

# Labor Force Jobs Income

## 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 percent over a two year period) and the unemployment rate spiked, reaching a peak of 11.7 percent in March 2010. Since then, there has been a steady drop in unemployment, and as of May 2015, Garfield County's unemployment rate was 4.9 percent, slightly above the state at 4.5 percent, but below the nation at 5.5 percent. Today, there is an estimated civilian labor force of 32,600 people in the county. (Source: naco.org).



Figure 20: Labor, Employment and Unemployment Rate  
Source: Colorado Department of Labor and Employment (CDLE)

At the end of 2014, the estimated average annual wage in Garfield County was \$44,408, up from \$43,628 in 2013, and remains consistent at 89 percent of the Colorado average, according to the CDLE [www.colmigateway.com](http://www.colmigateway.com). Garfield County wage ranks as the 10th highest in the state. Wage growth between 2012 and 2013 was 1.9 percent. (source: Naco.gov)

Steady growth in per capita personal incomes took place until 2008, peaking at \$41,890. In 2009, per capita personal income for Garfield County declined by 11.5 percent, followed by another drop of 3 percent in 2010. Moderate but steady growth as returned to per capita income since 2011.

## WAGES AND INCOME

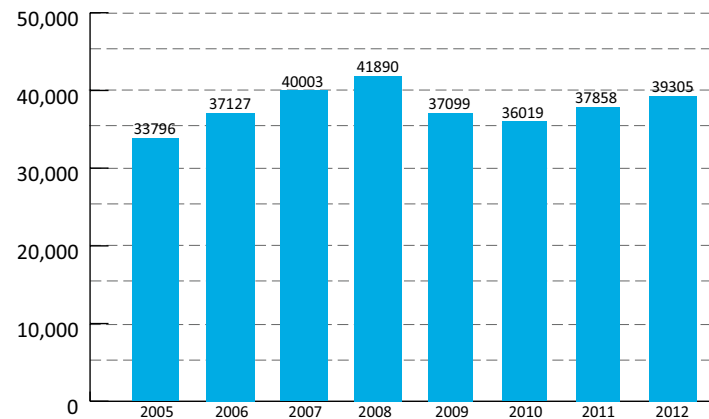


Figure 21: Garfield County Per Capita Personal Income  
Source: U.S. Bureau of Economic Analysis

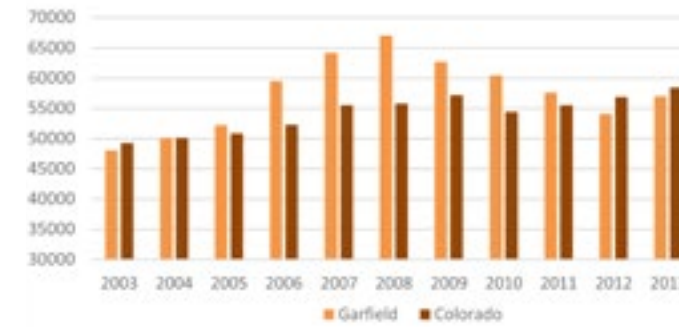


Figure 22: Median Household Income Colorado and Garfield County  
Source: American Community Survey, U.S. Census Bureau

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. Subsequently the median household income of Garfield County has dropped since then to \$54,088 in 2012, but rose in 2013 and is estimated to have maintained its level in 2014.

