

# 2011 Colorado Planning & Management Region Report

Region 8 – Alamosa, Conejos, Costilla, Mineral,  
Rio Grande and Saguache Counties

## Introduction

The San Luis Valley in south-central Colorado is the largest alpine valley in North America, bordered on the east by the Sangre de Cristo Mountains and to the west by the San Juans, which mark the Continental Divide. It is about 122 miles long from north to south, and about 74 miles across, covering an area of 8,193 square miles, and is home to the Great Sand Dunes National Park and Preserve. Four of the region's six counties experienced a net population loss between 2000 and 2010, with just Alamosa and Saguache showing growth.

County	2000	2010	% Change
Alamosa	14,966	15,445	3.20%
Conejos	8,400	8,256	-1.71%
Costilla	3,663	3,524	-3.79%
Mineral	831	712	-14.32%
Rio Grande	12,413	11,982	-3.47%
Saguache	5,917	6,108	3.23%
<b>Colorado</b>	<b>4,301,261</b>	<b>5,029,196</b>	<b>16.92%</b>

Source: State Demography Office

Within its borders, the Valley holds a great diversity of natural and cultural settings. Landscape on the floor of the valley changes dramatically with the presence of water. Canals and ditches from the Rio Grande and the Conejos River supply one Colorado's most important farming areas, famous for potatoes, beer barley, alfalfa, and other crops. Agriculture continues to be the cornerstone of the region's economy.

With the Valley's natural and cultural attractions, tourism is a major component of the region's economic life. The Great Sand Dunes National Park is a major attraction with about 300,000 visitors annually. Surrounded by the Rio Grande National Forest on three sides, the Valley holds many opportunities for outdoor recreation; camping and hiking, hunting, fishing and recreational vehicles.

Two scenic trains in the San Luis Valley, the Rio Grande Scenic Railroad and the Cumbres and Toltec Scenic Railroad, provide unique views of the region for families and rail buffs. Creede, in Mineral County, is home to the award-winning Creede Repertory Theatre.

The nation's newest heritage area, the Sangre de Cristo National Heritage Area, includes covers territory in Alamosa, Conejos and Costilla counties and presents the Valley as a crossroads of Native American, Hispanic and Anglo cultures with over 20 cultural properties listed on the National Register of Historic Places including historic Fort Garland and San Luis, the oldest town in Colorado.

## Jobs & the Economy

Unemployment rates in the Valley are mixed. Compared to the state unemployment rate of 8.6 percent for July 2011, unemployment rates counties in the San Luis Valley range from 5.3 percent in Mineral County to 12.8 percent in Costilla County for the same period. The trend in unemployment over the last year shows slight increases in all counties but Mineral, which saw a decline of 1.1 percent. It's important to remember three counties in the Valley – Costilla, Conejos and Saguache – are among the ten poorest in the state according to numbers from the Bureau of Economic Analysis.

### Unemployment Rates – San Luis Valley

County	July 2010	July 2011	Change
Alamosa	7.2	8	+8
Conejos	9.1	9.8	+7
Costilla	12.7	12.8	+1
Mineral	6.4	5.3	-1.1
Rio Grande	8.3	8.7	+4
Saguache	11.6	13.2	+1.6
<b>Colorado</b>	<b>8</b>	<b>8.6</b>	<b>+6</b>

Source: Colorado Dept. of Labor & Employment

Agriculture is the region's largest employment sector, followed by local government, retail trade, health services and social assistance, and federal and state governments.

The labor force in the region rose over the last year by 1,592, or 6.66 percent. That was well above the increase in the state's labor force of .8 percent.

Several large construction projects in the Valley over the past year have provided jobs to residents, and as well as workers from outside the region. Those projects include two utility-scale solar photovoltaic plants, new schools in Alamosa, Mosca and Monte Vista, a new hotel in Alamosa and a new city hall in Alamosa.

Work continues this fall on the solar plants and will continue into the new year on the Monte Vista School and Alamosa city hall. Projects that will begin work include new schools in Center and Crestone.

Residential construction in the Valley remains in a slump as new home building in the Upper Rio Grande area of South Fork is at a virtual standstill.

