

# 2016 Colorado Planning & Management Region Report

## Region 14 – Huerfano and Las Animas Counties

### INTRODUCTION

Region 14 includes the counties of Huerfano and Las Animas. Las Animas County is located at the southernmost border of Colorado and New Mexico with Huerfano County located north of Trinidad and south of Pueblo.

Las Animas County is the largest county in the state of Colorado and the fifth largest in the nation with 4,772 square miles; Trinidad is the county seat. At 6,025 feet in elevation and with 300 days of sunshine and charming brick streets, the area is very welcoming to visitors and retirees. Travelers from the south along the I-25 corridor get their first glimpse of Colorful Colorado with the Sangre de Cristo Mountain range meaning “Blood of Christ” to the west and the Comanche Grasslands to the east. The area boasts three lakes that provide excellent fishing, water activities, camp sites, and RV accommodations. The nationally recognized Santa Fe Trail from Missouri to New Mexico brought thousands to the west who traveled directly through Trinidad.

Huerfano County is located north of Trinidad along the I-25 corridor. The county is 1,591 square miles. Walsenburg is the county seat and only 37 miles from Trinidad. US 160 runs east and west and, like I-25, it is a major corridor for the region, connecting the southeast Colorado to southwest Durango.

The region experienced a 7.68% population decline between 2010 and 2015. This population decline is largely a result of out-migration after the New Elk Mine restarted operations only to close when the market for coal collapsed. Continued reduction in work force due to lower natural gas production and the resulting loss of related producer support and service companies such as drilling, construction, and trucking also lost positions.

County	Census 2010	July 2015	% Change
Huerfano	6,711	6,474	-3.53%
Las Animas	15,507	14,038	-9.47%
<b>Colorado</b>	<b>5,029,196</b>	<b>5,456,584</b>	<b>+8.50%</b>

*Source: State Demography Office*

### ECONOMIC DEVELOPMENT

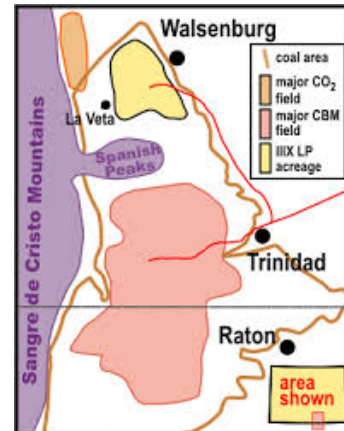
Huerfano and Las Animas Counties in Colorado and Colfax County in New Mexico signed a Memorandum of Understanding to develop and implement an economic development strategy for the multi-county region, one that strategically builds on the current and emerging economic strengths of Raton Basin Regional Economic Development (RED).

Raton Basin RED has identified and adopted six primary goals in its strategic plan. They are currently involved in working regionally on broadband connectivity availability to allow other goals of Business Development, Education, Healthcare, Technology, and Energy to implement those respective strategies, and have begun implementation of a number of projects including efforts to facilitate a private to private partnership with a Duran Oil Company and Sparq Natural Gas to provide certain compressed natural gas (CNG) fueling services to the region.

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Raton Basin RED takes its name from the Raton Basin, a geologic structural basin in southern Colorado and northern New Mexico (see accompanying map). The Raton Basin extends through Huerfano and Las Animas Counties (Region 14) and Colfax County in New Mexico. The region shares “boom and bust” energy impact resulting from coal, and natural gas development. Recognizing the need to develop fueling stations to connect the east and west corridors, Raton Basin RED also facilitated a meeting with neighboring counties to the east, Otero and Prowers, to initiate discussion regarding the possible establishment of CNG fueling stations along US Highway 160 and US Highway 50.



Colorado’s Department of Transportation and Colorado Energy Office partnered to offer a unique opportunity to the region such that local governments were able to assist and partner with cities and counties coming together to support Sparq Natural Gas application for Congestion Mitigation and Air Quality (CMAQ) funds to bring a fueling station to the I-25 corridor at the southern tip of the state just 15 miles from the New Mexico state line. Sparq was awarded a grant through the Colorado Energy Office’s ALT Fuels Colorado Program. Subsequently, the station opened to the public in October 2015. Highlights of the station are 4 fuel dispensers, 2 for heavy duty and 2 for light duty vehicles; 2 three packs of 37 foot storage tanks, and a 200 HP compressor. The station is utilized by the City of Trinidad who has 9 CNG vehicles in their fleet, as well as regional trucking and transportation customers. SCCOG transit will soon be utilizing it as well.