## JOBS AND MAJOR EMPLOYERS

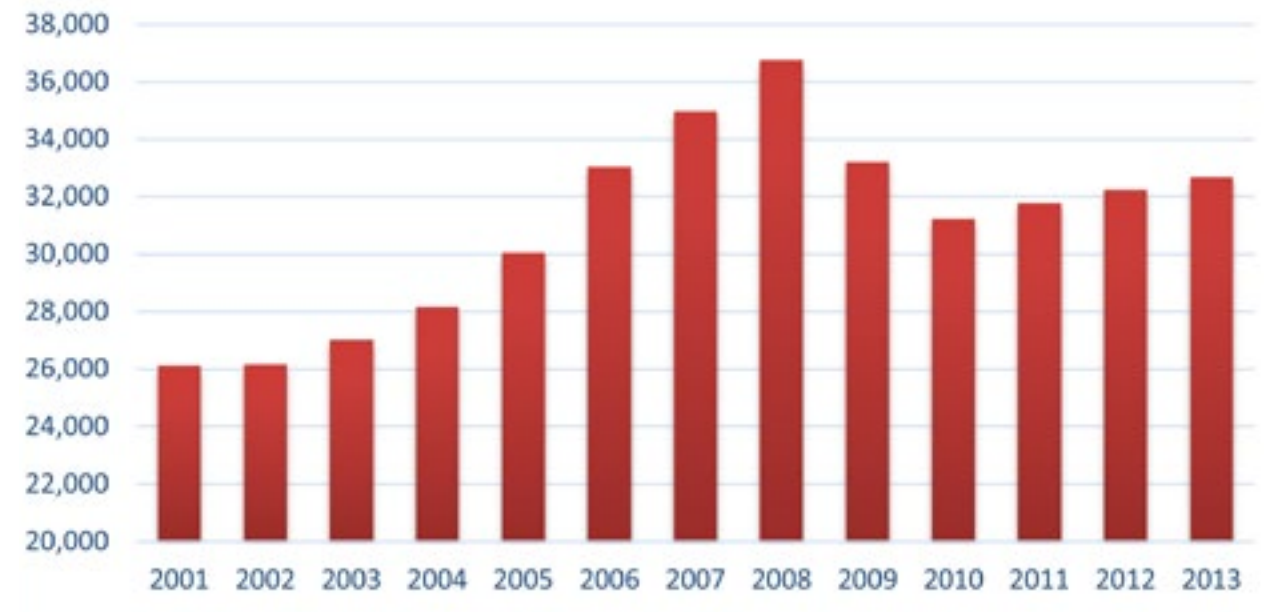


Figure 23: Total Jobs in Garfield County from 2001-2013  
Source: Colorado Department of Local Affairs

Between 2003 and 2008, Garfield County employment experienced strong growth, increasing by 10,500 jobs, or about five percent per year. Since the Great Recession, the county has been steadily adding jobs by approximately 1.5 percent per year.

During this same period of rapid economic expansion, there was a significant shift in employment patterns. 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 2009, 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. Since 2010, Garfield County has seen a rise again in the construction industry. At the end of 2014, the construction industry and retail trade were the second and third leading employers respectively.

During this same period of rapid economic expansion, there was a significant shift in employment patterns. 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

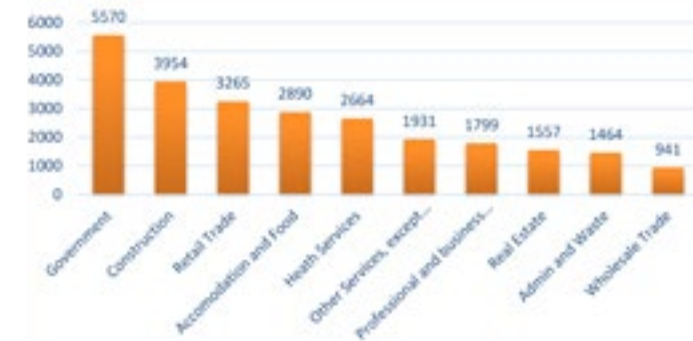


Figure 24: Top 10 Employers by Industry Type (NAICS) 2013  
Source: Colorado Department of Local Affairs

of county employment. The downturn in resort-related real estate construction, beginning in about 2009, 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. Since 2010, Garfield County has seen a rise again in the construction industry. At the end of 2014, the construction industry and retail trade were the second and third leading employers respectively.

