

INTRODUCTION

Valley County, Nebraska is the 59th largest county by population of the 93 counties in the State of Nebraska, but it has been experiencing declines in population during the past 30 years and declines in employment opportunities during the last 10 years. These declines foretell a number of challenges that the residents in the County will face in the foreseeable future.

This Comprehensive Plan has been formulated to specifically identify the challenges that the residents of the County will face and identify goals, objectives and public policies that will allow the County to effectively address such challenges in a manner preferred by its citizens.

ROLE OF THIS PLAN

A Comprehensive Plan has two fundamental purposes. The first is to define a “vision” for the future county to give guidance to local public officials on how to achieve the goals and objectives established by the citizens of Valley County. The second is to provide a sound legal basis for land use regulations, including zoning and subdivision control which are instrumental in achieving the physical vision of the future County.

Nebraska State Statutes enable counties to adopt zoning and subdivision regulations to promote “the health, safety, morals, convenience, order, prosperity and welfare of the present and future citizens of the County.

However, these same Statutes indicate that a County may not adopt land use regulations without first formulating and adopting a Comprehensive Plan. This limitation is based upon the premise that decisions regarding future land uses should not be arbitrary, but instead should be based upon an overall plan for the future development of the County which has been formulated by local citizens and officially adopted by the County Board of Commissioners or Supervisors.

To ensure that such a Plan is reasonably comprehensive, these same Statutes also specify that, at a minimum, a Comprehensive Plan must include the following elements:

- A land use element which designates the proposed general distribution, general location and extent of the uses of land for agriculture, housing, commerce, industry, recreation, education, public buildings and lands and other categories of public and private use of land.
- The general location, character and extent of existing and proposed major streets, roads and highways, and air and other transportation routes and facilities.
- The general location, type, capacity and area served by present and projected or needed community facilities, including recreation facilities, schools, libraries, other public buildings and public utilities and services.
- An energy element which evaluates energy use within the County and provides recommendations regarding methods and projects that can be implemented to reduce overall energy use.
- The Comprehensive Plan shall be designed to accommodate anticipated long-range future growth which shall be based upon documented population and economic projections.

COUNTY VISION

A comprehensive plan is important, if not critical to the future development of the County because it is typically the only plan that addresses the future economic and physical development of the County.

The plan establishes a “picture” or “vision” of the County’s future, based on a consensus of the desires of residents of the County. This picture or vision will become crucial as the citizens of the County face the impacts associated with a declining population, declining employment opportunities and a stabilizing tax base.

Beyond defining a vision, this Plan presents public policies and actions that will need to be taken to achieve the vision of the future.

THE PLANNING PERIOD

Due to the comprehensiveness of this Plan and the need to address a variety of issues, it is not possible to make reasonably accurate projections of future needs or results for an infinite period of time. This

comprehensive plan limits the time period for defining the vision for the County to ten years. At that point the Plan should be reviewed to determine what has changed and what changes are needed to deal with any changes that are identified.

WHO DOES THE PLANNING?

Ideally, every citizen in the County would participate in the formulation of a Comprehensive Plan. Unfortunately, not all citizens will choose to participate for a variety of reasons regardless of the efforts and the associated monetary costs expended to seek participation at various meetings and public forums used to formulate the Plan.

Nebraska Statutes enabling county planning recognize this problem of citizen participation, but still require that the Comprehensive Plan be formulated by citizen volunteers. The law requires that a group of local citizens be appointed by the governing body to lead the formulation of such Plan. This group of citizens is known as the Valley County Planning Commission.

The citizens who serve on the Planning Commission are people who serve as unpaid volunteers. This requirement that the Comprehensive Plan be formulated by such unpaid citizen volunteers is designed to assure that the Plan will reflect the views and desires of the people of the County and not solely those of local politicians or interest groups.

This requirement places a substantial burden on such citizen volunteers in that it takes considerable time and effort to understand the issues that the County will face during the Planning Period, to seek the opinions of other citizens in formulating the Plan and to identify goals, plans, public policies and actions which will be needed to achieve the vision of the future County that is desired by the majority of its citizens.

ECONOMIC, POPULATION, HOUSING ANALYSIS AND PROJECTIONS

In order to formulate effective plans for the economic enhancement and the physical development of Valley County, which are properly scaled to meet the needs of the present and future County, it is necessary to establish a forecast of the future population. Historic population data and trends assist in developing projections of population, which in turn assist in determining future housing, educational, public services demands and future public facility and land use needs within the County.

Population growth or decline in any geographic area is dependent on the levels of and trends in the regional and local economies. A strong, expanding economy generates employment opportunities within a given geographic area, which in turn attracts more people to the area to obtain employment. A declining economy, on the other hand, results in decreasing employment opportunities and the outflow of people from a given geographic area in search of employment opportunities elsewhere.

The following analysis relates the historic economic trends of Valley County with past population changes in the urban communities in the County and the overall County. Future economic activity assumptions can be derived from past economic patterns and trends to provide supporting data for forecasting future population levels.

HISTORIC ECONOMIC TRENDS

One of the critical components in the analysis of economic trends in Valley County is an analysis of employment levels, types of employment and changes in employment over time. As indicated in Table 1, the local County economy experienced several estimated changes in employment characteristics since 2000. Since 2000 the number of persons employed in agriculture, forestry, fisheries and mining, which in the case of Valley County is primarily agricultural employment, has declined by 189 persons (range of -261 to -117) or just over 41%. This decline is consistent with the nationwide trend toward larger, but fewer, farming and ranching operations.

The County has also experienced notable estimated declines in employment in the construction, wholesale trade transportation, warehousing and utilities and arts and entertainment and food services categories. Combined, estimated employment declines in these categories totaled 92 jobs lost since 2000.

