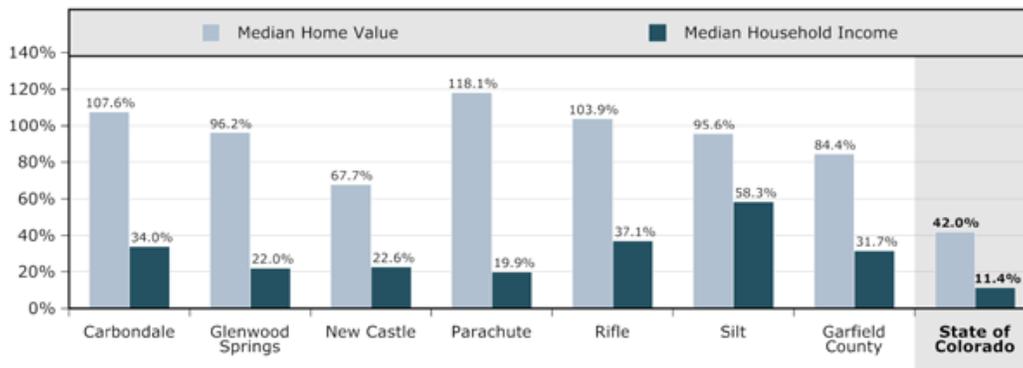
### Median Home Value by Municipality, Garfield County, 2000 and 2010



Source: 2010 Census 5-year estimates, Claritas, 2000

The disparity between median household incomes and median home value is an indication of how affordable a community is to new residents. At least through 2010, Garfield County home values have grown faster than median household income.

**Percent Change of Median Income and Median Home Value by City, 2000 to 2010**



Source: Claritas, 2000, 2010 5-year census

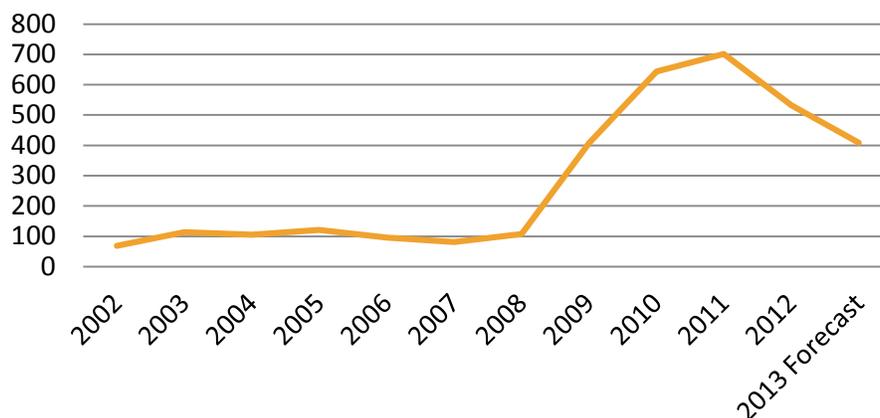
Home values increased more than median income in all Garfield County markets. The small town of Parachute had the greatest disparity between the growth rates of local income and growth in household value. In 2010, Parachute had many residents in the natural gas development industry. Carbondale and Glenwood Springs home prices also increased dramatically in this period, probably the result of a sizeable second home community.

Household income and valuation data are reported in 2010 based on the prior year's information and thus do not capture the most recent trends. Anecdotal information suggests that housing values, particularly in the I-70 corridor communities, have declined further and affordability has risen dramatically.

### Foreclosures

A spike in home foreclosures was one consequence of the most recent economic recession. As the housing market recovers, the nation and Colorado are experiencing a drop in the number of foreclosures. In 2012 the number of foreclosures dropped for the first time since 2007 with a significant decrease of 23%. Preliminary numbers report 534 in 2012 down from a high of 701 in 2011. The drop is expected to continue in 2013 with a forecast 409 foreclosures – approximately the same level as reported in 2009.

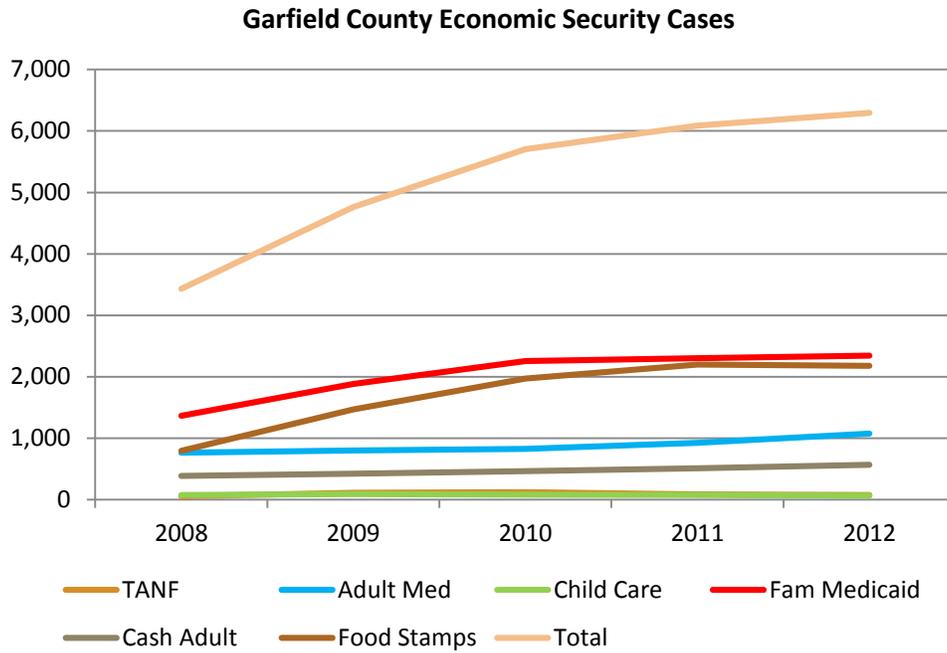
**Garfield County Foreclosure Filings, History and Forecast**