Employer	Rank	Type of Business	Number of Employees	Percentage of Total
Valley View Hospital	1	Healthcare	984	3.37%
Roaring Fork School District RE-1	2	Schools	862	2.95%
Garfield County School District RE-2	3	Schools	660	2.26%
Alpine Bank	4	Bank	573	1.96%
Colorado Mountain College	5	College	527	1.81%
Garfield County	6	Government	486	1.67%
Grand River Hospital & Medical Center	7	Medical	426	1.46%
Wal-Mart	8	Retail	381	1.31%
City Market	9	Retail	363	1.24%
City of Glenwood Springs	10	Government	313	1.07%
Total employed by principal employers			4,591	15.74%
Employed by other employers			28,209	84.26%
<b>Total employed in Garfield County</b>			<b>32,800</b>	<b>100%</b>

the \$6.7 billion Rockies Express pipeline, which has alleviated some well to market shipping constraints that had previously restricted local natural gas distributions. Although the growth in production has been notable, the decline in drilling activity, as shown below, has become even more pronounced with declining drill rig numbers. In 2014, 25 percent of Colorado's drilling permits were for projects located in Garfield County. Eighty-seven percent of Colorado's 53,026 wells are located in six counties (Source: COGCC).

As of January 5, 2015, there are 10 active drilling rigs in Garfield County, all of which are natural gas rigs. The number in Garfield County has fluctuated modestly since July 2012.

In addition to the local economy, the natural resources industry also has a significant impact on Garfield County taxes and revenues. In 2014, 72.9 percent of total property tax assessed values were accounted for by the oil and gas industry. After a substantial drop in value between 2010 and 2011, assessed values

increased in 2011 and 2012, and then dropped again in 2013. In 2014, a modest increase occurred in assessed valuations.

The county's 2014 top taxpayers are in the oil and gas industry.

Company	Assessed Value
Encana Oil & Gas (USA) Inc.	672,208,310
WPX Energy Rocky Mountain, LLC	531,412,460
Bill Barrett Corporation	198,531,480
OXY USA WTP LP	111,286,790
URSA Resources Group 11 LLC	68,087,880
Enterprise Gas Processing LLC	57,877,320
Bargarth, Inc.	40,279,870
Chevron North America Explo & Prod CO	32,338,470
Public Service Company of Colorado (XCEL)	30,747,200
Noble Energy	30,477,640
Hunter Ridge Energy Services, LLC	29,716,400

## OIL AND NATURAL GAS 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. Garfield County is the leading producer of natural gas in the state, with over 10,000 producing wells. 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 dramatically in 2009 as gas prices fell and operators began pulling drilling rigs to pursue emerging gas field prospects elsewhere in the U.S.

The natural gas boom, which spurred Garfield County's economy in the 2000s, was driven in part by a rapid escalation in gas prices. However, prices continue to be low and as of December 2014 were at \$3.48 per Million Btu.

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 boosting the value of gas production within Garfield County.

Garfield County has evolved from a new exploratory play to a large gas producing county. Since 2012, gas prices have been declining, which has had a direct impact on the total natural gas and oil production in the county. Garfield County, however, continues to dominate regional gas production.

In 2014 Garfield County produced 1.57 million barrels of oil and 512 billion cubic feet of natural gas. Garfield County's energy production represents a significant share of the statewide totals. Garfield County has the second greatest number of active wells in the state, behind Weld County.

Prospects for future growth in northwest Colorado gas drilling have been bolstered by the completion of





Figure 27: Annual Natural Gas Production: Total Production in Billion Cubic Feet (BCF)  
Source: Colorado Oil and Gas Conservation Commission