TABLE 1 EMPLOYMENT BY INDUSTRY
VALLEY COUNTY, NEBRASKA

Industry Category	2000		2012*		Employment Gain or Loss 2000 - 2012	% Change 2000 - 2012	2012 Estimate Error Range
	Count	%	Count	%			
Agriculture, Forestry, Fisheries & Mining	457	20.4%	268	11.9%	- 189	- 41.4%	+/- 72
Construction	147	6.6%	154	6.8%	+ 7	+ 4.8%	+/- 49
Manufacturing	60	2.7%	152	6.7%	+ 92	+153.3%	+/- 52
Wholesale Trade	86	3.8%	46	2.0%	- 40	- 46.5%	+/- 27
Retail Trade	277	12.4%	288	12.8%	+ 11	+ 3.8%	+/- 63
Transportation, Warehouse & Utilities	158	7.1%	137	6.1%	- 21	- 13.3%	+/- 52
Finance, Insurance & Real Estate	114	5.1%	144	6.4%	+ 30	+26.3%	+/- 48
Education and Health Services	522	23.3%	522	23.1%	0	0.0%	+/- 75
Professional, Scientific Management, Admin. & Waste Management	83	3.7%	123	5.4%	+ 40	+48.2%	+/- 72
Arts, Entertainment, Recreation, Accomd. and Food Services	118	5.3%	87	3.8%	- 31	- 26.3%	+/- 36
Other Services (except public admin.)	117	5.2%	193	8.5%	+ 76	+65.0%	+/- 63
Public Administration	102	4.6%	148	6.5%	+ 46	+45.1%	+/- 45
TOTAL	2,241	100.0%	2,262	100.0%	+ 21	+ 0.9%	+/- 131

Source: U. S. Bureau of Census, Census of Population, 2000 - 2010. * 2012 data are estimates by Census Bureau.

Due primarily to declines population of the County and, in particular, in the number of school age children in the County, the level of employment in the health and education sector of the economy has remained steady instead of experiencing notable growth as has occurred in other Nebraska counties. The number of persons employed in this sector remained virtually the same since 2000.

The substantial declines in agricultural employment during the last 20 years has resulted in a notable shift in overall employment in the County as employment is currently more centered in the urban areas of the County and has become more diversified and generally more service oriented. This shift is verified by the fact that the County has experienced modest increases in employment in all other sectors of the County economy since 2000. The gains in these employment categories have been sufficient to make up for the loss of the 189 jobs in the agricultural and other sectors. The net gain of 21 jobs in the County since 2000, many of which were in the manufacturing sector indicates limited economic growth in the County.

As noted above, the County also experienced employment declines in the public sector of the economy. This employment, consisting of employment in municipal, county, state and federal public administration decreased by 46 jobs or by nearly 50% since 2000. This trend is positive from the standpoint of the overall economic strength of the County economy, but it is negative from the standpoint of it results in an increase in the amount of taxes required to support the employees in this sector.

ECONOMIC ANALYSIS

The importance of agricultural production and certain other sectors of the economy in Valley County can be examined further through an analysis of basic and non-basic employment in the County.

Basic employment components of the local economy include business activities that provide services and products via sales primarily to entities outside of the County where the money generated by such sales is brought from outside of the County and is directed to the local area (the County) in the form of wages and payments to local suppliers.

Non-basic employment components of the local economy include the sale of goods and services to people and entities within the County where a portion of the money generated by such sales is re-circulated locally in the form of wages and payments, but the balance of the money goes to an entrepreneur or corporate entity that may not be located in the County. In these instances money is drained from the local economy.

An analysis of basic and non-basic employment is used to better understand which employment categories are exporting goods and services outside of the County and importing dollars into the local economy.

The data in Table 2 indicates the employment category, the percentage of basic employment, the percentage of non-basic employment and the percentage of the State of Nebraska workforce in each employment category. Subtraction of the State's workforce percentage in a particular employment category from the Valley County workforce percentage for the same category determines which categories are basic or non-basic. With the exception of manufacturing employment, if a County economy indicates a lower proportion of people employed in an employment category than the State as a whole, that employment category is considered to be non-basic.

If the proportion for the County is higher than the State as a whole, that portion of the higher percentage which is above that as the State as a whole is considered to be basic employment, because it is these

categories of employment which are exporting goods and services outside of the County resulting in generating an infusion of money into the local economy.

All other employment categories are “non-basic” and the levels of employment in these categories is dependent on expansion of the “basic” employment sectors.

From the data presented in Table 2, the importance of agricultural production and the impacts of the manufacturing employment in the local economy are obvious. The agricultural and manufacturing sectors employment represents the foremost drivers of the local economy and accounts for nearly 2/3rds of all basic employment in the County.

TABLE 2 BASIC / NON-BASIC EMPLOYMENT - 2010
VALLEY COUNTY, NEBRASKA

Employment Sector	Basic	Non-Basic	% of Valley County Workforce	% of State of Nebraska Workforce
Agriculture, Forestry and Mining	7.0%	4.8%	11.8%	4.8%
Construction	0.3%	6.5%	6.8%	6.5%
Manufacturing	6.7%	0.0%	6.7%	10.7%
Wholesale Trade	0.0%	2.0%	2.0%	3.0%
Retail Trade	1.2%	11.6%	12.8%	11.6%
Transportation, Warehousing & Utilities	0.1%	6.0%	6.1%	6.0%
Finance, Insurance, Real Estate	0.0%	6.4%	6.4%	7.6%
Professional, Scientific, Management	0.0%	5.4%	5.4%	8.1%
Educational, Health, Social Services	0.0%	23.1%	23.1%	23.3%
Arts, Entertainment, Recreation, Accommodations and Food Services	0.0%	3.8%	3.8%	7.6%
Other Services (except public administration)	4.0%	4.5%	8.5%	4.5%
Public Administration	0.0%	6.5%	6.5%	4.1%
TOTALS	19.3%	80.7%	100.0%	100.0%

Source: U. S. Census Bureau, Census of Population and Housing, 2010

Manufacturing employment in the County is the second most important component in the Valley County economy. The manufacturing sector comprises nearly 1/3 of basic employment in the County.

