



**SAN LUIS VALLEY
DEVELOPMENT RESOURCES GROUP**

**2014 Annual Comprehensive Economic Development
Strategy (CEDS) and Progress Report**

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Contents

Section I: Adjustments	2
Section II: Governing Board Membership.....	4
Section III: Current Strategy Committee Membership	7
Section IV: Staff	9
Section V: 2013 Scope of Work	10
Section VII: Schedule	15
Section VI: Evaluate	18
Proposed 2014 Scope of Work.....	20

Annual Comprehensive Economic Development Strategy (CEDS) And Progress Report

Section I: Adjustments

The San Luis Valley Development Resources Group's primary service area is comprised of six counties: Alamosa, Conejos, Costilla, Rio Grande/Mineral, and Saguache. These counties, commonly known as the San Luis Valley, are located in the south central part of Colorado in the 3rd Congressional District.

The region continues to recover from the West Fork Fire that virtually closed the upper Rio Grande areas of Creede and South Fork to tourism during late June and most of July 2013. Local businesses, local government, and federal and state agencies are cooperating on plans to promote tourism in the area and utilize the timber resource affected by the burn.

Residential home values in the South Fork area of Rio Grande County have yet to recover from the Great Recession. These depressed prices have adversely affected local government revenues putting significant pressure on dwindling budget reserves.

Slumping silver prices slowed exploration of silver and other minerals in the historic Creede mining district. However, the Rio Grande Silver project, owned by Hecla Mining Company, is still considered a viable project and the company is moving forward with permitting necessary to pursue further exploration in anticipation of a recovery in silver prices.

Unemployment in the San Luis Valley continues to trend near, or above the state average, with the exception of Mineral County. The entire region saw a drop in unemployment between September 2013 and September 2014.

Renewable energy continues to be a bright spot in the region's economy with an announcement by SunPower this year that it would build a solar electric generation plant in Alamosa County. The 49.5 mega-watt facility will be the sixth utility-scale solar plant in the San Luis Valley bringing solar electric production in the region to around 135 mega-watts.

In coming months, the Colorado Division of Water Resources will promulgate new Rule Governing the Withdrawal of Ground Water in Water Division No. 3 (Colorado's Rio Grande Basin, which lies in the San Luis Valley). The new rules are likely to affect crop production in the region and could mean the fallowing of over 40,000 acres of irrigated cropland.

The shuttered Rakhra mushroom farm reopened in September 2014 as the Colorado Mushroom Farm and will provide over 250 jobs in the region. The new company's first crop was picked in November.

Population density is sparse, 5.61 persons per square mile (as of 2010), with 46,027 people calling the San Luis Valley home. This represents a decline of 0.35% since the 2000 census. Only two counties have shown any growth, Alamosa and Saguache, while Conejos, Costilla, Rio

Grande, and Mineral counties have declined. Mineral County recorded the largest loss in population over the past decade of 14.32%.

The San Luis Valley's economy is based primarily on agriculture with 28 percent (\$165.5M) of the region's base income (\$585.8M) derived from agricultural enterprises in 2010. Per Capita Personal Income for 2010 in the Valley was \$29,267, about 70% of the state's PCPI of \$42,107. Over 15% of families in the county live under the poverty level. Around 47% of the San Luis Valley population is Hispanic and nearly 30% speak Spanish at home. Over half of the land mass is owned by the federal government and the State of Colorado.

Section II: Governing Board Membership

1. GOVERNMENT REPRESENTATIVES (51-65%)

Elected officials and/or employees of a general purpose unit of state, local or Indian tribal government who have been appointed to represent the government.

	Name	Government	Position
1	Michael Yohn	Alamosa County	Commissioner
2	John Sandoval (<i>SLVDRG Vice-Chairman</i>)	Conejos County	Commissioner
3	Lawrence Pacheco (<i>SLVDRG Secretary/Treasurer</i>)	Costilla County	Commissioner
4	Scott Lamb	Mineral County	Commissioner
5	Karla Shriver	Rio Grande County	Commissioner
6	Ken Anderson	Saguache County	Commissioner
7	Josef Lucero	City of Alamosa	Mayor
8	Mike Trujillo	Town of Antonito	Mayor
9	Myrrl Smith	Town of Blanca	Mayor
10	Susan Banning	Town of Center	Mayor
11	Eric Grossman	Town of Creede	Mayor
12	Karina Danforth	Town of Crestone	Mayor
13	Chris Trujillo	Town of Del Norte	Mayor
14	Larry Wornick	Town of Hooper	Mayor
15	Austin Valdez	Town of La Jara	Mayor
16	Earl LeRoy	Town of Moffat	Mayor
17	Joe Mestas	Town of Manassa	Mayor
18	Debbie Garcia	City of Monte Vista	Mayor
19	Don Martinez	Town of Romeo	Mayor
20	Milton Jones	Town of Saguache	Mayor
21	Gary Bailey	Town of Sanford	Mayor
22	Theresa Medina	Town of San Luis	Mayor
23	Kenneth Brooke	Town of South Fork	Mayor

2. NON-GOVERNMENT REPRESENTATIVES (35-49%)

A. Private Sector Representatives: *Any senior management official or executive holding a key decision-making position, with respect to any for-profit enterprise. (At least one required)*

