

# 2014 Colorado Planning & Management Region Report

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## Region 7 – Pueblo County

### INTRODUCTION

Of the 14 Colorado planning and management regions, Region 7 is the only one which consists of a single entity: Pueblo County. With a land area of 2,400 square miles, Pueblo County ranks as the 13th-largest of the 64 Colorado counties. Of the planning and management regions, it ranks the smallest in geographic size. In terms of total population, Region 7 ranks 5th-largest of the 14 regions, according to the 2010 Census. The 2000 Census recorded 141,472 Pueblo County residents. The 2010 Census count was 159,063. The region has seen moderate population growth, and was the 8<sup>th</sup> fastest growing region in Colorado from 2000 to 2010. 2012 population estimates show a Pueblo county population of 161,005; a growth rate of 1.2% since the 2010 Census count.

### JOBS & THE ECONOMY

On the basis of July 2013 data, Region 7's (Pueblo County's) seasonally-adjusted unemployment rate was 9.7%. This compares to 10.8% in July of 2012 and 10.6% in July 2011. For the 24 months prior to December 2012, the rate was very constant, ranging from 10.4 to 10.8%. Since that time, the unemployment rate has shown a steady decrease, as indicative of gradual improvement in the local economy. Seasonally adjusted employment for July 2013 totaled 68,376 jobs. This compares to 67,443 in July 2012, representing an annual growth rate of 1.4%. During the July 2011-July 2012 interval, however, employment decreased at a rate of -1.4%. Examining the trends of job growth by business sector reveals several interesting developments. The major economic sector showing the largest percentage job gain over the July 2011—July 2013 period was Professional and Business Services (8.2%), followed by Educational and Health Services (5.6%), and Leisure and Hospitality Services (3.1%). Construction showed the largest percentage decrease in jobs (-6.1%) over the period of July 2011—July 2013. Stagnant conditions in Pueblo's housing market have adversely affected this economic sector.

Evrax Rocky Mountain Steel recently announced that it has been forced to reduce its work force by 50 jobs. Citing unfair competitive practices by foreign producers, it is calling for Congressional and White House intervention to protect American plants. Generally, however, the employment outlook shows encouraging signs for resumed growth over the next few months as construction begins on several new projects. Please see the New Projects and Other Developments sections for the details.

### HOUSING

New residential construction in Pueblo has been stagnant for the first eight months of the year. Through August 2013 new single-family dwelling permits in Pueblo County stood at 113, compared to 125 for the same period of 2012. However, a government-funded program to construct low-to-moderate income homes on the City of Pueblo's East side last year accounts for 29 of the 2012 year-to-date units. Excluding these units, market-based housing starts for the first eight months of the year shows a much brighter picture, with growth registering 17.7 percent. Multi-family housing activity thus far this year has been negligible. The outlook for improvement in the residential building sector for at least the near-term may be showing some positive signs, however. The National Association of Home Builders/Wells

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Fargo Housing Market Index for the Western United States in August stood at 59, compared to 40 for August 2012. Any value above 50 means that more builders surveyed view housing market conditions as favorable rather than unfavorable. This may translate into increased demand for new homes in the Pueblo market; however, new housing starts remain a long way from attaining pre-recession levels, where the number of single-family starts for the January-August 2007 period stood at 524 units. Sales of existing homes show a moderate increase relative to last year. According to statistics prepared by the Pueblo Association of Realtors, a total of 1,136 residential units were sold during the first seven months of this year, representing a total value of \$149.0 million. For the first seven months of 2012, 1,085 homes were sold, with a total valuation of \$128.9 million. The growth rates for units sold and dollar value of sales for this interval are 4.7% and 15.6%, respectively. Data compiled by the Pueblo County Public Trustee's Office through the first two quarters of 2013 show a total of 400 home mortgage foreclosure filings, compared to 619 for the corresponding two quarters of 2012—a 35.4% decrease.