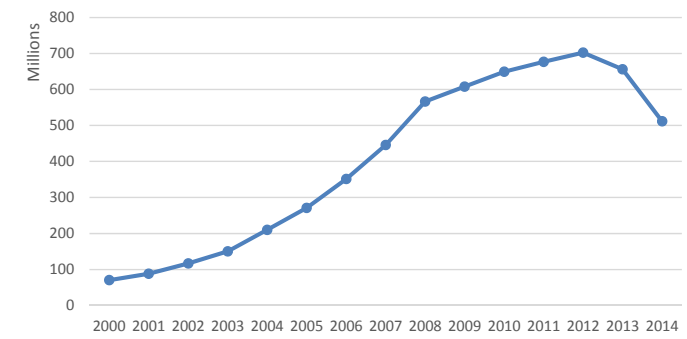


Figure 28: Annual Oil Production: Total Production in Thousand Barrels (MBL)  
Source: Colorado Oil and Gas Conservation Commission

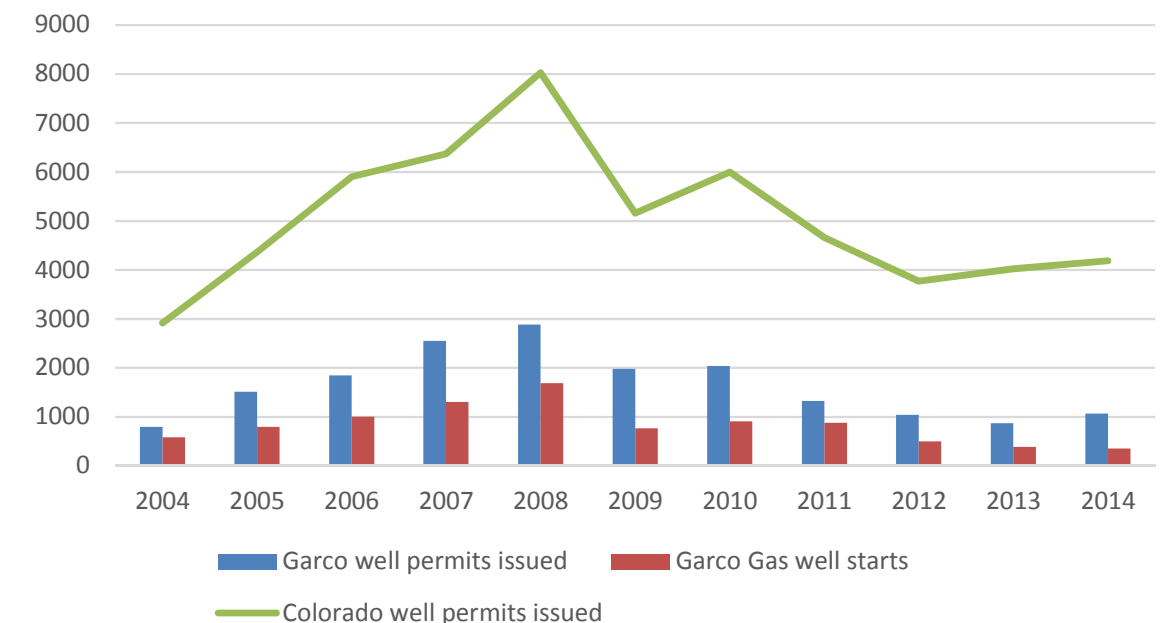
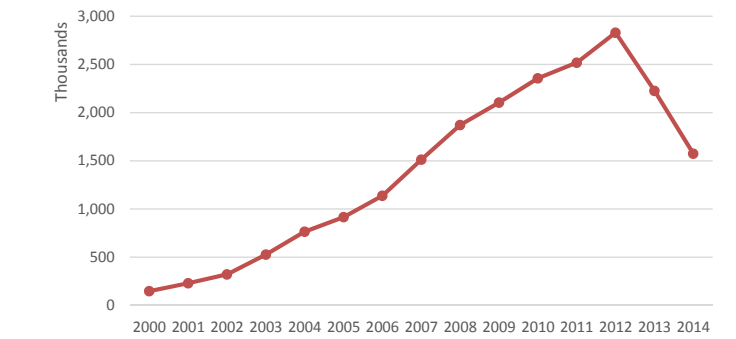