The unemployment rate in Region 14 has been declining. Both counties saw small decreases in unemployment in August 2016 over the previous year.

### Unemployment Rates:

County	August 2015	August 2016	% Change
Huerfano	6.8%	6.2%	-0.6%
Las Animas	5.3%	5.0%	-0.3%
<b>Colorado</b>	<b>3.5%</b>	<b>3.3%</b>	<b>-0.2%</b>

Source: Colorado LMI

### Marijuana

The region has experienced a great deal of interest in the development of the Marijuana Industry and associated regulatory and permitting issues. Las Animas County continues to weigh legality of the sale and use from the voter approved issue versus the federal illegality of the herb. As of August 2016, eight marijuana retail stores have opened in the City of Trinidad, and it is expected that there will be no fewer than twenty retail marijuana stores in the city by the end of 2016. In addition, half a dozen grow facilities are in various stages of construction in the Trinidad Industrial Park. Marijuana sales in Trinidad have increased from \$3,734,000.00 in 2015 to \$9,671,000.00 in 2016. The resulting sales tax revenue

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has allowed the City to invest in multiple capital and infrastructure improvement projects. Huerfano County held public forums regarding the matter and subsequently approved marijuana grow facilities in the County, while the Cities of Walsenburg and La Veta approved retail marijuana sales. The City of Trinidad is currently soliciting public input on whether the City should place a limit on the number of retail marijuana businesses permitted in the City.

### **AGRICULTURE**

The region has relied on coal mining and gas production from the Raton Basin. Agriculture, primarily ranching, is a strong economic engine throughout the region. Agriculture is the 4th largest sector in terms of employment, representing 920 jobs or 8.47% of all employment. Largest agriculture industries in terms of employment are 668 animal production jobs and 118 crop production jobs. Economic discussions at the Bottom Up, Stronger Economies Together, and Community Round Up meetings include interest in value added production for Agriculture and cattle.

### **OTHER**

The City of Trinidad won the Governor’s Annual Award for Downtown Excellence and is recognized as one of seven fully-fledged creative districts in Colorado after the City of Trinidad was successful in its effort to receive an award for emerging creative community. The award was presented on Thursday, September 11, 2014 in Fort Collins. Community Forums are scheduled for government and elected officials, not for profit directors, business leaders, and the general public.

Space to Create Colorado; a partnership of Artspace, the Boettcher Foundation, Governor John Hickenlooper’s Office, Colorado Creative Industries and the State Office of Economic Development and International Trade (OEDIT), the State Department of Local Affairs (DOLA) and History Colorado; launched in July 2015, in Trinidad, CO. Trinidad is the first of nine projects in rural Colorado for the Space to Create Colorado initiative. The project focuses on developing live/work space for artists as well as community and commercial space to support the arts and artists. The Trinidad project is currently in the predevelopment phase, partnering with the City of Trinidad to secure three adjacent historic buildings on Main Street, and are arranging the final funding pieces to start construction in 2017.

Heritage tourism is important in Las Animas and Huerfano Counties and their rich histories. New efforts have been made with local improvements by cleaning up the cities to attract visitors. Both counties have focused on the large talent of local artists and musicians. Southern Colorado Repertory Theatre achieved its goal of securing a building to stage its productions and has had a successful year drawing tourists to the region. Huerfano County’s Annual Celtic Festival in late September and the Santa Fe Trail days in Las Animas continue to draw many tourists to the region. Francisco Crossing and Two Peaks Fitness are both working with local and state funders to secure and refurbish buildings in La Veta as part of local Cultural/Heritage tourism efforts. The Spanish Peaks Cycling Association, in La Veta, also revived the 13<sup>th</sup> annual Stonewall Century Ride event between La Veta in Huerfano County and Segundo in Las Animas County (drawing 187 cyclists) as part of the enhanced Cultural/Heritage tourism efforts of both

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Counties. Finally, the Trinidad Blues Festival was revived in Trinidad, CO and drew a large number of tourists to the region.

### **CLEAN ENERGY**

The region values its natural assets in renewable solar and wind energy. Efforts continue to focus education relative to geothermal energy opportunity for the region and potential plans to develop direct use heat exchange.

