

# 2013 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 an overall population increase of 0.92% between 2010 and 2012. Saguache County experienced the largest growth, while Conejos, Mineral and Rio Grande counties all saw a net decline.

County	Census 2010	July 2012	% Change
Alamosa	15,445	15,637	1.24%
Conejos	8,256	8,220	-0.44%
Costilla	3,524	3,597	2.07%
Mineral	712	708	-0.56%
Rio Grande	11,982	11,898	-0.70%
Saguache	6,108	6,389	4.60%
<b>Colorado</b>	<b>5,029,196</b>	<b>5,188,683</b>	<b>3.17%</b>

*Source: State Demography Office*

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.

With the valley's natural and cultural attractions, 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, to include camping, hiking, hunting, fishing, and recreational vehicles. The valley is also 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 Anglo cultures 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 continues to trend higher than the state average, except in Mineral County. Three counties in the Valley have unemployment rates in the double digits, and all counties saw a rise over August of last year.

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County	August 2012	August 2013	% Change
Alamosa	7.7%	8.0%	0.3%
Conejos	8.3%	10.2%	1.9%
Costilla	11.2%	11.3%	0.1%
Mineral	4.1%	4.4%	0.3%
Rio Grande	8.9%	8.9%	0.0%
Saguache	10.8%	12.4%	1.6%
<b>Colorado</b>	<b>8.1%</b>	<b>7.0%</b>	<b>-1.1%</b>

*Source: Labor Market Information*

Agriculture is the region's largest employment sector, followed by local government, retail trade, health services and social assistance, and federal and state governments.

Residential construction continues to limp along as new home building in the Upper Rio Grande area of South Fork and the rest of the valley has yet to recover from the housing slump of six years ago.

Hecla Mining Company, through a wholly owned subsidiary called Rio Grande Silver, continues its exploration veins in old mines and assessing the quantity and quality of the ore. If silver prices continue to remain strong – currently around \$23/ounce - mining in Creede could resume providing jobs to one of the state's least populated counties. Mining in Creede ended in 1985.

## HOUSING

After a drop in 2011, particularly in Rio Grande County, the number of foreclosure filings in the Valley for the first two quarters of 2012 are slightly above those for the same period in 2011 (94 in 2012 and 84 in 2011)

### Foreclosure Filings

County	2011	2012
Alamosa	44	70
Conejos	22	18
Costilla	9	18
Mineral	5	4
Rio Grande	42	55
Saguache	31	28
<b>Total</b>	<b>153</b>	<b>193</b>

*Source: Colorado Division of Housing*

### Building Permits

New residential construction in 2012 was only about half what was in 2007, according to the U.S. Census Bureau.

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## **AGRICULTURE**

Agriculture is the driving force in the San Luis Valley, accounting for over 30 percent of region's base economy. The primary crops produced are potatoes, alfalfa, barley and cattle.

Irrigators in the central part of the San Luis Valley have begun a voluntary fallowing program to reduce pumping of the Unconfined Aquifer, which has become depleted by over-pumping and drought conditions for many of the last ten years. The program was enabled by the Colorado Legislature as an alternative to the Colorado State Engineer shutting down wells and is being spearheaded by the Rio Grande Water Conservation District.

The gist of the program is to levy an assessment on irrigators within a sub-district, based on acres and pumping volumes. Revenues are then used, along with federal dollars from USDA, to compensate farmers for taking land out of production. So far, only one sub-district has been created but as many as five others are planned.

It is estimated that 40,000 acres of land "previously irrigated during calendar year 2000" will need to be dried-up in Sub-district #1. In the first year of the program, 2012, 8,300 acres were fallowed. For 2013, another 9,000 acres are targeted to be fallowed.

Future sub-districts and fallowing could bring the total for acres fallowed in the Valley to nearly 60,000, or more. In the 2007 Ag Census, USDA estimated 480,000 acres were irrigated in the Valley.

The economic impacts of reduced crop production are yet to be determined.

## **Ag Prices**

- Potato usually begins in September. Prices for potatoes are \$10 to \$7 per 50-lb carton, depending on quality and grade.
- Alfalfa continues to be a reliable crop for valley farmers. Alfalfa from the valley is considered top quality hay in demand by dairies in Texas and New Mexico and fetches premium prices. Current prices range from \$230-\$240/T for premium or supreme quality hay, similar to 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 August 2013 were around \$11/cwt.
- 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.

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## **CLEAN ENERGY**

Five utility-scale solar plants are online in the San Luis Valley making the region one of the country's major producers of solar electricity, generating over 85 megawatt (MW) AC of electricity. All the plants sell power to Xcel Energy under power purchase agreements. Permanent jobs at the plants range from two to ten.

- Alamosa Solar Farm (SunEdison) – 6.2 MW AC, 8.22 DC: 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 AC, 20 MW DC: 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 AC, 35 MW DC: Iberdola used single axis trackers and SunPower flat panel PV modules for this project, which produces power for around 7,500 homes.
- Alamosa Solar Generation Project (Cogentrix Energy) – 30 MW AC, 35 MW DC: Congentrix 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.
- SolarReserve, a utility-scale solar developer, has proposed a 200 mega-watt facility in Saguache County to be built in two phases. Despite the lack of a power purchase agreement with Public Service Company of Colorado (Xcel), SolarReserve has obtained necessary permitting from the county and is awaiting a decision this fall from the Colorado Public Utilities Commission that could direct Xcel to purchase the power.

## **ADAMS STATE UNIVERSITY**

Adams State is a significant economic driver in the San Luis Valley providing over \$50M in direct spending in the region with an estimated economic impact of \$86.6M.

In 2011, Adams State completed \$62M in campus improvements including a new student apartment/football stadium complex, renovation of the music building and a large classroom building, and expanded campus parking. In 2012, another \$12.7M in additions and renovations was done.

This winter, a \$16.9M renovation will begin on historic Richardson Hall, built in 1925 and which, at one time, housed all of the school's classrooms, offices, library and auditorium.