

2016 Colorado Planning & Management Region Report

Region 6 – Baca, Bent, Crowley, Kiowa, Otero and Prowers Counties

INTRODUCTION

Region 6 encompasses Baca, Bent, Crowley, Kiowa, Otero and Prowers counties and is primarily an agricultural-based community with growing industrial concerns. The region is designated as an Enhanced Rural Enterprise Zone, bringing additional tax incentives for both existing and new businesses. Job and population contraction continues to be a challenge for the area and this current environment continues to impact the economic landscape. The Southeast area had an exceptional year of rainfall which gave the area some relief to the drought conditions. Farmers in the region reported a much improved crop season. As always, drought has a negative effect on the local economy and the consuming public.

The region saw an overall 4.79% decrease in population between 2010 and 2015. Bent County saw the biggest percent losses primarily due to a decline in the prison population.

Population:

County	Census 2010	July 2015	% Change
Baca	3,788	3,596	-5.07%
Bent	6,499	5,841	-10.12%
Crowley	5,823	5,539	-4.87%
Kiowa	1,398	1,391	-0.50%
Otero	18,831	18,288	-2.88%
Prowers	12,551	11,893	-5.24%
Colorado	5,029,196	5,456,584	8.50%

Source: State Demography Office

JOBS & THE ECONOMY

Communities in the region are focusing their marketing efforts to attract new business, retain and promote existing businesses, and attract support businesses in the area. Economic Development agencies are working on ways to promote SE Colorado by marketing and providing information to site selectors and prospective business and industry. Communities are developing incentive packages that will help to attract businesses to provide the much needed jobs that can or will be filled by those already living here and those who would like to return. Over the past 10 years, closures from major employers located in Bent and Prowers Counties have eliminated many hundreds of jobs in the region, negatively impacting the surrounding communities. While many view the Southeast as a challenge for new business and job creation, locals who value the life that rural living provides can attest that there is a workforce ready and available to fill jobs that are created. We must change the perception that SE Colorado is not a viable place to live. Uncertainty proves a challenging issue in all of rural Colorado. Addressing these challenges and changing the perception are the priority of economic and community development groups.

In regards to population, there is a concerted effort to find ways to attract millennials, who have shown increased interest in returning to rural living. It is reported by economic developers that there are many inquiries from millennials to locate back to the slower pace that living in SE Colorado has offer. It is

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imperative that we continue to pursue job opportunities and improve the amenities and attractions in the area to make this possible. Many of this boomerang population are looking to return to the area to raise families in the small town atmosphere which would help contribute to the vitality of rural Colorado. With improved technology, millennials are encouraged to return to SE Colorado and use telecommunication as a viable form of employment. Great stride have been made in the broadband effort with fiber being offered to major employers/organizations (hospitals, governmental agencies, schools, etc.). However, better effort to provide it to the “last mile” is still very important and will continue to be addressed.

The entire region saw a slight drop in unemployment in August 2016 over the previous year.

Unemployment Rates:

County	August 2015	August 2016	% Change
Baca	1.9%	1.8%	-.1%
Bent	3.5%	3.1%	-.4%
Crowley	4.0%	3.7%	-.3%
Kiowa	2.6%	2.1%	-.5%
Otero	5.0%	4.6%	-.4%
Prowers	4.1%	3.5%	-.6%
Colorado	3.5%	3.3%	-0.2%

Source: Colorado LMI

HOUSING

Housing continues to be one of the biggest challenges faced by Region 6. New housing stock is particularly challenging, because the limitations on borrowing for new construction are based on limited and/or non-existent “comps” within the market. Rural Colorado is fairly insulated from major movements in the housing market, and Region 6 trends closer to the bottom end of the sales spectrum. Inventories of affordable housing are becoming somewhat limited and new housing starts are showing signs of limited activity. Though the housing market is showing some improvement, it’s still closer to the depressed side as economic and community development groups continue to pursue avenues for accessing affordable housing development. Foreclosures continue to trend slightly above average and are attributable to the overall weak job market. Efforts to address housing shortages/needs are now priorities for communities throughout Region 6. It is expected that communities will increase efforts to pursue avenues to develop new housing projects, mainly affordable projects and address the current state of dilapidated housing stock.

AGRICULTURE

The primary economic contributor in Region 6 is the agriculture industry, which is solely dependent on weather and water. Water issues impact the viability of the industry and region, but 2016 showed a marked improvement. Commodity prices improved, but any change in the amount of rainfall can cause them to fluctuate. Concerns regarding vital water resources as they relate to agriculture will always remain significant and paramount in the region. The water issue will always be a concern for personal

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property rights relative to overall community welfare. Growing urban Colorado needs and Kansas compact demands will continue to place unending pressure on this vital regional resource.

