

2017 Colorado Planning & Management Region Report

Region 8 – Alamosa, Conejos, Costilla, Mineral, Rio Grande, and Saguache Counties

INTRODUCTION

The San Luis Valley in South-central Colorado is the largest alpine valley in North America, bordered on the east by the Sangre de Cristo Mountains and to the west by the San Juan Mountains that mark the Continental Divide. It is about 122 miles long from north to south, and about 74 miles across, covering an area of 8,193 square miles and is home to the Great Sand Dunes National Park and Preserve.

Region 8 saw a slight population increase between 2010 and 2016 of 134 residents. Conejos and Rio Grande counties have seen a drop in population since 2010.

Population:

| County | Census 2010 | July 2016 | Annual Change |
|-----------------|------------------|------------------|---------------|
| Alamosa | 15,445 | 16,131 | 0.7% |
| Conejos | 8,256 | 8,039 | -0.4% |
| Costilla | 3,524 | 3,707 | 0.8% |
| Mineral | 712 | 737 | 0.6% |
| Rio Grande | 11,982 | 11,424 | -0.8% |
| Saguache | 6,389 | 6,404 | 0.0% |
| Region 8 | 46,308 | 46,442 | 0.0% |
| Colorado | 5,029,196 | 5,538,180 | 1.6% |

With the Valley's natural and cultural charms, tourism is a major attraction with about 300,000 visitors annually. Surrounded by the [Rio Grande National Forest](#) on three sides, the valley holds many opportunities for outdoor recreation like camping, hiking, hunting, fishing, and recreational vehicles. The Valley is quickly becoming known for watchable wildlife including birds, elk, deer, and mountain goats.

Two scenic trains in the San Luis Valley, the [Rio Grande Scenic Railroad](#) and the [Cumbres and Toltec Scenic Railroad](#), provide unique views of the region for families and rail buffs. Creede, in Mineral County, is home to the award-winning [Creede Repertory Theater](#).

The [Sangre de Cristo National Heritage Area](#) includes parts of Alamosa, Conejos, and Costilla counties and presents the valley as a crossroads of Native American, Hispanic, and Western European traditions with over 20 cultural properties listed on the [National Register of Historic Places](#) - including historic Fort Garland and San Luis, the oldest town in Colorado.

JOBS & THE ECONOMY

Unemployment in the valley trends slightly higher than the state average, with the exception of Mineral County. The entire region saw a reduced unemployment rate between August 2016 and May 2017.

2017 Colorado Planning & Management Region Report

Region 8 – Alamosa, Conejos, Costilla, Mineral, Rio Grande, and Saguache Counties

Unemployment Rates:

| County | August 2016 | August 2017 | Change |
|-----------------|-------------|-------------|--------------|
| Alamosa | 4.2% | 2.7% | -1.5% |
| Conejos | 4.8% | 3.2% | -1.6% |
| Costilla | 4.7% | 2.6% | -2.1% |
| Mineral | 1.6% | 1.2% | -0.4% |
| Rio Grande | 4.9% | 3.7% | -1.2% |
| Saguache | 5.7% | 5.0% | -0.7% |
| Colorado | 3.2% | 2.2% | -1.0% |

Source: Labor Market Information

Region 8 has a gross domestic product of more than \$3.3 billion, with the equivalent of 28,000 full time employees earning wages. Agribusiness is the region's primary economic driver, accounting for around 29% of basic employment – about 5,000 jobs. The combination of education and health services is the next largest sector with about 2,200 jobs. The top two employers in the region are SLV Health (about 650 jobs) and Adams State University (around 580 jobs).

AGRICULTURE

Agriculture is the driving force in the San Luis Valley, accounting for 29 percent of region's base employment. The primary crops produced are potatoes, alfalfa, and barley as well as cattle.

Within its borders, the Valley holds a great diversity of natural and cultural settings. Canals and ditches from the Rio Grande and the Conejos River supply one of Colorado's most important farming areas, famous for potatoes, beer barley, alfalfa, and other crops. Agriculture continues to be the cornerstone of the region's economy.