Figure 29: Annual Drilling Permits  
Source: Colorado Oil and Gas Conservation Commission

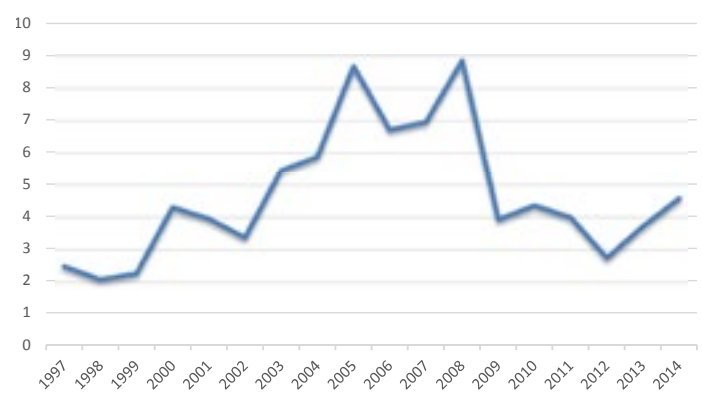


Figure 25: Annual Average Henry Hub Natural Gas Spot Price: Dollars per Million Btu  
Source: U.S. Energy Information Administration

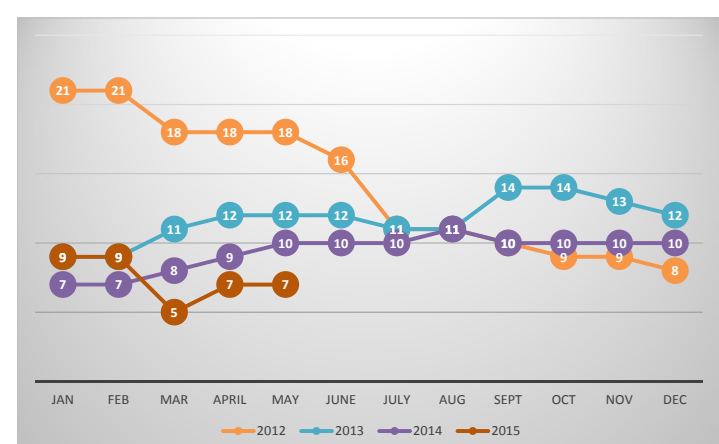


Figure 26: Drill Rig Count by Month and Year  
Source: Colorado Oil and Gas Conservation Commission (COGCC)

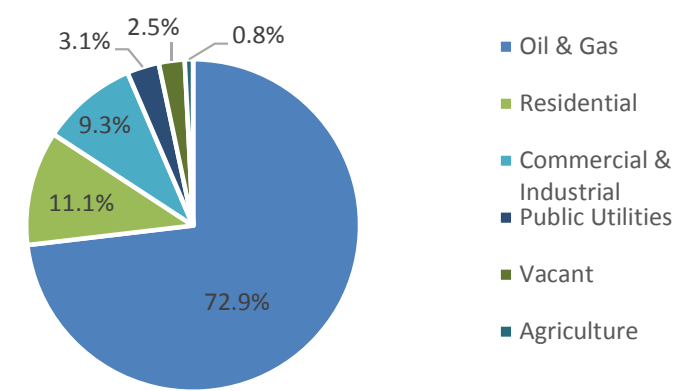


Figure 30: Assessed Value Distribution 2014  
Source: Garfield County Assessor

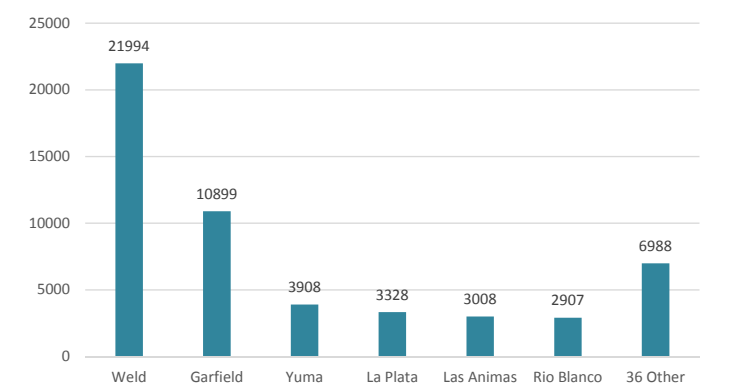


Figure 31: Number of Active Wells by County: 2015  
Source: Colorado Oil and Gas Conservation Commission (COGCC)