The Other Services sector of the local economy is a notable basic employment sector. Other employment consists of non-governmental businesses including equipment and machine repair, administration of religious activities, personal care and death care services, dry cleaning and laundry services, marine equipment sales and service, storage and similar businesses. This sector comprises slightly over 18% of basic employment in the County.

Interestingly, the retail trade sector of the local economy also is considered a notable basic employment sector comprising 6% of such employment. The level of employment in the retail sector can generally be attributed to the geographic location of the City of Ord which draws people into the community, resulting in higher levels of retail sales and services.

Wholesale trade in the County comprises less than 1% of the basic employment in the County. The majority of employment in this category consists of those persons employed in the merchandising of grain and livestock produced in the County.

ECONOMIC BASE MULTIPLIER

The economic base multiplier is a ratio between the level of employment in “basic” employment categories and the level of employment in the “non-basic” categories. In the case of Valley County, the economic base multiplier is 3.8, meaning that for each new job added to one of the basic employment categories 3.8 new additional jobs in the non-basic employment categories will result. Similarly, the loss of a job in any of the basic employment categories would result in a loss of 3.8 jobs elsewhere in the non-basic local economy.

The future impact of continuing the historic trend of declining agricultural employment cannot be understated. Either employment in the agricultural sector of the County economy must be expanded or employment in the other basic employment categories, specifically the manufacturing sector must be expanded if the County is to have an expanding economy through the planning period.

If there is to be any growth in the agricultural production employment in the future in the County, such growth will probably have to occur in the area of expanded livestock and poultry production as there will only be a limited amount of additional land which can be converted to crop production. The importance of expanded livestock and poultry production and expansion in the manufacturing sector should not be

understated. Expansion in the levels of employment in these components of the local economy is the best and perhaps only way to expand the total overall economy in the County.

AGRICULTURAL TRENDS

Agricultural crop and livestock production is the backbone of the economy of Valley County. It is therefore imperative to evaluate the historic trends in the agricultural sector of the County economy to provide insight into the economic future of the County as well as future land use and infrastructure needs.

The latest data that is comparable with prior year data is that which is available through the 2012 Census of Agriculture. As indicated in Table 3, the number of farms and ranches in Valley County declined by 17 farms in the 10 years between 2002 and 2012. This represents nearly a 4% decline in just one decade. During this time period there has been a 16% increase in the average size of farms and ranches with the average size of the average farm or ranch expanding from 751 acres in 2002 to 869 acres in 2012. The decline in the number of farms is the primary reason for the previously noted decline in agricultural employment in the County.

TABLE 3 AGRICULTURAL PRODUCTION TRENDS
VALLEY COUNTY, NEBRASKA

PRODUCTION FACTOR	2002	2012
Number of Farms and Ranches	419	402
Land in Farms and Ranches (acres)	314,661	349,404
Average Size of Farms and Ranches (acres)	751	869
Total Cropland (acres)	151,997	150,695
Total Irrigated Cropland (acres)	77,861	93,080
Total Pastureland / Pastured Cropland (acres)	162,664	198,709
Cattle Inventory	67,925	76,326
Hog Inventory	20,971	1,617
Market Value of Crops Sold (\$1,000)	\$ 21,317,000	\$ 95,415,000
Market Value of Livestock & Poultry Sold (\$1,000)	\$ 49,302,000	\$109,677,000
Average Net Cash Income (per farm)	\$ 24,519	\$81,520

Source: Nebraska Department of Agriculture, Census of Agriculture, 2002 - 2012

The 16% increase in the size of farms and ranches can also be partially attributed to the unprecedented increases in the capacity of agricultural machinery, another reason for the previously noted decline in agricultural employment in the County.

The amount of land in the County that is irrigated has increased slightly since 2002 when slightly less than 78,000 acres in the County were irrigated. By 2012, the amount of irrigated land had increased by 20% to just over 93,000 acres.

The increase in irrigated land, enhancements in crop productivity and increases in commodity prices resulted in substantial increases in the value of crops marketed over the last 25 years. The value of all crops marketed in the County, primarily corn, exceeded \$95,000,000 in 2012, a 347% increase in crop sales in 2002.

Valley County is not noted for its irrigation and crop production, but is noted for livestock production which remains a major component in the local agricultural economy. Based upon the value of agricultural products sold, livestock production in the County has always exceeded the value of crops sold. In 2002, the sale of livestock produced in the County exceeded \$49,000,000 or over 133% of the value of crop sales. By 2012, due primarily to increased corn and soybean prices, the value of livestock sold was only 15% greater than the value of crops sold. However, it is important to note that the value of livestock sold increased by 122% since 2002, reaching a value of over \$109,000,000.

Cattle and calf inventories in Valley County have increased since 2002. The number of cattle and calves in inventory in 2012 was some 76,326 head or 12% greater than in 2002.

There has been a very substantial decline in hog production in the County. Hogs and pigs in inventories in 2002 were in excess of 20,000 head while in 2012 the inventory had declined to under 2000 head.

AGRICULTURE AND THE ECONOMY

Given the reality that agricultural production in Valley County is the most important component of the local economy, it is reasonable to assume that expansion of agricultural production and employment in the County would be an excellent, if not the best, way to enhance to local economy.