Irrigation

Critical to the viability of agriculture as the major economic contributor to the Valley's regional economy is the use of surface and ground water for irrigation. In 2014 alone, the estimated production value of the Valley's top three crops – potatoes, alfalfa, and barley – was over \$367 million. Potatoes and barley, particularly, rely upon groundwater irrigation from the Valley's 6,000 high capacity wells, which tap underground aquifers. The aquifers depend on recharge from a natural system, as well as leakage from ditches and canals located throughout the Valley. However, drought conditions in the last decade have reduced the recharge that occurs with natural runoff, and have reduced the diversions from the Rio Grande that provides additional recharge. Drought, coupled with increased groundwater use, has led to a decline in levels of the aquifers, a condition that will only worsen unless total consumption of groundwater is reduced.

The Colorado Division of Water Resources has promulgated new [Rules Governing the Withdrawal of Ground Water in Water Division No. 3. Groundwater](#) such that withdrawals from non-exempt wells can only occur if injurious depletions caused by the withdrawal are remedied and the aquifers are sustainable. One way to remedy those depletions is to participate in a recognized special improvement district (or sub-district) with a state- and court-approved groundwater management plan. Well owners

2017 Colorado Planning & Management Region Report

Region 8 – Alamosa, Conejos, Costilla, Mineral, Rio Grande, and Saguache Counties

outside of a sub-district will have to obtain an augmentation plan if it is determined their wells are responsible for depletions from area streams and rivers - otherwise the wells will have to be shut off.

The San Luis Valley Council of Governments and San Luis Valley Extension has completed an [activity tool](#) to forecast the economic impact of the effects of reduced crop production due to reduced pumped irrigation on the region's economy. The tool was formulated by Dr. Rebecca Hill at Colorado State University.

Agricultural Prices

- Potato harvest began in September. About 15,900 acres were planted this year and a good crop is expected. Prices are in the range of \$6.50 to \$8.00 per bale, depending on bag size, quality and grade. Prices are close to a year ago.
- Alfalfa from the valley is considered top quality hay in demand by dairies in Texas and New Mexico and fetches premium prices. Current prices are around \$190/T for premium quality hay, higher than last year.
- Molson Coors brewing company contracts with many farmers in the valley to grow barley used to make Coors beer. Over 75% of the barley grown in Colorado comes from the San Luis Valley and over 80% of that is used by Coors. Barley prices in June 2017 were around \$4.60/bu.
- Niche operations are getting a start using locally grown products. These include custom malted barley for micro-brewers, hops, custom hay/grass packaging for small animals, goat cheese and other products.

CLEAN ENERGY

Five utility-scale solar electric generation plants in Alamosa County produce 136.7 Megawatts of electricity, enough to power 22,418 homes. All the plants sell power to Xcel Energy under power purchase agreements. Permanent jobs at the plants range from two to ten.

Below is a listing of the utility-scale solar plants in Region 8:

- Alamosa Solar Farm (SunEdison) – 8.2 MW: Built in 2007 by SunEdison, this facility uses single axis tracking arrays, fixed mount arrays, and dual axis tracking arrays with photovoltaic concentrating technology.
- Greater Sandhill Solar Farm (SunPower) – 19 MW: SunPower designed and built Greater Sandhill in 2010 using SunPower T20 Tracker and SunPower PV modules that generate 30% more energy per land area than other technologies.
- San Luis Solar Ranch (Iberdola Renewables) – 30 MW: Iberdola used single axis trackers and SunPower flat panel PV modules for this project, which produces power for around 7,500 homes.

2017 Colorado Planning & Management Region Report

Region 8 – Alamosa, Conejos, Costilla, Mineral, Rio Grande, and Saguache Counties

- Alamosa Solar Generation Project (Cogentrix Energy) – 30 MW AC: Cogentrix began operation of the plant in May 2012. It is the largest concentrating photovoltaic electric power plant in the world. The plant consists of over 500 dual-axis, pedestal-mounted trackers.
- Hooper Solar Project (SunPower) – 49.5 MW: SunPower technology.

Additional plants have been proposed and permitted by Alamosa County, including the [San Luis Valley Solar Ranch](#) at 30 MW.

ADAMS STATE UNIVERSITY

Adams State is a significant economic driver in the San Luis Valley providing at least \$50M in direct spending in the region with an estimated economic impact of \$86.6M. They enrolled 3,701 students in Fall 2017.