Source: Garfield County Public Trustee

## Human Services

The demand for economic security support has progressively increased since 2008 as this chart of the caseloads in the Garfield County Department of Human Services demonstrates:



## Garfield County Operating Indicators

### Garfield County, Colorado Operating Indicators By Function/Program Last Ten Fiscal Years

	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
<b>General Government</b>										
Number of Employees	124	134	132	123	111	104	100	Information not available prior to 2005		
Building(s) Sq. footage	33,471	31,211	31,385	31,385	25,965	30,106	27,882	Information not available prior to 2005		
Service Level										
Tax notices	29,350	29,316	30,289	51,471	50,586	51,252	50,173	48,947	47,603	46,343
Documents recorded	16,026	16,584	19,085	20,562	26,039	24,946	23,498	22,263	26,083	23,152
Number of active voters	21,081	24,047	23,851	22,955	19,501	18,130	16,752	15,798	13,953	13,134
Parcels assessed	31,468	30,289	51,471	50,586	51,252	50,173	48,947	47,603	46,343	44,438
Building permits issued	311	218	293	401	525	498	408	392	365	376
<b>Public Safety</b>										
Number of Employees	171	171	169	168	155	131	123	Information not available prior to 2005		
Building(s) Sq. footage	99,768	99,768	81,010	74,091	80,620	70,948	56,964	Information not available prior to 2005		
Service Level										
Calls for Law Enforcement Service	90,754	93,276	92,203	83,624	84,948*	101,530*	100,808	97,971	95,645	88,437
Jail bookings	2,717	2,515	2,899	3,231	3,721	3,799	3,270	3,420	2,735	2,458
Useful Public Service Clients Sentenced	1,156	1,087	1,183	1,674	1,896	1,730	1,779	1,625	1,488	1,429
<b>Public Works</b>										
Number of Employees	55	53	54	49	46	50	47	Information not available prior to 2005		
Building(s) Sq. footage	51,875	51,875	51,875	51,875	Information not available prior to 2008					
Service Level										
Miles of road maintained	942	941	937	926	927	933	938	943	939	953
<b>Health and Welfare</b>										
Number of Employees	115	122	122	119	110	102	95	Information not available prior to 2005		
Building(s) Sq. footage	43,396	43,396	35,251	35,251	35,251	41,896	41,896	Information not available prior to 2005		
Service Level										
Immunizations	12,660	12,349	14,801	9,213	10,293	15,259	15,629	Information not available prior to 2005		
Birth Certificates	816	866	964	992	991	945	816	803	871	855
Death Certificates	296	281	292	261	277	289	268	271	310	279
Human Services Caseload	8,427	5,331	4,359	3,344	3,014	3,334	Information not available prior to 2006			
<b>Culture and Recreation</b>										
Number of Employees	3	3	3	3	3	2	2	Information not available prior to 2005		
Building(s) Sq. footage	39,500	39,500	39,500	39,500	Information not available prior to 2008					
Service Level										
Fairground service days	365	365	365	365	365	365	365	365	365	365
County Fair attendance (estimate)	4,000	4,000	4,000	3,000	5,000	6,000	8,000	10,000	Information not available prior to	
<b>Business-type Activities</b>										
Number of Employees	9	14	12	11	7	7	7	Information not available prior to 2005		
Building(s) Sq. footage	4,821	4,821	4,821	4,821	Information not available prior to 2008					
Service Level										
Cubic yds of landfill space consumed	72,589	77,127	53,800	87,106	89,252	60,040	55,771	56,053	40,780	33,608
<b>Intergovernmental</b>										
Number of Employees	4	4	4	4	2	2	2	Information not available prior to 2005		
Building(s) Sq. footage	Information not available									
<b>Library</b>										
Number of Employees	**	**	**	**	**	46	46	Information not available prior to 2005		
Building(s) Sq. footage	**	**	**	**	**	46,745	46,745	Information not available prior to 2005		

#### Source:

Garfield County departments and documents

Colorado Department of Public Health & Environment - Birth and Death Certificates for 2011 are considered "provisional" and could change.

\*Numbers are projected for year based on seven months of data for current year.

\*\*Library became separate entity after 2006.