As noted previously, if there is to be any growth in agricultural production employment in the future in the County, such growth will probably have to occur in the area of expanded livestock and possibly poultry production as there will only be a limited amount of additional land which can be converted to

crop production. The importance of expanded livestock and possibly poultry production and employment should not be understated.

A comparison of Valley County's economy to the economies of other counties provides considerable insight into the impacts of expansion of the livestock production component of the agricultural sector. The data presented in Table 4, is a summary of various components of the economies in Valley County, Cuming County, Nebraska, which is known for livestock production and Sioux County, Iowa, which is well known for its extensive livestock production.

TABLE 4 COMPARISONS OF COMPONENTS OF COUNTY ECONOMIES

ECONOMIC COMPONENT	VALLEY COUNTY, NEBRASKA	CUMING COUNTY, NEBRASKA	SIOUX COUNTY, IOWA
Demographic Data:			
Total Population, 2010	4,260	9,139	33,704
Total Population Change, 2000-2010	-(387)	-(878)	3,801
Farm Population, 2010	1,489	3,858	3,033
Total Non-Farm Population, 2010	2,771	5,281	30,671
Geographic Data:			
Total Land Area (square miles)	568.1	570.6	768.3
Employment Data:			
Total Employment (over age 16), 2010	2,262	4,716	18,621
Total Agricultural Employment, 2010	268	770	1,968
Total Non-Agricultural Employment, 2010	1,994	3,946	16,653
Total Manufacturing Employment, 2010	152	563	2,926
Total Other Employment, 2010	1,842	3,383	13,729
Agricultural Data:			
Number of Farms	402	918	1,618
Land in Farms (acres)	349,404	362,926	484,491
Cattle and Calf Inventory	76,326	297,672	393,665
Hogs and Pigs Inventory	1,617	590,239	1,176,751
Market Value of Farm Production, 2012	\$ 205,092,000	\$1,081,302,000	\$1,613,087,000
Market Value of Crops Sold, 2012	\$ 95,415,000	\$ 140,001,000	\$ 317,798,000
Market Value of Livestock Sold, 2012	\$ 109,677,000	\$ 941,300,000	\$1,295,289,000
Income Data:			
Average Net Cash Income (per farm), 2012	\$ 81,520	\$ 93,037	\$ 229,080
Median Household Income, 2010	\$ 44,762	\$ 46,847	\$ 55,252
Economic Activity Data:			
Total Retail Sales, 2012	\$ 66,843,000	\$ 174,641,000	\$ 394,422,000
Number of Non-Farm Businesses, 2010	175	851	3,659

Source: Nebraska Department of Agriculture, Census of Agriculture, 2002–2012, U.S. Census Bureau, Census of Population, 2000-2010

Due to its local geology and topography, crop production in Valley County is somewhat limited, but the County is blessed with large quantities of hilly land best suited for livestock production. This fact is readily apparent when examining the value of agricultural products produced in the County. As indicated in Table 3, 53% of the total value of agricultural products sold in 2012 was from the sale of livestock, almost exclusively cattle.

One of the most striking differences in the local economy of Valley County versus Cuming County, Nebraska and Sioux County, Iowa is the value of livestock sold. In Cuming County the value of livestock sold in 2012 exceeded the value of livestock sold in Valley County by a factor of 9. Similarly, in Sioux County, Iowa the value of livestock sold in 2012 was nearly 12 times that of Valley County.

The substantial difference in the value of livestock sales in these counties is reflected in levels of employment in the agricultural sector. In Cuming County the level of agricultural employment is 3 times greater. In Sioux County, Iowa, the difference is even more apparent as agricultural employment in Sioux County is over 7 times greater.

Livestock production also has a very substantial impact on farm income and overall household incomes in each county. In 2012, the average net cash income per farm in Valley County was \$81,520 while in Cuming County and Sioux County, Iowa the average net cash incomes per farm were \$93,037 and \$229,080 respectively. Similarly, the median household incomes in each county are affected by the overall strength of the agricultural economy. In 2012, the median household incomes for all households in Valley County was \$44,762 while in Cuming County and Sioux County, the median household incomes were \$46,487 and \$55,252 respectively.

This higher level of agricultural employment is translated into a stronger local economy as reflected by the number of non-farm businesses that exist in each county. Cuming County has nearly 5 times the number of businesses than Valley County. Sioux County, Iowa has 21 times the number of non-farm businesses than in Valley County.

INCOME TRENDS

An important economic trend is that critical to the evaluation of the strength of the local County economy is income. As indicated in Table 5, household incomes in Valley County have increased substantially over the last 10 years. In 2000 nearly one-fourth of all households in the County had incomes of under \$25,000 while in 2010 only 16% of households had limited incomes of \$25,000 or less. The number of households in the County with incomes between \$25,000 and \$50,000 annually also decreased slightly

from 673 households in 2000 to 531 in 2010. Further, the number of households with incomes above \$50,000 annually increased a very notable 104% from 2000 to 2010. This increase in the number of higher income households, from 413 in 2000 to 844 in 2010 is an indication of a stronger local economy due in part to higher agricultural commodity prices.

A comparison of growth in household income between Valley County and the State as a whole indicates that household income levels in the County increased at a rate slightly greater than the State during this time period. Median household income in Valley County increased at a rate nearly double that of the State of Nebraska which is an indication that the economy of the County expanded faster than that of the State. Again, this increase can be attributed mainly to increased incomes in the agricultural sector of the economy.