Pueblo has a very low housing cost relative to many other Colorado communities. Median sales price for existing Pueblo single-family homes, (inclusive of condominium/town-home units) is \$113,775, according to year-to-date 2012 data compiled through December. This is 51.7% of the corresponding Colorado statewide value of \$220,000. Apartment rents are similarly low, with an overall median of \$554 according to the Colorado Division of Housing's multi-family vacancy survey for the fourth quarter of 2012. For the fourth quarter 2011, the median rent was \$528. For this period, the vacancy rate grew from 7.3 percent for the 4<sup>th</sup> quarter of 2011 to 10.7 percent for the 4<sup>th</sup> quarter of 2012. Pueblo County has a high rate of home ownership, with 67.1% of all occupied units according to the 2010 census. However, the housing stock is showing its age. A comparison of American Community Survey 1-year data for 2011 reveals that units built prior to 1940 comprised 18.9% of all units—over twice the State of Colorado value (8.7%). The City of Pueblo value is even higher—23.8% were constructed prior to 1940.

### **CLEAN ENERGY**

Wind-turbine manufacturer, Vestas, expects to fully utilize its tower making facility, in 2014. The plant, located in south Pueblo, currently employs over 400 workers. Up to 600 additional workers may be hired to meet this goal.

### **NEW PROJECTS**

Downtown redevelopment continues, despite the lagging growth in several other economic sectors. The Pueblo Urban Renewal Authority intends to begin construction of a \$10 million addition to the Pueblo Convention Center this coming spring.

In many respects, downtown Pueblo remains the viable economic center of the community despite recent commercial growth on Pueblo's north side. Statistics from On the Map, a Census Bureau web application of the Longitudinal Employer-Household Dynamics (LEHD) program reveal some surprising numbers about downtown. In 2011, over 15,300 persons worked in downtown Pueblo (as defined by a 1-mile radius from 4<sup>th</sup> and Main Streets), compared to 11,800 in 2002. This represents a growth rate of

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over 30 percent. Downtown accounts for over 37 percent of all work-based employment within the City of Pueblo.

Three additional public-sector projects point the way to better economic times for Pueblo—all of them transportation-related:

- Replacement of the I-25, Ilex Interchange bridge, is scheduled to begin by next spring. The project will cost \$45 million, will employ over 100 workers for its duration, and will also entail improvements to several other bridges along I-25.
- In late winter/early spring of next year, the City of Pueblo intends to begin work on the Dillon Drive flyover interchange. The project, expected to cost \$17.5 million, is located adjacent to the Pueblo Crossings Shopping Center, an area of rapid commercial development on Pueblo's north side.
- A smaller project, slated to begin next fall, is the \$4.5 million replacement of the West 11<sup>th</sup> St. bridge.

### **OTHER DEVELOPMENTS**

On August 28<sup>th</sup>, Colorado State University-Pueblo announced the commencement of a 3-year effort sponsored by the CSU-Pueblo Foundation to generate \$25 million in additional funding. Over \$5 million had already been raised prior to the announcement. The "On the Move" campaign has a three-tiered approach to improving the University: \$15 million will be allocated to scholarships; \$5 million to expansion of the Occhiato University Center; and \$5 million to improvement and enhancement of athletics programs. The \$5 million for University Center renovation and expansion will be augmented primarily through the issuance of bonds. The total cost for the Center's upgrade is \$35 million with groundbreaking slated to take place next spring. Upon completion of the project, the Occhiato Center's available space will almost be doubled. The \$15 million earmarked for scholarships will help the University attract new students. The athletics component of the campaign seeks to establish six new competitive sports and build a new soccer/lacrosse stadium.

Hiring at the Pueblo Chemical Depot Weapons destruction plant continues, with the addition of 300 jobs by this winter. The plant is slated to commence operation in 2015.

Austrian-based tire chain manufacturer Pewag has begun construction of its plant, located in Pueblo's south-side, with production expected to begin next May. Initially, the anticipated employment for the plant is 55 workers.