2015 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. Extending from the Continental Divide westward to the Utah border, the area covers over 9,500 square miles with a population of just over 100,000. The region's clean air and sunny year-round climate is complemented by millions of acres of public land including one national park, two national forests, state parks and other federal and state lands. The region saw a 1% decline in population between 2010 and 2014.   Hinsdale had the largest decline (8.78%), 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 2014	% Change
Delta	30,952	30,027	-2.79%
Gunnison	15,324	15,660	2.29%
Hinsdale	843	769	-8.78%
Montrose	41,276	40,904	-0.69%
Ouray	4,436	4,587	3.17%
San Miguel	7,359	7,823	6.35%
Colorado	**5,029,196**	**5,353,471**	**6.45%**

Source: State Demography Office

JOBS & THE ECONOMY

The economy of the region has traditionally been dependent on agribusiness, tourism, mining and retiree related expenditures. The majority of recent job losses during the recession occurred in the construction and real estate industries. As related jobs in mining and construction have been lost, many workers are leaving the area, a trend that is expected to continue. As the regional economy continues to recover, the industries with the highest job growth have been tourism, agriculture, professional & business services, and construction. The region has also seen an increase in creative industries, with three areas within the region recognized as designated creative districts. Employment has increased across the region, although Delta and Montrose Counties still have unemployment rates above the state average.

County Unemployment	August 2014	August 2015	% Change
Delta	5.9%	5.5%	-0.4%
Gunnison	3.3%	2.6%	-0.7%
Hinsdale	3.0%	2.5%	-0.5%
Montrose	5.8%	4.8%	-1.0%
Ouray	4.3%	3.3%	-1.0%
San Miguel	3.3%	2.7%	-0.6%
Colorado	**4.6%**	**3.8%**	**-0.8%**

Source: Labor Market Information

Proprietor jobs (or self-employment) play a large role in the region's economy. Proprietor jobs comprise 24% of total jobs in the region, with significantly higher shares in some counties. Ouray and Hinsdale Counties own the highest percentage of proprietor jobs at 35% and 32%, respectively. 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, and the resort areas are again seeing a need for affordable housing. Due to the scenic beauty of this region, many of the counties have a high proportion of their housing units dedicated to seasonal use.

AGRICULTURE

Agribusiness is an important industry within the Region. In both Delta and Montrose Countiesy 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 – is one of 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 within Delta County. In addition to the higher number of jobs, they also provide the highest average annual income However, a recent mine closures and layoffs have highlighted the need for economic diversification (see "New Projects" section below), as the impacts of reduction of extraction impact not only direct jobs, but also revenues for local governments, schools and related businesses

The San Miguel Power Authority (SMPA) and the Clean Energy Collective (CEC) broke ground in July 2014 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.

With counties within the region having 50-90% of lands designated as publically owned, the use of public lands plays a vital role in the regional economy, particularly for extraction, timber, grazing and recreational uses.

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.

Through funding by DOLA and the Economic Development Administration, the region is exploring means to encourage a more diversified economy, primarily in the coal-impacted communities of the region. Additional infrastructure and development considerations include: community re-development projects, increase in outdoor recreation utilization, and development of niche industry clusters suitable for the area. The region has also developed and is continuing to develop programming to support entrepreneurship within the region including opening of new co-working facilities, expansion of the Region 10 Small Business Resource Center, the Telluride Venture Accelerator, and other regional innovation programs.

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.

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