TABLE 5 HOUSEHOLD INCOME TRENDS
VALLEY COUNTY, NEBRASKA

Household Income	2000				2010			
	Valley County	% of Total	State of Nebraska	% of Total	Valley County	% of Total	State of Nebraska	% of Total
Less than \$10,000	281	14.3%	55,340	8.3%	132	7.1%	43,365	6.0%
\$10,000 - \$14,999	180	9.2%	43,915	6.6%	163	8.7%	39,604	5.5%
\$15,000 - \$24,999	414	21.1%	98,163	14.7%	196	10.5%	79,912	11.1%
\$25,000 - \$34,999	307	15.7%	97,932	14.7%	209	11.2%	81,256	11.3%
\$35,000 - \$49,999	366	18.7%	122,654	18.4%	322	17.3%	106,931	14.8%
\$50,000 - \$74,999	300	15.3%	136,141	20.4%	421	22.6%	145,596	20.2%
\$75,000 - \$99,999	49	2.5%	58,361	8.8%	249	13.3%	95,772	13.3%
\$100,000 and above	64	3.2%	53,989	8.1%	174	9.3%	128,590	17.8%
Number of Households	1,961	100.0%	666,595	100.0%	1,866	100.0%	721,026	100.0%
Median Household Income	\$ 27,926		\$ 39,250		\$ 44,762		\$ 51,318	

Source: U. S. Bureau of the Census, Census of Population, 1990 - 2010

An important factor to consider when analyzing income growth is whether the income levels are keeping pace with inflation. The Consumer Price Index (CPI), a measure of inflation, indicates that from 2000 to 2010 the CPI was 27%. In Valley County the median household income increased by 60.3% during this time period. This indicates that the majority of household incomes in the County increased at a rate more than double the rate of inflation which, in turn, indicates that the typical households in Valley County were earning substantially more in real dollars in 2010 than in 2000.

HISTORIC POPULATION TRENDS

In order to establish a population forecast, it is necessary to evaluate historic population levels and trends and to analyze and understand the various economic and demographic factors which have and will influence population levels in the community. Historic population levels of Valley County, the incorporated municipalities in the County and the rural, unincorporated area of the County are presented on Table 6.

TABLE 6 1990 - 2010 POPULATION TRENDS
VALLEY COUNTY, NEBRASKA & MUNICIPALITIES

County and Municipality	1990	2000	2010	% Change 1990 - 2010	% Change 2000 - 2010
City of Ord	2,481	2,269	2,112	-14.9%	- 6.9%
Village of Arcadia	385	359	311	-19.2%	-13.4%
Village of Elyria	61	54	51	-16.4%	- 5.6%
Village of North Loup	361	339	297	-17.7%	-12.4%
Rural Unincorporated	1,881	1,626	1,489	-20.8%	- 8.4%
Valley County	5,169	4,647	4,260	-17.6%	- 8.3%

Source: U. S. Census Bureau, Census of Population and Housing, 1990 - 2010

As indicated in Table 6, during the 20 years from 1990 to 2010 the population Valley County decreased by 17.6% or 909 persons. This nearly 18% decline in population can again be linked declines in the population in the agricultural sector. From 1990 to 2010 the population of the rural, unincorporated areas of the County declined by some 392 persons or nearly 21%.

The urban populations of the City of Ord and the Villages of Arcadia, Elyria and North Loup, have also decreased in population since 1990. This decrease of 517 persons in the urban areas of the County since 1990 is a result of the declining agricultural employment and lack of employment opportunities in the County.

POPULATION MIGRATION ANALYSIS

An analysis of the migration of the population over time allows an understanding of a specific demographic factor that influences the overall population of the County and its municipalities. Migration indicates the portion of the population that has either moved into the County or has moved out of the County. Population migration is the remaining portion of the population after natural change, births minus

deaths, is subtracted from the total change in the population. A negative number in the Total Migration column indicates the number of persons moving out of the County while a positive number indicates that people are moving into the County to live.

TABLE 7 POPULATION MIGRATION ANALYSES
VALLEY COUNTY, NEBRASKA

Decade	Valley County Population Change	Total Births 2001 - 2010	Total Deaths 2001 - 2010	Natural Change (Births minus Deaths)	Total Migration
2000 - 2010	-387	514	652	-138	-249

Source: U. S. Census Bureau, Census of Population and Housing, 2000 – 2010
 Nebraska Department of Health and Human Services, Vital Statistics, 2001 - 2010

In Table 7, the total change in population in Valley County together with the natural increase or decrease (births minus deaths) is indicated for the period from 2000 through 2010. As indicated, during this period the total population of the County decreased by 387 persons and the number of deaths in the County exceeded the number of births in the County by 138 persons, thus the data indicate that since 2001 a total of 249 persons migrated out of the County to seek higher education, employment or for retirement.

The majority of those persons migrating out the County are most likely younger people who are seeking higher education and persons seeking employment. To verify this assumption and to determine if a “brain drain” trend is occurring, analyses of employee commuting patterns and an analysis of age composition of the population are necessary.

TABLE 8 EMPLOYEE COMMUTING PATTERNS - 2012
VALLEY COUNTY, NEBRASKA

Place of Work	Number of Employees	% of Total Employment
Total Employment	2,011	
With Valley County	1,713	85.2%
Outside Valley County	298	14.6%
Travel Time to Work		
Less than 10 minutes	1,168	58.1%
10 - 19 minutes	360	17.9%
20 - 29 minutes	233	11.6%
30 – 59 minutes	209	10.4%
60 minutes or more	41	2.0%

Source: U. S. Bureau of the Census, Census of Population, 2012

As indicated in Table 8, the out-migration of the population of Valley County for employment is verified by employee commuting patterns. Of the total workforce of 2,011 persons over 85% are employed within the County. In 2012, a total of 298 residents of the County were commuting to work outside of the County. This data indicates that there is a lack of employment opportunities in the County, but it also implies that there is a sizable workforce which could be retained in the County if employment opportunities were available in the County.

