

2014 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. The region saw a 0.69% decline in population between 2010 and 2013. Hinsdale had the largest decline (4.51%), while Gunnison, Ouray and San Miguel saw small gains. Overall net migration patterns correlate with job creation trends within the region.

Delta and Ouray Counties have some of the highest median ages in the State. By contrast, Gunnison has one of the lowest median ages of Colorado counties despite an unusually low proportion of children, due principally to the relatively large population of post-secondary students in the county.

County	Census 2010	July 2013	% Change
Delta	30,952	30,299	-2.11%
Gunnison	15,324	15,454	0.85%
Hinsdale	843	805	-4.51%
Montrose	41,276	40,754	-1.26%
Ouray	4,436	4,529	2.10%
San Miguel	7,359	7,658	4.06%
Colorado	5,029,196	5,264,890	4.69%

Source: State Demography Office

JOBS & THE ECONOMY

Agribusiness, tourism, and retiree related expenditures are the largest drivers of the regional 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 that is expected to continue. Second Home development is at a virtual standstill with some sales in the very high end of the market. All counties in the region saw a decline in unemployment over the past year.

County Unemployment	September 2013	September 2014	% Change
Delta	7.0%	4.4%	-2.6%
Gunnison	5.0%	3.0%	-2.0%
Hinsdale	2.8%	2.0%	-0.8%
Montrose	8.2%	4.8%	-3.4%
Ouray	4.4%	2.7%	-1.7%
San Miguel	4.8%	2.8%	-2.9%
Colorado	6.3%	4.0%	2.3%

Source: Labor Market Information

Proprietor jobs (or self-employment) play a large role in the region's economy. Proprietor jobs make up approximately 20-35% of total jobs within the region, depending on the county. Ouray and Hinsdale Counties own the highest percentage of proprietor jobs, both exceeding 30%. As the region continues to recover from the 2008 financial crisis, entrepreneurs and small businesses will be prominent actors in

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economic development. Continued growth of this sector hinges on access to capital and technical assistance.

HOUSING

Home sales have finally stabilized after steady declines in every quarter since 2008. Despite fewer sales, prices have remained remarkably stable, though increasing numbers of foreclosures did erode prices.

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 “boutique” agriculture and ranching, producing organic and natural products for local and statewide consumption. Between 2010 and 2013, agriculture saw the largest growth in net jobs in comparison to other industries, adding more than 300 jobs during that time.

ENERGY AND NATURAL RESOURCES

Mineral extraction – primarily coal – continues to serve as the region’s most prominent economic drivers. There are four coal mines within this region, and they serve as one of the largest providers of primary jobs. In addition to the higher number of jobs, they also provide the highest average annual income too (\$70,400 per year). However, a recent mine closure highlighted the need for economic diversification (see “New Projects” section below).

The San Miguel Power Authority (SMPA) and the Clean Energy Collective (CEC) broke ground in July on a one-megawatt community-owned solar project in Paradox Valley. The system, located just west of Naturita, sits on seven acres and will provide enough electricity to power 220 homes. SMPA members are able to purchase panels as a part of this solar array, a more cost effective alternative over traditional private installations at their home or business.

The Delta-Montrose Electric Association (DMEA) serves as the primary energy cooperative for Delta and Montrose Counties. DMEA is striving to improve access to renewable forms of energy by providing tax rebates to consumers who alter their energy consumption to include geothermal, solar, and other non-fossil fuel based energy.

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NEW PROJECTS

Improving and building upon existing infrastructure are highly prioritized as a means of improving the economic vitality of the region. The current state of broadband infrastructure has been identified as an economic impediment for the region. With the support of a grant provided by DOLA, the region has begun to develop a regional implementation plan that leverages existing infrastructure and identifies key projects that improve access to anchor institutions and commercial entities.

Transit and transportation are also critical to the development of the region. The region is unique in that the population is spread out across an expansive geographic space. Connecting municipalities, mobilizing the workforce effectively, and supporting industry distribution are all key priorities of the planning district responsible for the region – the Three Rivers Transit Coordinating Council (3RTCC). New grant funding provided by CDOT will serve as the foundation for broader implementation planning to improve and expand transit services.

The Small Business Resource Center (SBRC), in collaboration with Region 10 and other local partners, has opened a new satellite office to serve the Montrose-Delta Community. The SBRC provides Technical Assistance educational programs to local business owners, providing classes on a variety of topics including business plan development, utilizing technology and even software training.

GOALS FOR THE UPCOMING YEAR

Community leaders across Region 10 are focused on a range of goals intended to:

- Retain and support local sustainable businesses and industries including agriculture
- Retain and create jobs that add value to the counties
- Diversify our economic base
- Increase/expand tourism activity
- Promote understanding and stewardship of our natural landscape
- Improve transportation options for residents and visitors, including public and air transportation