

2012 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 Juan Mountains that 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.

Region 8 saw an overall population increase of 0.53% between 2000 and 2011, although the majority of the counties in Region 8 saw slight decreases, with the exception of Alamosa and Saguache counties.

County	Census 2000	July 2011	% Change
Alamosa	14,966	15,642	4.52%
Conejos	8,400	8,251	-1.77%
Costilla	3,663	3,661	-0.05%
Mineral	831	709	-14.68%
Rio Grande	12,413	11,915	-4.01%
Saguache	5,917	6,258	5.76%
Colorado	4,301,261	5,118,526	19.00%

Source: State Demography Office

Within its borders, the valley holds a great diversity of natural and cultural settings. Canals and ditches from the Rio Grande and the Conejos River supply one of 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 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, to include camping, hiking, hunting, fishing, and recreational vehicles. The valley is also quickly becoming known for watchable wildlife including birds, elk, deer, and mountain goats.

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 Theater.

The Sangre de Cristo National Heritage Area, includes parts of 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 in the valley remains higher than the state average, except in Mineral County. From August 2011 to August 2012 all counties saw an increase with the exceptions of Mineral and Saguache.

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It is important to remember that three counties in the valley- Costilla, Conejos and Saguache- are among the ten poorest in the state, per the Bureau of Economic Analysis.

County	August 2011	August 2012	% Change
Alamosa	7.7%	8.7%	1.0%
Conejos	8.3%	10.2%	1.9%
Costilla	11.2%	12.6%	1.4%
Mineral	4.1%	3.3%	-0.8%
Rio Grande	8.9%	9.2%	0.3%
Saguache	10.8%	10.5%	-0.3%
Colorado	8.1%	7.9%	-0.3%

Source: Labor Market Information

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 declined slightly over the last year by 132 people, or 0.52%. That was well below the increase in the state's labor force of 1.59%.

Several large construction projects in the valley were completed in the past year that provided jobs to residents, as well as workers from outside the region. Those projects include two utility-scale solar photovoltaic (PV) plants, new schools in Monte Vista, Center and Crestone, and a new city hall in Alamosa. In Sanford, the community broke ground this month on a new \$17.8M school.

Residential construction remains in a slump as new home building in the Upper Rio Grande area of South Fork and the rest of the valley has yet to recover from the recent housing slump.

Hecla Mining Company, through a wholly owned subsidiary called Rio Grande Silver, continues its exploration veins in old mines and assessing the quantity and quality of the ore. If silver prices continue to rise – they are over \$30/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 a drop in 2011, particularly in Rio Grande County, the number of foreclosure filings in the Valley for the first two quarters of 2012 are slightly above those for the same period in 2011 (94 in 2012 and 84 in 2011)

County	2010	2011	2012 Q1 & Q2
Alamosa	40	44	21
Conejos	15	22	11
Costilla	10	9	12
Mineral	5	5	2
Rio Grande	60	42	32

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Saguache	30	31	16
Total	160	153	94

Source: Colorado Division of Housing

Housing sales are staying fairly steady; indeed in some counties, they are up substantially i.e. Costilla County sales are up 43% in 2012. Alamosa housing sales are up 10% while Rio Grande County is down 2%. However, sales prices are dropping as shown by average price per home. The average home sales price is down 6% from 2011 with some counties showing substantially lower prices from 2011.

AGRICULTURE

Agriculture is the driving force in the San Luis Valley with the primary crops being potatoes, alfalfa, barley and cattle. In 2012 irrigators in the central area of the valley began efforts to reduce depletion of groundwater aquifers through the creation of a groundwater management district that compensates farmers for reducing irrigated acreage. Additional districts are planned for other parts of the Valley.

- Potato producers began harvest ahead of their normal schedule and were underway by the last week of August. Prices for potatoes are around \$10 per 50lb carton, compared to about \$17 one year ago.
- 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. Current prices range from \$220-\$240/T for premium or supreme quality hay, similar to last year.
- Molson Coors brewing company contracts with many farmers in the valley to grow barley used to make Coors beer. Over 75% of the barley grown in Colorado comes from the San Luis Valley and over 80% of that is used by Coors. Barley prices for 2011 were around \$5.25/bushel and have risen to near \$6.90/bushel this year.
- Niche operations are getting a start using locally grown products. These include custom malted barley for micro-brewers, hops, custom hay/grass packaging for small animals, goat cheese and other products.

CLEAN ENERGY

Five utility-scale solar plants are online in the San Luis Valley making the region one of the country's major producers of solar electricity, generating over 85 megawatt (MW) AC of electricity. All the plants sell power to Xcel Energy under power purchase agreements. Permanent jobs at the plants range from two to ten.

- **Alamosa Solar Farm** (SunEdison) – 6.2 MW AC, 8.22 DC: Built in 2007 by SunEdison, this facility uses single axis tracking arrays, fixed mount arrays, and dual axis tracking arrays with photovoltaic concentrating technology.

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- **Greater Sandhill Solar Farm** (SunPower) – 19 MW AC, 20 MW DC: SunPower designed and built Greater Sandhill in 2010 using SunPower T20 Tracker and SunPower PV modules that generate 30% more energy per land area than other technologies.
- **San Luis Solar Ranch** (Iberdola Renewables) – 30 MW AC, 35 MW DC: Iberdola used single axis trackers and SunPower flat panel PV modules for this project, which produces power for around 7,500 homes.
- **Alamosa Solar Generation Project** (Cogentrix Energy) – 30 MW AC, 35 MW DC: Cogentrix began operation of the plant in May 2012. It is the largest concentrating photovoltaic electric power plant in the world. The plant consists of over 500 dual-axis, pedestal-mounted trackers.

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 obtained necessary permitting from the county.

NEW SCHOOLS

In the last four years, 12 school districts in the San Luis Valley have received a total of over \$140M from the state's Build Excellent Schools Today (BEST) program. The total cost of the projects is over \$185M. Sanford School just began construction on a new school. Schools completed in the last year include:

- Crestone Charter School
- Monte Vista High School and addition to an elementary school
- Center School District, K-12

ADAMS STATE UNIVERSITY

This August marked the beginning of a new era as Adams State College – over 90 years old - officially became Adams State University.

Adams State is a significant economic driver in the San Luis Valley providing over \$50M in direct spending in the region with an estimated economic impact of \$86.6M. Student enrollment this fall was 3,724, just six students shy of the all-time enrollment record set last year.

Last year, Adams State completed \$62M in campus improvements including a new student apartment/football stadium complex, renovation of the music building and a large classroom building, and expanded campus parking.

This summer, work began on an additional \$12.7M worth of additions and renovations. Those include:

- Residence hall renovations
- Construction of a new high altitude events center
- Development of a baseball complex

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- First phase renovation of a former elementary school to house the Human Performance and Physical Education Department
- Renovation of the sport center, Plachy Hall, to create more locker rooms and meeting rooms
- Repair of Plachy Hall parking lot.