



Stephen A. Heavener
Executive Director
www.greenriverfutures.com
heavener@greenriverfutures.com
307/871-1941

P.O. Box 130, Green River, WY 82935

GREEN RIVER'S ECONOMIC DEVELOPMENT AGENCY

"The application of public resources to stimulate private investment."

HOUSING AS AN IMPORTANT COMPONENT OF THE CITY OF GREEN RIVER'S ECONOMIC DEVELOPMENT STRATEGY

Demand for housing in Green River has risen substantially, but with it, prices have drastically increased, forcing the need for developers to seek new ways to meet the needs of the City's economically diverse population. The development of substantial numbers of new affordable housing units priced under \$200,000 remains a major challenge for Green River's economic development success.

The strong regional economy is driving the housing demand and it is anticipated to continue for many more years. Many jobs are being created at all wage levels, but many remain unfilled because the rural Wyoming population is not large enough to meet this growing demand. While many people outside of the region consider relocating, once they arrive, they quickly discover that affordable housing is not available in the numbers necessary to address the demand. According to Pat Robbins, the director of Sweetwater Economic Development Association, more than 1,200 jobs remain open in the area at any given time. The only way to address the demand is to attract more people to the area. More people means more housing.

During the past several years, between 20 and 30 new homes have been constructed annually in the City of Green River. Most of these homes have been custom built and are priced well above \$200,000. These homes meet a certain level of market demand, but they do not address the need to strike a balance between market and affordable work force housing. In 2005, 151 single family houses in Green River sold between \$80,000 and \$199,000. This illustrates the demand for housing priced under \$200,000. Local real estate professionals regularly complain that there is insufficient supply of houses for sale under \$200,000 to meet the growing demand.

Since I came to manage Futures in April, 2004, I have spent a fair amount of my time contacting commercial developers, restaurants, hotels, technology companies, retail stores, and light manufacturing firms to get them to consider a job creating investment in Green River. I checked my files for this story and discovered that I have contacted more than 120 companies. Business recruitment was the primary task assigned to Futures when it was first established.

It did not take me long to realize that Green River was not prepared for business development. We lack the basic human and physical infrastructure required to accommodate new business creation. Most of the companies contacted identified two major obstacles to making a Green River investment. The first was the lack of a variety of existing buildings and sites in high traffic locations (physical infrastructure). The second was the lack of available labor, especially in the \$8-\$10/hour range generally associated with retail and service jobs (human infrastructure). As a related issue, most of the companies said that the population needed to approach 15,000 people to meet their investment standards. Housing development adds directly to all levels of the labor force as trailing spouses and teenage children are available to take the retail and service jobs.

I have been working closely with the City and private developers to identify sites and buildings suitable for commercial investments. This is a long term and expensive process because many of the areas suitable for development require major utility expansions. Late in 2005, the Green River Governing Body directed Futures to prepare a comprehensive Land Development Plan. The plan is scheduled for presentation to the City by late spring or early summer. It will identify existing publicly and privately owned sites within the City that can be developed. It will also identify properties adjacent to the City that require utility extensions, but that are ideally located for development. This will give the City a blueprint to address the physical infrastructure needs.

One of the only ways that local government can address the labor problem is to allocate resources that it owns to accommodate large numbers of affordable work force housing. According to successful regional housing developers that have contacted Futures seeking sites, they believe that Green River can absorb upwards of 250 new houses annually for the next 3-5 years. This is 10 times more new housing than Green River has created in recent years.

The attempt to accommodate new housing development in Green River is even more challenged by the lack of land. Most of the sites large enough for substantial projects are city owned. Several strategic large sites are privately owned, but require substantial utility extensions. A creative way to address public-private cost sharing needs to be established to pay for the utilities needed to open these sites for development.

Futures worked closely with the City in late 2005 to encourage the City to sell the 12 acre site it owns at the corner of Hitching Post and Upland Way for a high density housing project.

Futures worked with Cheryl Jensen of Brokerage Southwest, who recruited PEG Development of Provo, Utah, to make an offer to purchase the site. The City agreed to sell the site to PEG and the developer plans to construct upwards of 150 townhouses, twin homes and condominiums on the site during the next three years priced between \$140,000 and \$190,000.. This starts the process of providing work force housing, but more is needed.

Futures also supports the conversion of a portion of the College Business Park into specific density housing. The City is currently accepting bids for the development of a total of 32 acres of land in and around the Business Park for housing. The bid proposals are due February 15th and the bid specifications require a minimum of 150 housing units. Several of the regional developers that have inspected the site anticipate that as many as 200 housing units can be developed on the site.

Five lots totaling 8 acres will remain as Business Park. As housing develops around the Park, demand for services and businesses will make the remaining commercial lots more desirable. Futures and SWEDA have actively marketed the College Business Park for more than 4 years with limited interest or success. Successful economic development programs create the environment for private business to be profitable. The market has not shown much interest in the College Business Park as a business location, thus it is incumbent upon the City to proactively address the challenge. The City invested nearly \$1.0 million to establish the Business Park in 1999. It has a responsibility to its citizens to earn a return on that investment. Offering the Park as a site for high density residential development should enable the City to secure its financial return as well as addressing the housing shortage. In addition, the residential investment in the Park should be the catalyst needed to attract business investment. Customers and potential employees will live nearby.

As the above development begins to address the work force housing and subsequent labor needs, the City of Green River needs to continue to identify large sites suitable for additional business park development. Many of the businesses Futures has contacted also prefer good interstate access and visibility. I have been a consistent supporter of extending utilities to the west between the Covered Wagon and Labarge exits of Interstate 80. More than 1,500 acres of generally flat land are available in this area. Many companies have also expressed an interest in this area pending water and sewer investments.

Futures will continue to respond to market conditions. Strategies need to change as the market changes. We are not what we were two years ago and Futures is not today what it will be two years from now. Success demands change.

Remember the definition of economic development that is listed at the top of Futures letterhead, "The application of public resources to stimulate private investment."

I remain interested in hearing from all Green River citizens about economic development initiatives. Stephen Heavener, 307/871-1941. heavener@greenriverfutures.com

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