By analyzing the age structure of the population, it can be determined which age groups (cohorts) within the County are being affected.

POPULATION AGE ANALYSIS

The age composition of the population is an important component of this population analysis. By analyzing the age characteristics of the population, it can be determined which age groups (cohorts) within the County are being affected by the changes in the population.

An increase or decrease in each cohort affects the population in different ways. For example, an increase of the 20 - 44 cohort would indicate that the present population will have a greater ability to sustain population growth due to a higher number of females of childbearing age. An analysis of the changes in the population age cohorts also permits a detailed analysis of which age groups are moving out of Valley County. Detailed data regarding the population cohorts for the County is presented in Table 9.

**TABLE 9 ANALYSIS OF POPULATION AGE
VALLEY COUNTY, NEBRASKA**

AGE GROUP (Cohort)	2000		2010		2000 – 2010	
	Male & Female	% of Total	Male & Female	% of Total	Net Change	% Change
0 - 4	258	5.6%	249	5.8%	- 9	- 3.5%
5 - 17	815	17.5%	647	15.2%	- 168	-20.6%
18 - 19	159	3.4%	119	2.8%	- 40	-25.2%
20 - 24	140	3.0%	154	3.6%	+14	+10.0%
25 - 34	431	9.3%	408	9.6%	- 23	- 5.3%
35 - 44	620	13.3%	443	10.4%	- 177	-28.5%
45 - 54	631	13.6%	616	14.5%	- 15	- 2.4%
55 - 64	478	10.3%	618	14.5%	+ 140	+29.3%
65 - 74	526	11.3%	463	10.9%	- 63	-12.0%
75+	589	12.7%	543	12.7%	- 46	-7.8%
TOTAL	4,647	100.0%	4,260	100.0%	- 387	-8.3%
MEDIAN AGE	43.5	-	46.9	-	+3.4	+ 7.8%

Source: U. S. Census Bureau, Census of Population and Housing, 2000 – 2010

The data indicate that since 2000, the County has experienced decreases in all age groups except for the 20-24 and 55-64 age groups. The County has experienced a “brain drain” from persons who are old enough to have graduated from high school. The number of persons in the 18-19 age group experienced a 25% decline. However, the number of persons who are of college age, the 20-24 age group increased slightly. This indicates that a portion of the younger population in the County are staying in the County and seeking employment after graduation from high school.

There has been a notable decline in the number of youth of school age. The decline of 168 young people, represents a loss of slightly more than 1/5 of the school age youth.

The substantial decline in the number of persons in the 35-44 age groups is very notable as this decline represents a loss of slightly over 25% of persons of prime working age. This decline occurred as a result of lack of employment opportunities with higher incomes in the County. This loss also implies that if employment opportunities were to become available in the County, there would be an opportunity to retain a significant portion of those persons in these age cohorts in the local labor force.

The County has experienced a significant increase in the 55-64 age group. The number of persons in this age group increased by nearly 30%. This increase is a result of the natural aging of population in the County, particularly the rural population.

Over all the County population is continuing to age. As indicated in Table 9, the median age of the total County population increased from 43.5 years in 2000 to 46.9 years in 2010, representing nearly an 8% increase in the median age of the County population. This aging will have implications for additional housing for those of retirement age in future years.

POPULATION FORECASTS

For counties with smaller populations, one of the more accurate ways of forecasting future population levels is known as a trend line projection. This type of projection utilizes historic trends in population change to predict the future. This method of projection is utilized over other forecasting methods because in counties, such as Valley County, the potential for major changes in the local economy and thus major population changes are less likely than counties with larger urban centers and larger populations.

As indicated in Table 10, utilizing the mid-range projection, the Valley County population is forecasted to continue to decrease slightly over the next 11 years declining to a total of 3,748 persons by 2025. This would represent a population decrease of 12% over the year 2010.

Should the rate of population decline increase due decreased employment opportunities, the total Valley County population could drop to fewer than 3,600 by 2025.

Should economic development in the County occur and additional employment opportunities be made available, the Valley County population decline would slow resulting in a population of slightly over 3,835 by 2025.

TABLE 10 POPULATION FORECASTS
VALLEY COUNTY, NEBRASKA

Valley County	1980	1990	2000	2010	Projection Level	2015	2020	2025
Valley County	5,633	5,166	4,647	4,260	High	4,075	3,951	3,835
					Mid-Range	4,053	3,919	3,748
					Low	4,030	3,800	3,570

Source: Stahr & Associates, Inc., 2014

Based upon the 3.8 economic base multiplier discussed previously, stabilization of the population of the County would require the addition of just slightly over 135 jobs in one or more of the “base” economic sectors of the local economy over the next 11 years.

IMPLICATIONS OF POPULATION AND ECONOMIC TRENDS AND FORECASTS

The analysis of the changes in the components of the Valley County population and the resulting forecast indicates that the population of the County will continue to increase slightly over the 11 year planning period. The population of the County will also continue to age slowly as the working age group today, those persons ages 35 to 64 which constitute the majority of the population of the County, will age an additional 11 years.

The only avenue available to enhance the increase in the population levels will be to increase employment opportunities in the County, particularly in the private sector. As noted in the previously presented analysis of the local economy, the most effective method of adding employment opportunities will be to expand employment in the “base” sectors of the local economy, primarily the agricultural and manufacturing sectors.

If declines in private sector employment opportunities and population were to occur, it will have implications on the physical development of the County including, but not limited to the following:

- Further declines in population, particularly the population of the rural areas of the County, will result in lessening the demand for additional housing and, potentially, an overall reduction in overall housing density as existing farm dwellings are removed to generate additional crop land.
- Without additional expansion of employment opportunities in the County, the demand for land for additional commercial and industrial use will also be limited.
- Losses of the segment of the population of school age will result in reduction in enrollment in the school districts serving the County, which may result in higher costs of education and less efficient use of facilities.