# ENERGY EFFICIENCY AND RENEWABLE ENERGY INDUSTRY



## Publicly Developed and Owned Solar Power Generation

CARBONDALE	GLENWOOD SPRINGS	NEW CASTLE	SILT	RIFLE	PARACHUTE
711 kW	20 kW	80.5 kW	291 kW	3+ MW	475 kW

In 2012, member governments formed the Garfield Clean Energy Collaborative. Members of Garfield Clean Energy Collaborative are Parachute, Rifle, Silt, New Castle, Glenwood Springs, Carbondale, Garfield County, the Garfield County Public Library District, Colorado Mountain College, and the Roaring Fork Transportation Authority. Clean Energy Economy for the Region (CLEER) carries out the programs and services of the Garfield Clean Energy Collaborative, whose purpose is to make it easier for residents, businesses and governments throughout the county to become more energy efficient and tap clean energy to create a more resilient economy. Over 150 contractors or firms are involved with CLEER's programs. Since initiation, the programs have stimulated investments of over \$6.5 million in energy efficiency and clean energy improvements, and \$1.7 million in energy cost savings. CLEER has received national recognition for its energy navigator, coaching and other programs.

To date, the Garfield Clean Energy initiative has helped

more than 260 businesses, nearly 300 households and 55 government buildings make energy upgrades that are saving more than \$754,000 per year. Garfield Clean Energy has also installed 23 new renewable energy systems on public buildings. Together, their programs have stimulated investments of over \$6.5 million in energy efficiency and clean energy improvements and \$1.7M in energy cost savings. CLEER has received national recognition for its energy navigator, coaching and other programs.

Western Slope Compressed Natural Gas (CNG) Network has been working to bring CNG fueling stations to the western slope of Colorado. The Colorado Energy Office recently awarded grants to fund eight new compressed natural gas fueling stations, including a grant to Trillium CNG for a station at the Shell West Mart in Glenwood Springs. A CNG facility is also planned for Rifle, Colorado. In addition to the fueling stations, CLEER has worked with over seven local fleets to replace existing fleet vehicles with CNG models.

Garfield County is a great place for solar. The county has seen multiple solar installations ranging from Holy Cross Energy's (a public utility company) new 1.9 Megawatt solar farm in Missouri Heights (near Carbondale) to the Town of Parachute's solar flower installation of 3.6 kw. The City of Rifle leads the way with 3 MW of solar generating power which makes it the nation's leader in solar power per capita (Source: post independent, 2015). Rifle has embraced the idea of providing for robust and diverse energy alternatives and has developed the "Energy Innovation Center" with approximately 35 acres of industrial pad sites available for long-term lease with infrastructure already installed, and an additional 100 acres that the city intends to extend services to in the future.

Solar Energy International is located in Carbondale, and is one of the premier educators in the county for technical training and expertise in solar energy field.

In Garfield County, total sales tax collection exceeded expenditures by nearly 55 percent in 2013, which equates to a total of over \$970 million spent by non-residents. This is not surprising due to the tourist trade, and the fact that Glenwood Springs is a major retail hub for Garfield County, as well as adjacent to Pitkin and Eagle counties.

It is also noteworthy to document the location of sales. As to be expected, Glenwood Springs and Rifle account for 79 percent of the sales tax income. While the remaining communities and unincorporated areas make up the remaining 20 percent.

