

2010 Colorado Planning & Management Region Report

Region 13 – Chaffee, Custer,
Fremont and Lake Counties

Introduction

The Upper Arkansas region is located from the headwaters of the basin near Tennessee and Fremont passes in Lake County down to the eastern Fremont County line just above Pueblo Reservoir. Beginning at the top of the basin the counties and their cities and towns are: Lake (Leadville), Chaffee (Buena Vista, Poncha Springs, Salida), Custer (Silver Cliff, Westcliffe), and Fremont (Canon City, Florence, Brookside, Coal Creek, Penrose).

The region's population and economic base vary as widely as its elevation: from over 14,000 to 5,000 feet. The Region's estimated population in 2009 was 69,743, a 5.85% increase from 2000. Economic drivers are: natural resource based tourism and recreation, senior and retired person households, local, state and federal government, construction, corrections industry, and health care, finance, insurance, real estate services.

The region has an above state average percentage of senior and summer-seasonal and retired military residents. In-migrating senior "boomers" are expected to be the primary component of future population increases.

Per capita income by county ranges from 56% to 71% of the State average with a four-county region average of 61%. Part-time summer and winter tourism and recreation employment leads to reduced household incomes: including wage earners with more than one job. Approximately one in seven households is below the poverty level and a select group has very high income levels.

Jobs and the Economy

During the nationwide recession jobs in tourism and recreation, health care and services have remained steady with marginal growth. Jobs in construction and retail have declined during the recession. Summer tourism bookings and revenue are up with upscale discretionary retail spending down. Lake and Chaffee leaders and job seekers are anticipating the reopening of the Climax Molybdenum mine as the mine owner waits for reduced worldwide inventories and increases in market prices.

The region's natural resource based summer and winter seasonal tourism and recreation industry typically generates below state average per capita income levels for its part-time seasonal and lower hourly wage job workforce and households.

Housing

Workforce housing availability is limited while an increased percentage of high priced homes are priced for sale in a limited demand market. Housing start numbers are lower than pre-recession while home remodeling, upgrading and maintenance activities compose most construction trade activities.

Agriculture

The region's agricultural economy makes up a smaller percentage of the economy compared to a couple of decades ago. Irrigated hay, alfalfa and pasture lands continue to produce for local and out-of-region markets. Livestock production composed primarily of beef continues as it has historically in the valley.

Clean Energy

Improved awareness of clean energy opportunities seems to be the focus of local business and government leaders. Clean energy assessments indicate good potential for solar and marginal potential for wind energy generation. Several new clean energy design and installation businesses have emerged in the valley.

New Projects

Two natural resource based businesses are ready to emerge. One is a manufacturer of "green" LEED rated insulation providing concrete building block named AERCRETE in Fremont County. AERCRETE is planning a manufacturing facility on an old wood product manufacturing site that has rail access and adjoins a naturally occurring deposit of "clean sand" and will employ about fifty. The other is the Climax Mine in northern Lake County as it projects employment of 300 to 350. Half of the \$500M modern processing facility has been constructed and the remaining half awaits an increase in worldwide molybdenum market prices. Molybdenum is an essential strengthening agent in manufactured steel.

Goals for the upcoming year

The region's local governments seek to improve the stability of their operating and capital budgets as revenues have declined in recent times. Businesses that are hanging on seek to increase efficiencies and revenues that lead to improved profitability and jobs. Several non-profit and local government efforts are focused to developing affordable workforce housing.