HOUSING ANALYSIS

This housing analysis component of the Valley County, Nebraska Comprehensive Plan identifies and evaluates the existing housing characteristics of the community and provides a forecast of future housing needs in the County.

A primary goal of the County should be to provide safe, sanitary and affordable housing for every family and individual now residing in the County or who may wish to in the future.

In order to project future housing needs with reasonable accuracy a number of factors must be considered. Among these are population change, household incomes, employment characteristics, age of people, land use, the age, condition, cost and availability of housing in the County and attitudes of persons residing in or may wish to reside in the county in the future.

EXISTING HOUSING

An important characteristic with regard to housing in any community is its quality and desirability in the marketplace. One of the factors that determines the overall quality and desirability of the existing housing units is the age of the existing residential structures regardless of whether such housing units are located in one of the municipalities in the County or in the rural area.

A summary of the age of residential structures in Valley County is presented in Table 11. As indicated, 925 or just over 40% of the total 2,273 residential structures were constructed prior to 1940. These structures are now in excess of 70 years old.

Conversely, the number of residential structures constructed since 2000 comprises a respectable 153 units, or almost 6% of the total housing stock in the County. Given the population declines in the County and its municipalities, the majority of this newer housing is “replacement” housing being constructed by persons residing in the County who are wanting to reside in a more up-to-date home.

TABLE 11 AGE OF EXISTING HOUSING STOCK - 2010
VALLEY COUNTY, NEBRASKA

YEAR OF CONSTRUCTION	NO. OF HOUSING UNITS	% OF TOTAL HOUSING UNITS
2010 or Later	14	0.6%
2000 - 2009	121	5.3%
1990 - 1999	126	5.5%
1980 - 1989	176	7.7%
1970 - 1979	333	14.7%
1960 - 1969	230	10.1%
1950 - 1959	199	8.8%
1940 - 1949	149	6.6%
1939 or earlier	925	40.7%
TOTAL	2,273	100.0%

Source: U. S. Census Bureau, Census of Housing, 2010

Although many of the older residential structures have been remodeled and renovated during the last 70 years, the size, number of rooms, energy efficiency and type of design of these older homes often do not meet what persons in the housing market are looking for.

In addition, the fact that over one-third of the residential structures in the County are over 70 years old also implies that a number of such homes are in need of rehabilitation.

Another characteristic of the existing housing stock which is important to determining the ability of such housing stock to provide adequate housing for the future population of the County is the type of housing.

As indicated in Table 12, there is a variety of housing types available in the County. As indicated, the net change in the occupied housing stock in the last decade has been a decrease in the occupancy of 387 housing units since 2000.

This data implies that the primary housing demand since 2000 has been for apartment rentals for elderly persons requiring at least some assistance in their living environment and for moderate income working households who may not have sufficient income to purchase of home. This is verified in that the only increase in the number of housing unit type was in the housing facilities that contained 5 or more housing units.

The overall net decrease of 17% in the total occupied housing stock is consistent with the decrease in population of the County during the last decade.

TABLE 12 TRENDS IN HOUSING STOCK BY TYPE
VALLEY COUNTY, NEBRASKA

Housing Units in Residential Structures	2000 Number of Structures	2010 Number of Structures	Percent Change 2000 – 2010
Single unit (detached)	1,925	1,671	-13.2%
Single unit (attached)	35	11	-68.6%
2 - 4 unit structures	81	58	-28.4%
5-9 unit structures	32	38	+18.6%
10 or more unit structures	62	77	+24.2%
Mobile / Manufactured Home	138	30	-78.3%
TOTAL	2,273	1,886	-17.0%

Source: U. S. Census Bureau, Census of Housing, 2000 – 2010

In addition to housing type, another factor to consider in determining future housing demand is what is and should be the mix between owner-occupied housing and rental housing.

As indicated, in the year 2010, of the total 1,992 occupied housing units in Valley County, 1,404 or 70% of all occupied housing units are owner-occupied. This percentage is 5% less than the percentage of owner-occupied housing in 2000. The number of rented housing units has increased notably since 2000 with an increase of 40 units, representing an increase of 8%.

The 5% increase in the number of owner-occupied housing units since 2000 combined with the 8% increase in occupied rental units, implies that a majority of the future housing demand will be for renter-occupied dwellings. The increase in rental housing and the declining vacancy rate in rental housing in

2010 tend to verify this trend. Based on the total 518 rental units, over 54 were vacant, indicating a reasonable number of rental housing opportunities and choices remain available.

TABLE 13 HOUSING OCCUPANCY - 2000 AND 2010
VALLEY COUNTY, NEBRASKA

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Housing Characteristic	2000	2010
Total Housing Units	2,273	2,273
Total Occupied Units	1,965	1,922
Owner Occupied:	1,487	1,404
Renter Occupied:	478	518
Homeowner Vacancy Rate	3.4%	1.3%
Rental Vacancy Rate	17.2%	10.6%
Total Vacant Units	308	351

Source: U. S. Census Bureau, Census of Housing, 2000 and 2010.

Overall, the number of occupied housing units in the County has decreased since 2000. In 2010 there were 43 fewer occupied housing units than in 2000.

Another factor to consider when evaluating the existing housing stock is the affordability of the owner-occupied housing and the reasonableness of rent rates. The data presented in Tables 14 through 18 provide information on which to evaluate the cost of housing in Valley County.

As indicated in Table 14, the values of the owner-occupied housing units in Valley County are reasonable. In 2010, the median housing unit value was \$75,800 while the range of values extends from under \$50,000 to over \$300,000. Nearly 2/3rds of the housing units are valued at less than \$100,000.