Annual sales revenues in Glenwood Springs show positive trends reflecting an increase in retail sales in the city. Sales tax revenues rose by 7 percent between 2010 and 2012. In 2014, increases in sales tax collection every month occurred, (except for the first two months of the year), averaging 4.5 percent increases per

# RETAIL AND TOURISM INDUSTRY

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 (indicated by sales tax collection), as is the sharp economic decline beginning in 2008. Though some retail recovery was seen in 2011 and 2012, another substantial decrease was seen in 2013, but it has been followed by an increase in 2014.

month over the prior year collection (source: City of Glenwood Springs). Countywide, accommodation and Food Services make up 16 percent of the sales tax collection, while retail trade makes up 48 percent of sales tax collection. Manufacturing collects 5.5 percent of the sales tax and wholesale trade 7.7 percent (Source: Garfield County Treasurer)

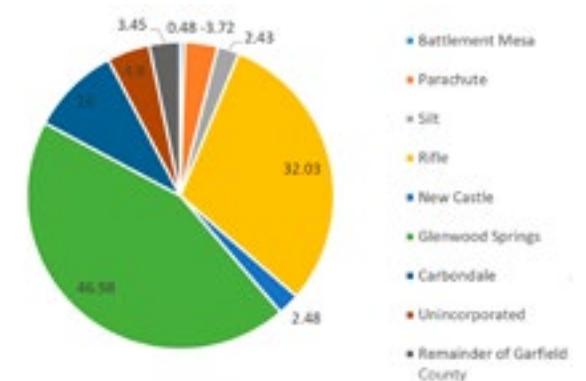


Figure 32: Sales tax income  
Source: Garfield County Treasurer

# NOTABLE NEW EMPLOYER

The Center of Excellence for Advanced Technology Aerial Firefighting was created in Senate Bill 14-164, which also authorized the Colorado Division of Fire Prevention and Control to purchase or contract aerial firefighting assets. During the legislative session, proponents of the center explained that there is currently no mechanism for determining the efficacy of aerial firefighting, and the need exists for an innovative, science- and data-focused research entity. For this reason, the center was held up as an integral part of ensuring the successful implementation of Colorado's own aerial firefighting fleet.

"In short, the Center of Excellence will research, test, and evaluate existing and new technologies that support sustainable, effective, and efficient aerial firefighting techniques," said Colorado Division of Fire Prevention and Control Director Paul Cooke.

Garfield County, specifically the Rifle Garfield County Regional Airport, was selected in April 2015 as the site for the Center of Excellence, as recommended by the Division of Fire Prevention and Control (DFPC). As home to the Upper Colorado River Interagency Fire Management Facility, and with its proximity to the Colorado Army National Guard High Altitude Aviation training site, the center will be well positioned for success in Rifle, and will benefit all of Colorado. The Rifle/Garfield County location offers DFPC the ability to pair its currently existing resources (Fire Management Officer and Engine Crew) with the Center of Excellence staff. As noted by Governor John Hickenlooper, the decision to locate the center in Rifle will "serve as the best way forward to meet our shared goal of protecting lives, property and our natural environment from devastating wildfires."

*"The Center of Excellence will research, test, and evaluate existing and new technologies that support sustainable, effective, and efficient aerial firefighting techniques."*  
 — CDFPC Director, Paul Cooke



# CONSTRUCTION INDUSTRY

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. Many of these permits were for small home improvement projects. The years 2012 and 2013 showed a decline once again in total permits, though 2014 saw a modest increase from previous years, as construction in single family

homes picked up as a reflection of the local economic conditions.

In 2013, valuations showed the first increase since it peaked in 2007. Valuations declined slightly again in 2014 due to contraction in valuation for commercial permits. Valuations are spread relatively equally between commercial and residential construction and a small portion to other types.

