

2016 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% (200 people) increase in population between 2010 and 2015. Hinsdale had the largest percentage decline while Gunnison, Ouray and San Miguel saw modest gains. Delta experiences the largest total declines of approximately 1,000 people. Overall net migration patterns correlate with job 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 2015	% Change
Delta	30,952	29,950	-3.24%
Gunnison	15,324	16,145	5.36%
Hinsdale	843	767	-9.02%
Montrose	41,276	40,911	-0.88%
Ouray	4,436	4,658	5.01%
San Miguel	7,359	7,895	7.28%
Colorado	5,029,196	5,456,584	8.50%

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. Since 2013, the region has lost over 800 coal mining jobs, and is anticipating additional losses in the near future, as Tri-State Generation has recently announced their intent to close the Nucla mine and power plant under agreement with CDPHE. As related jobs in mining and construction have been lost, many workers are leaving the area, a trend that is expected to continue. Growth in the area is primarily in the industries of tourism, agriculture, and healthcare as the number of retirees in the region continue to grow. The region has also seen an increase in creative industries, with three areas within the region recognized as designated creative districts and two areas working toward developing "Space to Create" initiatives. The addition of the regional broadband project is expected to improve Internet speeds and bring affordable and accessible broadband capabilities to the currently underserved region, as well as serve as an economic driver that will attract diverse businesses to the area.

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County Unemployment	August 2015	August 2016	% Change
Delta	5.1%	4.7%	-0.4%
Gunnison	2.3%	2.1%	-0.2%
Hinsdale	2.2%	2.0%	-0.2%
Montrose	4.4%	3.9%	-0.5%
Ouray	3.3%	3.2%	-0.1%
San Miguel	2.6%	2.4%	-0.2%
Colorado	3.5%	3.3%	-0.2%

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 Delta counties own the highest percentage of proprietor jobs at 34% and 28%, respectively. Continued growth of this sector hinges on access to capital and technical assistance. Region 10's Small Business Resource Center serves as a hub for the SBDC and supports, develops, and grows new and existing businesses through low or no cost workshops and consulting, as well as providing access to capital through its loan fund program.

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 counties more 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 16% between 2007 and 2012. Another growing market segment is "boutique" agriculture and ranching, producing organic and natural products for local and statewide consumption. Between 2010 and 2015, agriculture saw the second fastest and 2nd largest growth in jobs in comparison to other industries, adding more than 285 jobs for 10% growth during that time.

ENERGY AND NATURAL RESOURCES

Mineral extraction – primarily coal – has been one of the region's most prominent economic drivers. There were four coal mines within this region, which served as one of the largest providers of primary jobs within Delta and West Montrose County. In addition to the higher number of jobs, they also provided the highest average annual income. However, two recent mine closures and the announcement of an impending closure of both the mine and power plant in West Montrose County

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have highlighted the need for economic diversification as the impacts of reduction of extraction impact not only direct jobs, but also revenues for local governments, schools and related businesses.

The local electrical co-ops have made efforts to increase the amount of renewable energy produced in the region. In 2014, San Miguel Power Authority (SMPA) and the Clean Energy Collective (CEC) developed a one-megawatt community-owned solar project in Paradox Valley. 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) 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, and has also challenged contracts that limit local renewable energy resources that can be purchased by DMEA. Additionally, Solar Energy International (SEI) is actively working in partnership with DMEA to expand its efforts toward the development of the first large-scale PV power plant in Delta County. The goal is to create and share a scalable model for cost-effective, local energy solutions by untethering the nation's 800-plus rural cooperatives from fossil-fuel intensive contracts. 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 grants provided by DOLA, Economic Development Administration, and local funding and match, the region has begun to develop a regional broadband infrastructure project that leverages existing infrastructure to provide abundant and affordable internet service, and improves access to anchor institutions and commercial entities in partnership with private service providers. It is anticipated that service will begin in the Cities of Montrose and Delta in late 2016, with access to other communities within the region beginning in 2017. This improvement in the broadband infrastructure will enable the region to attract new businesses, allow for growth and retention of existing businesses, and continue to support the proprietor job growth.

In addition, 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, Western State Colorado University's ICE (Innovation, Creativity, and Entrepreneur) House project, and other regional

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innovation programs. Working in collaboration with several existing programs and interests, the wheels are in motion for the development of a Western Slope Innovation Corridor that supports economic development and innovation initiatives from Grand Junction to Durango.

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). In 2015 the 3RRTC, supported by funding from a CDOT grant, completed an updated transit plan to 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:

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