Utilizing the median owner-occupied housing unit value, a current general ratio of 32% of income to annual mortgage costs which is used by the mortgage industry, an average mortgage interest of 4% and a typical 30 year mortgage term, the median housing value of \$75,800 would require a gross household income of less than \$25,000 per year. Given that the median household annual income in 2010 was \$44,762, the majority of the households in the County are capable of financing the purchase of a home.

TABLE 14 HOUSING VALUES - 2010
VALLEY COUNTY, NEBRASKA

Value of Owner-Occupied Housing Units	Number	Percent of Total
Less than \$50,000	403	30.6%
\$50,000 - \$99,999	465	33.1%
\$100,000 - \$149,999	236	16.8%
\$150,000 - \$199,000	109	7.8%
\$200,000 - \$299,999	84	6.0%
\$300,000 or higher	80	5.7%
Total	1,404	100.0%
Median Owner-Occupied Housing Unit Value	\$ 75,800	-

Source: U. S. Census Bureau, Census of Housing, 2010

An analysis of residential mortgages and related owner housing costs, as presented in Table 15, indicates two important factors related to owner-occupied housing in the County. First, nearly 53% of the owners of housing in the County have no mortgage. Second the median mortgage and owner costs in Valley County in 2010 were \$854 per month which converts to just over 22% of mean household income. This verifies the affordability of the housing in the County.

TABLE 15 MORTGAGE & SELECTED OWNER COSTS - 2010
VALLEY COUNTY, NEBRASKA

Mortgage and Selected Owner Costs / Month*	Number
Housing Units with No Mortgage	742
Housing Units with Mortgage	662
Less than \$300	2
\$300 - \$499	81
\$500 - \$699	139
\$700 - \$999	165
\$1,000 - \$1,499	201
\$1,500 - \$1,999	39
\$2000 or more	35
Median Mortgage & Selected Owner Costs	\$ 854
Median Selected Owner Cost with No Mortgage	\$ 367

Source: U. S. Census Bureau, Census of Housing, 2010

- Selected costs include mortgage, taxes and insurance

As indicated in Table 16, 77% of those homeowners with a mortgage have mortgage and owner cost which are less than 25% of household income. This data further verifies that housing and selected owner costs are quite affordable.

TABLE 16 MORTGAGE & SELECTED MONTHLY OWNER COST AS PERCENTAGE OF HOUSEHOLD INCOME - 2010
VALLEY COUNTY, NEBRASKA

Mortgage & Selected Monthly Owner Costs as % of Household Income *	Number
Less than 20%	385
20% - 24.9%	125
25% - 29.9%	59
30% - 39%	17
35% or more	76

Source: U. S. Census Bureau, Census of Housing, 2010
* Selected costs include mortgage, taxes and insurance

The cost of and affordability of rental housing is also an important factor in evaluating the existing housing situation in Valley County and in forecasting future rental housing needs. As indicated in Table 17, the contract rent rates for housing in the County range from no rent to over \$1,500 per month. The median monthly rent payment in 2010 was \$410.

TABLE 17 HOUSING CONTRACT RENT - 2010
VALLEY COUNTY, NEBRASKA

Contract Rent for Housing / Month	Number
No cash rent	60
Less than \$200	12
\$200 - \$299	75
\$300 - \$499	164
\$500 - \$749	76
\$750 - \$999	0
\$1,000 - \$1,499	3
\$1,500 or more	18
Total Renter-Occupied Housing Units	348
Median Contract Rent	\$410

Source: U. S. Census Bureau, Census of Housing, 2010

The data presented in Table 18 indicates that rent rates for 53% of the renters in Valley County are reasonable as 53% of the renters pay less than 30% of their household income on housing rent costs. This level of housing costs is considered reasonable for half of those households who rent a home.

It should be noted, however, that 48% of renters are paying in excess of 30% of their household incomes on housing. This level of income committed to housing is high, indicating that a portion of the rental housing is not affordable to nearly one-half of the rental market.

It must be understood that providing of new rental housing at lower rent rates will be very difficult in the future due to the cost of new housing construction. These higher rental rates again point to the need to maintain and rehabilitate the existing housing stock in order to maintain an adequate number of affordable rental units.

TABLE 18 RENT AS PERCENTAGE OF HOUSEHOLD INCOME - 2010
VALLEY COUNTY, NEBRASKA

Gross Rent As % of Household Income	Number
Less than 15%	59
15% - 19.9%	45
20% - 24.9%	42
25% - 29.9%	38
30% - 34.9%	58
35% or more	106
Not Computed	60
Total Renter-Occupied Housing Units	348

Source: U. S. Census Bureau, Census of Housing, 2010

Housing Needs Forecast

The forecast for the future population of Valley County is that the overall population will continue the trend of the past decade and thus continue to decrease slightly. The forecasted decrease is expected to be at a rate slightly less than that of the last decade and it is forecasted that the County’s population will decrease by some 512 persons by the year 2025.

Based upon this forecast, the availability of over 351 housing units distributed throughout the municipalities and rural areas of the County which are currently vacant, and the current relatively high vacancy rate of rental housing in the County, it is anticipated that the relatively low level of housing development during the last decade will continue. Application of the ratio of new housing units to the change in population level over the last decade to the forecasted population change is the most accurate manner to project future housing need. Application of this ratio indicates that an estimated 10 to 20 additional housing units will be needed through the Planning Period.

As in the last decade, the majority of this additional housing will be single-family dwellings that will be replacement owner-occupied housing and additional retirement and moderate income rental housing. The aging of the population in the County also implies an increase in the demand for group housing in the form of independent or assisted living facilities to provide for these housing needs.