

# 2010 Colorado Planning & Management Region Report

Region 10 – Delta, Gunnison, Hinsdale,  
Montrose, Ouray and San Miguel Counties

## Introduction

Region 10 is located in West-Central Colorado and includes the counties of Delta, Gunnison, Hinsdale, Montrose, Ouray, and San Miguel. Region 10's population was estimated to be 102,674 in July of 2009. Total Population for the region increased slower than did the State's population between 2008 and 2009, 1.5% vs. 1.9%. Montrose County was the fastest growing county within the region growing 2.2% from 2008 to 2009. Growth in the region is widely believed to have stalled or declined in 2010, though there are no data current enough to support this. Growth rates for the region's population are expected to move slowly into positive territory after 2010 as the region's job situation first stabilizes then slowly recovers after its delayed entry into the current recession.

The median age of the region on July 1, 2009 was 39.5 as compared to the state's median age of 36.2. This is mainly due to somewhat larger proportions of the population in the older age groups – 42.0% over 65 for the region versus 35.7% for the state. Delta and Ouray Counties have some of the highest median ages in the State. In Delta, about 20% of the County's population is aged 65 or over, whereas in Ouray, the high median age is more the result of an absence of young children rather than the presence of the elderly. In contrast, Gunnison has one of the lowest median ages of Colorado Counties despite an unusually low proportion of children, due principally to the large relative population of post-secondary students in the County.

## Jobs & the Economy

Agribusiness, Tourism, and Retiree related expenditures are the largest drivers of the economy. The majority of job losses have occurred in the construction and real estate industry. A number of real estate offices have closed and all have reduced staff. Many construction workers have left the area, or have taken temporary service jobs waiting for the housing market to recover. As time moves on, more of these individuals are leaving the area, a trend which is expected to continue. Some job losses were the result of the decline in tourism, which recovered somewhat in the summer of 2010, though expenditures were still below 2007 levels. Second Home development is at a virtual standstill, with some sales in the very high end of the market. Job growth continued in the Region through 2008, before losing over 2,000, or 5.5% of total wage and salary jobs from the 3<sup>rd</sup> quarter of 2008 through the 3<sup>rd</sup> quarter of 2009, a decline which is continuing. Some very slow job growth is expected to return by the end of 2010 with growth rates gradually increasing in the next several years. It is highly doubtful that growth rates will return to pre-recession levels by 2013.

## Housing

Home sales in 2010 have finally stabilized after two years of steady declines in every quarter since 2008. Despite few sales, prices have remained remarkably stable, though increasing numbers of foreclosures in 2010 are beginning to erode prices. Region 10, along with most of the Western Slope, was hit with foreclosures later than Denver and while Front Range counties are currently experiencing a decline in the number of foreclosures, Region 10 is still seeing increases.

Due to the scenic beauty of this region, many of the counties have a high proportion of their housing units dedicated to seasonal use. A 2007 study of homeowners in Hinsdale, Gunnison, San Miguel, and Ouray Counties had 44% of respondents indicate that their property was a second home for occasional or rental use. The highest rate was in Hinsdale County with 66%.

## Agriculture

Agribusiness is an important industry within the Region. In both Delta and Montrose County greater than 10% of all basic jobs were within Agribusiness. Recently, the development of sweet corn and wine production has had a positive impact within Montrose County. According to the Census of Agriculture the number of farms producing sweet corn in Montrose County increased approximately 30% between 2002 and 2007 and the number of grape harvesting farms increased nearly 50% during the same time period. Another growing market segment is so-called boutique agriculture and ranching, producing organic and natural products for local and statewide consumption. However, as of late 2009, the food manufacturing industry had lost more than 20% of its 2007 jobs.

## Clean Energy

The clean/green energy segment is still at the fledgling stage, with many small solar hot water and photovoltaic installers. Manufacturing of photovoltaic systems in Montrose will soon move from research/design/prototype development to production, with job growth potential of 150 jobs.

## New Projects

Region 10 recently received a \$15,000 grant from the Colorado Department of Transportation plus a \$6,500 EDA grant to develop a Regional Transit Coordinating Council to help identify, prioritize and find funding for inter-community transit in Montrose, Delta, Ouray and San Miguel Counties. Montrose recently established a private city bus system.

Montrose Economic Development Corporation, Montrose County, Region 10, and the City of Montrose are in the final stages of negotiating an incentive package to move Extra Aircraft's new American manufacturing facility to the

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Montrose Regional Airport. This will mean an initial 50 new jobs in the region with the potential for up to 200 jobs within five years.

Construction could begin as early as 2012 on a proposed uranium mill in Montrose County. The proposed site for the mill is approximately 12 miles west of Naturita in the Paradox Valley. The proposed mill would process up to 500 tons of ore per day, and would be the first uranium/vanadium mill built in the United States in more than 25 years. Supporting activity for the mill could include future increases within both the mining and transportation industries.

## Goals for the upcoming year

Region 10's priorities are working on a new Comprehensive Economic Development Strategy to assist counties and communities to identify and focus on projects that have high potential for growth adding jobs in the upcoming five-year period, and to find and secure sufficient lending capital to help bring those projects to fruition.