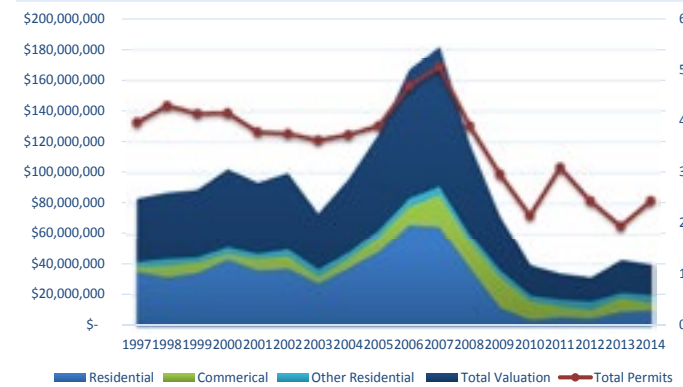


Figure 33: Building Permit Valuations 1997-2014  
 Source: Garfield County Community Development Department

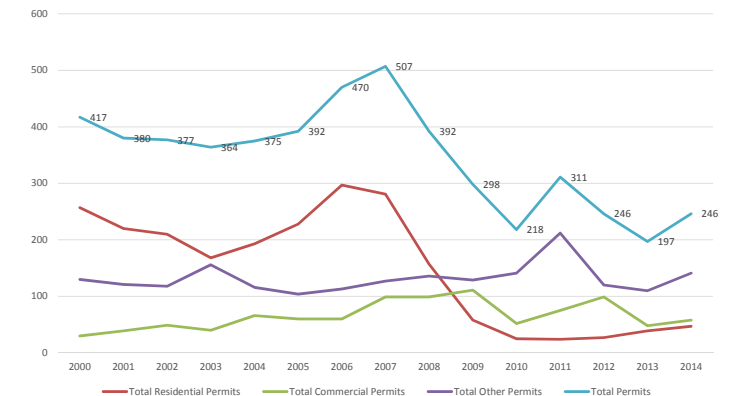


Figure 34: Total Building Permits: 2000-2014  
 Source: Garfield County Community Development Department

# HUMAN SERVICES

The demand for economic security support has progressively increased since 2008. Despite signs in other sectors in the economy, such as construction and unemployment rates, the county's economic security total cases per year increased 18 percent between 2013 and 2014 and has increased an overall 33 percent

since 2010. These cases include, in general services for cash assistance, medical assistance, food assistance and child care. Garfield County does however, have a lower poverty rate of 11.9 percent than the state at 13.2 percent (Source: Garfield County Department of Human Services).

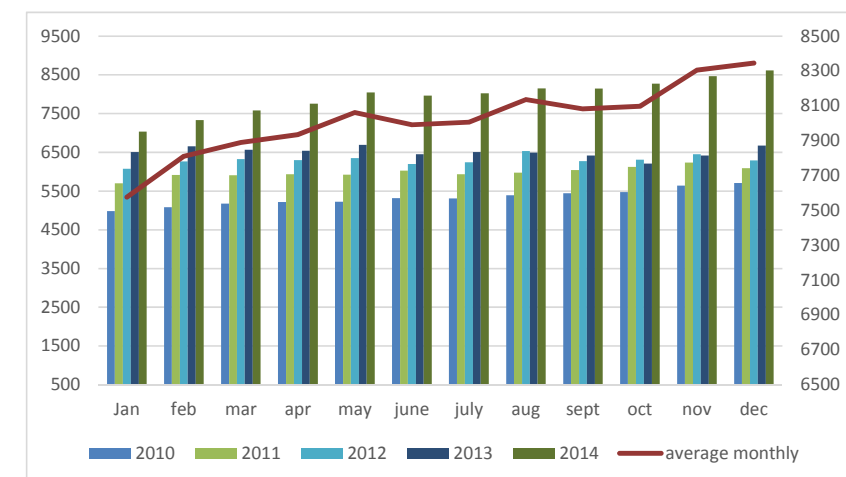


Figure 35: Garfield County Economic Security Cases  
 Source: Garfield County Human Services