

# 2014 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 experienced a population decrease of 0.03% between 2010 and 2013, with the biggest loss in Fremont County.

County	Census 2010	July 2013	% Change
Chaffee	17,809	18,282	2.66%
Custer	4,225	4,295	1.66%
Fremont	46,824	46,260	-1.20%
Lake	7,310	7,308	-0.03%
<b>Colorado</b>	<b>5,029,196</b>	<b>5,264,890</b>	<b>4.69%</b>

Source: State Demography Office

## JOBS & THE ECONOMY

Since the nationwide recession of a few years ago jobs in tourism and recreation, health care and services have experienced growth. Construction jobs have slightly increased with housing demand from migrating “boomers”, and home remodel and expansions. Summer rafting and river recreation revenues and employment has had good river flow, no campfire bans and improved since it was negatively impacted by wildfire at the region’s premiere tourism attraction at Royal Gorge near Canon City in Fremont County last Summer. Royal Gorge will re-open late this Summer and Fremont area businesses look forward to the return to the number of visitors and revenue experienced before the 2013 fire.

The Climax Molybdenum Mine (located in the NW corner of Lake County) reopened in August 2012 and recently added production facilities and currently employs about 375 well-compensated workers. This will increase Lake County property and sales tax base, and support development of local goods and services businesses. Climax recently invested in a \$200M water treatment plant to treat mine and drainage water as it plans to mine through the next 20 plus years of supply of identified ore body reserves.

The region’s natural resource based summer and winter seasonal tourism and recreation industry typically generates below 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 for sale in a limited – but improving – demand market. Housing start numbers are lower than pre-recession while home remodeling, upgrading and maintenance undertakings compose most construction trade activities.

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## **AGRICULTURE**

The region's agricultural economy makes up a smaller percentage of the economy compared to past decades. Irrigated hay, alfalfa and pasture lands continue to produce for local and out-of-region markets. Livestock production is composed primarily of beef and continues as it has historically in the valley. Livestock growers reduced herd size in 2012-13 due to below average precipitation and curtailed diversion of water for irrigated pasture with junior water rights. Winter snow-pack and summer precipitation in 2014 has improved production potential for agricultural operations. Locally-grown produce for sale to local consumers and greenhouse vegetable production techniques are currently being evaluated. Farmer' markets have become popular in the Region's communities during growing season.

## **CLEAN ENERGY**

Improved awareness of clean energy opportunities continues to be the focus of local business and government leaders in our region, and several new clean energy design and installation businesses have emerged in the valley. New clean energy projects potential is limited, however, due to poor long-term return on capital investment in the current market with reduced tax incentives. Geothermal and solar resources are being evaluated for local base-load electric power for local electric associations.

## **NEW PROJECTS**

Two natural resource-based businesses are developing. 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 provide approximately 50 jobs. The other was the reopening of the Climax Molybdenum Mine in August 2012 with 375 new well-compensated jobs (see Jobs & The Economy section above). Additionally, several microbreweries have opened in the region and are popular destinations for locals and tourists. Some local microbreweries export product outside the region and Colorado.

An ever-expanding calendar of events has increased tourism and recreation activities in all Region 13 communities. Added events include festivals, cultural events, a variety of races and seasonally focused activities.

Local leaders are investigating broadband infrastructure development with the hope of added business revenue and employment with improved communication. Timely and efficient electronic communication has been a challenge in rural Region 13.

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## **GOALS FOR THE UPCOMING YEAR**

The region's local governments are working to improve the stability of their operating and capital budgets as revenues have improved in recent years after a period of decline. Businesses that are hanging on seek to increase efficiencies and revenues that will lead to improved profitability and increased jobs. Several non-profit and local government efforts are focused on developing affordable workforce housing and regional broadband services to improve the competitiveness of our local business community.

Chaffee County leaders are looking to create living wage jobs through the expansion and creation of new businesses as well as more affordable housing. In Custer County, Downtown Colorado, Inc. and the newly formed Custer County Community Development Corp. is working with community leaders to create a viable and sustainable business district along main street and adjacent two blocks through Silver Cliff and Westcliffe. Fremont County wants to increase jobs and diversify their economy by addressing local regulatory concerns and creating a more "business friendly" community. Lake County is focusing on creating new jobs through retention and expansion of existing businesses, as well as improving the reputation of their schools. Leadville area leaders have created the Lake County Economic Development Corp. and the new Executive Director has been effective in initiating improvements in the economic viability of the area.