

2017 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.

Population:

County	Census 2010	July 2016	Annual Change
Delta	30,952	30,471	-0.2%
Gunnison	15,324	16,394	1.1%
Hinsdale	843	775	-1.4%
Montrose	41,276	41,421	0.1%
Ouray	4,436	4,844	1.4%
San Miguel	7,359	8,000	1.4%
Region 10	100,190	101,905	0.3%
Colorado	5,029,196	5,538,180	1.6%

Source: State Demography Office

Overall, the region's population grew an average of 0.3% between 2010 and 2016. The largest growers were Ouray and San Miguel counties at 1.4% each, followed by Gunnison County at 1.1%. However, population increase occurred unevenly in the region; Montrose County grew by 0.1% while Delta's population decreased by 0.2%. Trends in Hinsdale County demonstrate population loss (1.4%) equal to gains made by other counties in the region.

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. Growth in the area is primarily in the industries of tourism, agriculture, and healthcare as the number of retirees in the region continues 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 act as an economic driver that will attract diverse businesses to the area.

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Unemployment Rates:

County Unemployment	August 2016	August 2017	% Change
Delta	4.5%	2.7%	-1.8%
Gunnison	2.0%	1.3%	-0.7%
Hinsdale	1.8%	1.2%	-0.6%
Montrose	3.7%	2.4%	-1.3%
Ouray	3.0%	2.0%	-1.0%
San Miguel	2.3%	1.5%	-0.8%
Colorado	3.2%	2.2%	-1.0%

Source: Labor Market Information

Unemployment shrank throughout the region, mirroring labor market growth throughout Colorado. Gunnison (1.3%), Hinsdale (1.2%), Ouray (2.0%) and San Miguel (1.5%) counties had lower unemployment rates than the State (2.2%) while the unemployment rates of Montrose (2.4%) and Delta (2.7%) counties hovered slightly above.

Proprietor jobs (or self-employment) play a large role in the region's economy. 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

As home sales have stabilized in the region, the need for affordable housing has once again become an issue. 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. A growing market segment is "boutique" agriculture and ranching, producing organic and natural products for local and statewide consumption. Between 2007 and 2016, agriculture saw the second fastest and 2nd largest growth in jobs in comparison to other industries, adding nearly 600 jobs for 24% growth during that time. The region continues to explore value-added products as a component of the regional economic diversity strategy.

ENERGY AND NATURAL RESOURCES

Counties within the region designate 50-90% of lands as publically owned; thus, the use of public lands plays a vital role in the regional economy, particularly for extraction, timber, grazing, and recreational uses. Mineral extraction – primarily coal – has traditionally been one of the region's most prominent economic drivers. Prior to 2012, there were four coal mines within this region, which served as one of

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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 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. San Miguel Power Association (SMPA) seeks to increase production of local renewable energy by updating their contract with Tri-State Generation and Transmission. SMPA is also building an extra underground power line to ensure consistent service to mountain communities.

The Delta-Montrose Electric Association (DMEA) is also 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.

CURRENT PROJECTS

With the support of grants provided by DOLA, the Economic Development Administration, and local funding, 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. Region 10 service began in the Cities of Montrose and Delta in 2017, with access to other communities within the region planned by the end of the year. In addition, Delta Montrose Electric Association, a key partner in the Region 10 project, also began a fiber to the meter project, and began providing service in several of the communities in the region. 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.

Through funding by DOLA and the Economic Development Administration, the region is continuing to explore means to develop 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](#), the [Technical College of the Rockies ENGAGE Innovation Center](#) (focusing on agriculture and energy technology) and other regional 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.

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Over the next year, the region will move forward with continued small business support, development of the broadband infrastructure to provide gigabit levels of service in each of the communities in the region, continue diversification efforts in outdoor recreation and tourism, agriculture, energy and entrepreneurship, and development of local community assets, creating a truly remarkable region to live, work, and recreate.