

# 2010 Colorado Planning & Management Region Report

Region 6 – Baca, Bent, Crowley, Kiowa,  
Otero and Prowers Counties

## Introduction

Region 6 encompasses Baca, Bent, Crowley, Kiowa, Otero and Prowers counties. We are primarily an agricultural based community with limited industrial concerns. Over the past year we've again experienced a contraction in jobs, population and industry. This environment continues to negatively affect and change our economic landscape. One of the biggest changes continues to be the outmigration of jobs to other Colorado regions. On the up side, we've received adequate moisture and experienced an average to above average yield in crop production which benefits everybody, that is, everyone who eats!

## Jobs & the Economy

With the recent relocation of Big R headquarters to Pueblo the Lamar area lost upwards of 35-40 jobs. Certainly a negative affect for Lamar and the surrounding economy. This relocation directly contributes to a continuing decline in job opportunities and continues the trend of out-migration. The possibility for job creation seems somewhat distant as employers are currently uncertain when considering expanding or moving their operations. The psychological effect on our businesses, neighborhoods and families in this current economic environment is a challenging issue in and of itself.

As you can see below, Region 6 has experienced a rise in unemployment in every county, with the exception of Prowers which remained the same. Bent is the only county with a change of more than a percentage point.

### Unemployment rates

County	August 09	August 10	% Change
Baca	3.6	3.9	+3
Bent	5.6	7.3	+1.7
Crowley	8.6	8.7	+1
Kiowa	3.8	4.4	+6
Otero	6.6	7.6	+1
Prowers	6	6	-
<b>Colorado</b>	<b>7.7</b>	<b>8</b>	<b>+3</b>

Source: Colorado Dept. of Labor & Employment

## Housing

One positive aspect of rural Colorado is we're somewhat insulated from the sporadic movement in the housing market. We tend to stay closer to the bottom side of the sale price spectrum. Inventories of affordable housing appear to be more than adequate. New housing starts are hard to quantify in rural Colorado but general observation indicates a noticeable decline. The housing market could well be described as stagnant, mainly due to the downturn in the job market and the overall economy. Foreclosures are somewhat

above average but there again it's attributable to the job market.

## Agriculture

The agriculture industry is the primary contributor to our region. It makes up the largest sector in our regional economy. The current state of the industry could be described as static with regard to growth. Commodity prices fluctuate daily; however grain prices are off significantly from previous up ticks, beef and pork are experiencing minimal up ticks, however, overall they remain down from previous experienced prices. A continued and growing concern with regard to the vital water resource as it relates to agriculture is significant and paramount. The complex issue ties personal property rights with the overall community welfare. The growing urban Colorado need for water and the Kansas demand issues places even more pressure on this regional complex and volatile issue.

## Clean Energy

Colorado Green Wind Power Project, located 20 miles south of the Town of Lamar, was developed to help meet Colorado's demand for renewable electricity. Completed in late 2003, the project utilizes 108 GE 1.5 MW wind turbines. At the time it was built, one of the largest assembled in America. Twin Buttes Wind Farm located in Bent County just west of the Colorado Green was completed in the spring 2007 and adds an addition 50 GE1.5 MW turbines. The combined output of both projects totals 237 MW of renewable energy. Both wind farm projects are owned by Iberdrola, Inc. and Shell Wind Energy Inc. in joint venture. The operational jobs currently employ approximately 12-16 individuals and the royalties paid to the landowners are a local positive. The tax revenue generated by the project benefits the local governments. The project also provides Colorado a resource for complying with mandated use of renewable energy.

## Other

Heritage Tourism has been a major focus in our region for the past seven years, with our community utilizing assets such as the Santa Fe Trail and all the agricultural heritage of the area. The Southeast Colorado Heritage Regional Tourism group was formed in 2006 with financial assistance from DOLA, CTO and Preserve America.

Another major regional effort has been the Southeast Business Retention, Expansion and Attraction (SEBREA), a non-profit group formed in 2006 as a multi-faceted response to the simultaneous closures of the Neoplan bus manufacturing plant in Lamar and the Dean Foods pickle plant in La Junta. Funding for this project was provided by

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DOLA, matched by grants from EDA and CHFA along with local funds.

The Southeast Region views any and all industry in our region as a vital resource and would be interested in any viable opportunity to entertain a new project. Our most valuable resource is our population. We hold true to strong character and individual responsibility as core values that will endure.

observatory. The educational benefits to Lamar Community College, the science community and Region 6 tourism efforts are enormous.

## New Projects

**Dragon Industries** - purchased Neoplan facilities in 2007 and began retooling and modifying buildings for housing Dragon Wind, a division designed to fabricate mid-sized wind turban towers. They are currently hiring employees for production and operations. It's rumored, and the opinion of some, that the State of Colorado awarding Vestas Wind (Pueblo) large incentives played a role in Dragons delay and/or abandoning their large wind tower efforts. The current economic downturn has forced cuts across the board in oil field production efforts and Ranco trailer products.

**Pelsue** – A Denver company purchased vacant property in the Lamar area and begun expansion operations in their specialized equipment line. They hired 10-13 employees but have since shut that effort down mid 2008 due to the economic down turn. They have recently (last 2 weeks) begun some activity in this location, a positive movement which we will continue to monitor.

**Walsh Ethanol Plant** – A local ethanol producer in Baca County geared up operations in 2007 hiring 10-13 employees only to shut down shortly after the economic slide. The facility has since sold to a new investor and we are told plans are being formulated to bring it on line in the near future. We are also told that long term plans are being considered to increase production capacity by some 500%. Of course we are hopeful and will monitor and give updates as they occur.

**Other Ethanol Projects** - Efforts to construct two ethanol plants in Region 6 (Prowers County and Crowley County) have stalled or been abandoned with the 2008 market decline. The region will support all efforts to regenerate the commitment in these projects.

## Goals for the Upcoming Year

Region 6 is committed to all efforts that enhance our economic opportunities. We are dedicated to mitigating and reversing the trend of out migration of jobs and resources, and we continue our effort to accommodate a world class science project. Region 6 was selected as the site of a northern hemisphere observatory for the Pierre Auger cosmic ray research project. This project incorporates 17 countries with over 150 physicists and engineers in the study the highest know form of energy. The project completed the southern observatory in 2007 and is pursuing funding opportunities for the completion of Phase II, northern

Developed by Southeast Colorado Enterprise in conjunction with the State Demography Office.