CLEAN ENERGY

The Colorado Green Wind Power Project, located 20 miles south of the City of Lamar, was developed to help meet Colorado's demand for renewable electricity and continues to be an important project in Southeast Colorado. Completed in late 2003, the project utilizes 108 General Electric (GE) 1.5 megawatt (MW) wind turbines. At the time it was built it was one of the largest assembled in America. Twin Buttes Wind Farm located in Bent County just west of the Colorado Green Wind Power Project was completed in the spring of 2007 and adds an additional 50 GE 1.5 MW turbines. The combined output of both projects totals 237 MW of renewable wind energy. Both farm projects are owned by Iberdrola, Inc. and currently employ approximately 12-16 individuals. The royalties paid to landowners have had a positive local impact, and tax revenue generated by the project benefits communities and local governments. These installations provide Colorado a resource for complying with mandated renewable energy. The region continues efforts to expand transmission capacity to accommodate additional wind energy generation and Iberdrola has announced plans to add 38 more turbines south of Lamar by 2017.

OTHER

Heritage Tourism continues to be a major focus utilizing assets such as the Santa Fe Trail and other agricultural heritage components located in the area. The Canyon & Plains of Southeast Colorado (SECORHT) tourism group was formed in 2006 with financial assistance from DOLA, CTO and Preserve America and continues to promote the many points of tourism interest within the region.

Southeast Business Retention, Expansion and Attraction (SEBREA), a non-profit group, was formed in 2006 as a multi-faceted response to the simultaneous closures large employers in Lamar and La Junta. With support from DOLA, EDA CHFA and local funds regional efforts continue for business attraction and expansion in Region 6.

In addition, Southeast Colorado Enterprise Development, Inc. (SECED) and the Southeast Council of Governments (SECOG) are making efforts to provide an avenue for the attraction and injection of dollars to support the six county region. Acting as the Enterprise Zone Administrator, it offers an avenue for accessing business and tax incentive programs through the Enhanced Rural Enterprise Zone. Southeast Colorado Enterprise Zone also offers loan programs to support business development as well as community development through the esthetic improvement of single-family owner-occupied homes.

The Southeast Region views any and all industry in the region as a vital resource. The region is eager to entertain any opportunities for potential new projects. The most valuable resource is the population and workforce. Strong character and individual responsibility are held true as core values that will endure.

NEW PROJECTS

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Colorado Coalition for the Homeless - Bent County in conjunction with Colorado Coalition for the Homeless and Department of Local Affairs has worked diligently on the Fort Lyon Supportive Residential Community, which continues to provide effective and comprehensive services to those who are homeless or at-risk of homelessness in an effort to end their cycle of homelessness and promote health, wellbeing and active citizenship. The Fort Lyon campus offers an unprecedented opportunity to provide a gateway to permanent housing, supportive services and vocational training in one beautiful and functional setting.

Support offered includes direct access to housing with enhanced services including education, vocation and job training opportunities, co-occurring behavior health and primary healthcare, acquisition of income, benefits and entitlements. The state funded facility is working to create 70 plus jobs in the southeast region. Bent County's hope is that this will become a national business model for addressing chronic homelessness. It is the intent of Bent County to continue working toward the restoration and preservation of the historic buildings on the premises for future expansion/utilization.

Sprout Tiny Homes in Otero County is a unique talented team of entrepreneurs and custom home building personnel. They pride themselves on building (or helping you build) the highest quality tiny homes with the homeowner's design and personality in mind. From their streamlined manufacturing facility to their network of innovative vendors of Tiny Home accessories, furniture and high tech features, they are the most innovative manufacturer of quality and efficient tiny homes. Sprout added 10 jobs in 2015 and is looking forward to adding more in 2016.

Hemp has been a growing industry of interest in rural Colorado. Rocky Mountain Hemp, Inc. located in Baca County had been a very successful. In 2016 they were bought out by Cannopy Corporation which is privately held. The company has infused approximately 2.1 million dollars into buildings and machinery for greenhouses and a pelletizing facility. They employ 20 full-time and add seasonal employees when needed. They have been the pioneers in developing the industry in Southeast Colorado and continue to make great strides in promoting the uses and benefits of the hemp plant.

In addition, Otero County has the Whole Hemp Company, a Colorado LLC committed to producing CBD oil that is 100% U.S. grown and processed and 100% caustic solvent free. Hemp is regulated by the Colorado Department of Agriculture and should not be confused with marijuana. Both plants share the genus Cannabis Sativa but hemp does not have the same intoxicating psychoactive properties as marijuana. Whole Hemp moved into an existing building in La Junta that had been vacant for 12 years. During the 2015 growing season they harvested 100 acres of hemp and are looking forward to planting up to 5,000 acres during the 2016 season. They have added over 30 jobs and will quickly grow to 300 jobs through 2016.