**San Isabel Solar Project:** San Isabel Electric / Tri-State Generation Association has moved forward with their contract with Juwi Inc. SIEA/Tri-State to purchase the entire output of the 30-megawatt solar farm over 25 years. The project is currently under construction in southern Colorado's scenic Las Animas County. When completed, the project will have a capacity of 37.8 megawatts (MWs), with roughly 120,000 solar modules covering an area of 300 acres. The project has a 25-year power purchase agreement with Tri-State Generation and Transmission, a wholesale power supplier owned by 44 electric cooperatives. In March 2016, PSEG Solar Source of Newark, New Jersey acquired the ownership rights to the project from Juwi and agreed that Juwi would act as the project's engineering, procurement and construction (EPC) contractor.

**Peak Views Wind Energy Project:** Invenergy / Peak View Wind Energy LLC propose to build a 34 wind turbine project atop Cordova Mesa which straddles the border of Las Animas and Huerfano Counties. Meteorological towers have been installed and surveys performed on the project. In October 2015, the project got the go-ahead to build the 60 megawatt wind farm, by the Colorado Public Utilities Commission. The estimated cost of the project is \$109 million, including taxes, transmission infrastructure and interconnection costs. The Peak View Wind Project is expected to boost the local economy by bringing new jobs to the area during construction, generating property taxes and adding six professional jobs to operate the wind project when it is placed into service. The project expected to come online in late 2016.

**Electric Vehicle Transportation:** SCCOG through the Refuel Colorado & Charge Ahead Colorado programs continue working to promote Electric Vehicle (EV) use and Electric Vehicle Supply Equipment (EVSE or charging stations) throughout the South Central and Southeast Regions of Colorado. Level 2 charging stations have been installed at the welcome center in Lamar, CO (Prowers County), the Cobblestone Inn in Eads, CO (Kiowa County), City Hall in Las Animas, CO (Bent County), and along Main St/Hwy 287 in Springfield, CO (Baca County). Lamar and Walsenburg are also in the process of applying for funds to install additional charging stations.

### **NEW PROJECTS**

The collaborative efforts of the City of Trinidad, the South Central Council of Governments (SCCOG), Colorado Department of Transportation, Burlington Northern Santa Fe Railway, Greyhound Bus Lines, and Amtrak resulted in the concept of a centrally located transportation hub, the **Multi-modal Transit**

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**Center.** The project has moved back to the planning and feasibility phase following increased interest in a potential private / public partnership in the construction of the Multi-modal Transit Center.

**Broadband:** Region 14 has been awarded a State Department of Local Affairs DOLA grant to develop a Multi-Region Broadband Strategic Plan which will include Las Animas, Huerfano and Pueblo Counties. Additional funding secured by the Raton Basin Economic Development will allow the strategic planning process to include Colfax County in New Mexico. The multi-region broadband study and development of strategic plan are currently being conducted, with an anticipated completion by the end of 2016.

**Education:** Efforts to improve the educational level for the area made positive progress this year with Trinidad’s Fisher’s Peak Elementary advancing in the State assessment testing from the lowest category to the highest and the Trinidad Middle School advancing in the State assessment testing from the next to lowest category to the highest. These improvements will have a noticeable impact on area economic development efforts.

### GOALS FOR THE UPCOMING YEAR

1. Authorize and empower an organization to identify and facilitate the economic development goals established by the Raton Basin Region.
2. Continue to increase business development and improve business retention by:
  - a. Encouraging and facilitating governments to work together to streamline and reduce regulations and encourage development of new industries;
  - b. Supporting regional community development projects that enhance the creation, attraction, retention and expansion of business development;
  - c. Securing funding and technical assistance to develop an information and communication technologies (ITC) management strategic plan to build capacity and enhance information/data/document collection, storage, management, analysis, and distribution in order to better facilitate regional and local data-based planning, decision making, and accountability; and
  - d. Working to ensure that the Space to Create Colorado initiative being launched in Trinidad has a positive economic impact across the entire region.
3. Expand region-wide broadband availability by 20% by the end of December, 2017, and maintain state of the art connectivity and communications.
4. Have a 30 year regional energy plan in place by 2020 while:
  - a. Expanding CNG fueling availability into Huerfano County;
  - b. Continuing to promote and expand wind energy production across the region;
  - c. Continuing to promote and expand solar energy production across the region;
  - d. Expanding electric vehicle charging capacity across the region; and
  - e. Continuing to support the development of geothermal research in the region.
5. Develop a plan to improve regional healthcare services by December 2017.
6. Increase education level of area population by 2.5 years by 2020.