Future job prospects lie in the construction of utility-scale solar electric generation plants in the Valley and exploration of silver and other mineral resources.

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Three years ago, Hecla Mining Co. acquired the right to a majority interest in a joint venture in the Creede Mining District. The company estimates 48 million ounces of silver are available in the resource with a potential for as much as 100 million ounces. Hecla continues to explore veins in old mines to assess the quantity and quality of the ore. If silver prices continue to rise – they are at a 30-year high of over \$39/ounce – mining in Creede could resume providing jobs to one of the state’s least populated counties. Mining in Creede ended in 1985.

### Housing

After peaking in late 2008 and early 2009, the number of foreclosure filings has begun to subside in the Valley.

#### Foreclosure Filings – San Luis Valley

County	2009	2010	2011 Q1 & Q2
Alamosa	53	40	21
Conejos	27	15	11
Costilla	16	10	6
Mineral	4	5	3
Rio Grande	86	60	30
Saguache	34	30	13
<b>TOTAL</b>	<b>220</b>	<b>160</b>	<b>84</b>

Source: Colorado Dept. of Local Affairs – Division of Housing

### Clean Energy

Two 30-mega-watt solar plant projects under construction in Alamosa County are employing 125-150 workers for a period of six months to a year for each project. Permanent jobs at the plants, after construction, are estimated between five and ten each. Two other proposed solar projects of 30-35 mega-watts have been permitted by Alamosa County but are unlikely to move forward until they have a power purchase agreement with the utility Public Service Company of Colorado. The utility says future large-scale solar development is dependent upon the construction of a new transmission line out of the Valley. SolarReserve, a utility-scale solar developer, has proposed a 200 mega-watt facility in Saguache County to be built in two phases. Despite the lack of a power purchase agreement with Public Service Company of Colorado (Xcel), SolarReserve has initiated the application process to obtain permitting through the county’s 1041 process.

Other renewable energy resources in the region, including hydro, biomass and geothermal, hold promise for future development.

### Agriculture

Agriculture continues to be the driving economic force in the San Luis Valley with the primary crops being potatoes, alfalfa, barley and cattle.

- As farmers continue to conserve underground water supplies, under severe drought conditions, acres planted to potatoes declined again this year dropping by an estimated 1,600 acres to 54,000 acres. This trend is expected to continue as land is taken out of production to conserve water. Current prices for potatoes, at \$12-14/cwt. are well above the 2010 average annual price of \$6.05/cwt. Sales are described as “steady.” Potato harvest is currently underway.
- Alfalfa continues to be a reliable crop for Valley farmers. Alfalfa from the Valley is considered top quality hay in demand by dairies in Texas and New Mexico and fetches premium prices. Extreme drought conditions throughout the Southwest has boosted demand and prices. Current prices range \$220-260/T for premium or supreme quality hay. That compares to last year’s prices of \$120-\$150 per ton.
- Molson Coors brewing company contracts with many farmers in our region to grow barley used to make Coors beer. Over 75 percent of the barley grown in Colorado comes from the San Luis Valley and over 80 percent of that is used to brew Coors beer. Barley prices for 2010 averaged \$4.16/bushel. Current price is \$5.25/bu.

### New Schools

In the last three years, 11 school districts in the San Luis Valley have received a total of over \$131M from the state’s Build Excellent Schools Today (BEST) program to build new school buildings in their districts or to pay for major improvements to their facilities. The total cost of the projects is over \$170M.

- Sargent School completed construction summer 2010 on a new junior/senior high school and renovations to the elementary school. The project total was \$22.6M.
- Last year, Centennial School in San Luis completed a new K-12 school at a cost of \$14M.
- Alamosa school completed two new elementary school buildings for grades K-5 at cost of \$39.4M.
- Sangre de Cristo School completed construction on a new K-12 school. The cost was \$23.9M.
- Crestone Charter School is building a new K-12 for \$6M.
- Monte Vista School is under construction on a new high school and addition to an elementary school for \$32.1M.
- Center School has begun work on a new K-12 school at a cost of \$31.4M.