	Name	Company / Enterprise	Position
1	Marty Asplin	Asplin & Associates	President
2	Josef Lucero	Lucero Dental Arts, LTD	President
3	David Broyles (<i>SLVDRG Chairman</i>)	First Southwest Bank Colorado	President
4	T.J. Brown	Del Norte Federal Bank	Vice President (Designated rep)
5	Duane Bussey	San Luis Valley Federal Bank	President
6	Ed Ellis	Permian Basin Railways	President
7	Preston Porter	Porter Realty	Vice President
8	Mike Goodart	Town & Country Car & Truck Center	President
9	Terry Smith	Century 21 Real Estate	President
10	Loren Howard	San Luis Valley Rural Electric	Director
11	Jeff Woodward	Everything Wireless	President

B. Stakeholder Organization Representatives: *Executive directors of chambers of commerce, or representatives of institutions of post-secondary education, workforce development groups or labor groups. (At least one required)*

	Name	Organization	Position
1	Betty Velasquez	Colorado Workforce Center	Director
2	Bill Mansheim	Adams State University	VP Finance
3	Carmen Simone	Trinidad State Jr. College	President

3. AT LARGE REPRESENTATIVES (0-14%)

Other individuals who represent the principal economic interests of the region. (No minimum required)

	Name	Area of Interest	Background
1	Jim Ehrlich	Potato Administrative Committee	Executive Director
2	George Garcia	SLV Transit Advisory Committee/Blue Peaks Development Center	Fleet Director
3	Kathy Worthington	Xcel Energy	Community Service Manager
4	Pat Fluck	Retired Persons	Real Estate, South Fork

CALCULATIONS

	<u>Number</u>	<u>Percent</u>
Government Representatives (51-65%)	23	56.1%
1. Non-Government Representatives (35-49%)	14	34.1%
A. Private Sector Representatives (at least 1)	11	
B. Stakeholder Organization Representatives (at least 1)	3	
3. At-Large Representatives (0-14%)	<u>4</u>	<u>9.8%</u>
Total Board Membership	41	100.0%

APPLICABLE REGULATIONS:

13 CFR Part 304.2(c):

The District Organization must demonstrate that its governing body is broadly representative of the principal economic interest on the Region. And, unless otherwise prohibited by applicable State or local law, must include at least one (1) Private Sector Representative and one (1) or more of the following: Executive Directors of Chambers of Commerce, or representatives of institutions of post – secondary education, workforce development groups of labor groups, all of which must comprise in the aggregate a minimum of thirty-five (35) percent of the District Organization’s governing body. The governing body shall also have at least a simple majority of its membership who are elected officials and/or employees of a general purpose unit of State, local or Indian tribal government who have been appointed to represent the government. Upon the District Organization’s showing of its inability to locate a Private Sector Representative to service on its governing body following extensive due diligence, the Assistant Secretary may waive the Private Sector Representative requirement. The Assistant Secretary shall not delegate the authority to grant a waiver under this paragraph.

Section III: Current Strategy Committee Membership

1. PRIVATE SECTOR REPRESENTATIVES (At least 51%)

Any senior management official or executive holding a key decision-making position, with respect to any for-profit enterprise.

	Name	Government	Position
1	Marty Asplin	Asplin & Associates	President
2	Josef Lucero	Lucero Dental Arts, LTD	President
3	David Broyles <i>(SLVDRG Chairman)</i>	First Southwest Bank Colorado	Chair
4	T.J. Brown	Del Norte Federal Bank	Vice President (Designated rep)
5	Duane Bussey	San Luis Valley Federal Bank	President
6	Ed Ellis	Permian Basin Railways	President
7	Preston Porter	Porter Realty	Vice President
8	Mike Goodart	Town & Country Car & Truck Center	President
9	Terry Smith	Century 21 Real Estate	President
10	Loren Howard	San Luis Valley Rural Electric	Director
11	Jeff Woodward	Everything Wireless	President

2. REPRESENTATIVES OF OTHER ECONOMIC INTERESTS (No more than 49%)

Persons who provide additional representation of the main economic interest of the region. These may include, but are not limited to: public officials, community leaders, and representatives of workforce development boards, institutions of higher education, minority and labor groups, and private individuals.

	Name	Government	Position
1	Betty Velasquez Colorado Workforce Ctr.	Workforce Development	Director
2	Scott Lamb Mineral County	Public Official	County Commissioner
3	Josef Lucero City of Alamosa	Public Official	Mayor
4	Karla Shriver	Public Official	County Commissioner
5	Carmen Simone Trinidad State Jr. College	Higher Education	President

6	Bill Mansheim Adams State University	Higher Education	VP Finance
7	John Sandoval Conejos County	Public Official	County Commissioner
8	Ken Anderson	Public Official	County Commissioner
9	Lawrence Pacheco Costilla County	Public Official	County Commissioner
10	Michael Yohn Alamosa County	Public Official	County Commissioner

*ACED performs a dual role as economic development organization and Chamber of Commerce for Alamosa County

CALCULATIONS

	<u>Number</u>	<u>Percent</u>
Private Sector Representatives (at least 51%)	11	52.4%
Representatives of Other Economic Interests (no more than 49%)	<u>10</u>	<u>47.6%</u>
Total Committee Membership	21	100.0%

APPLICABLE REGULATIONS:

13 CFR Part 303.6(a):

The Planning Organization must appoint a Strategy Committee. The Strategy Committee must represent the main economic interest of the Region and must include Private Sector Representatives [as defined above] as a majority of its membership. In addition, the Planning Organization should ensure that the Strategy Committee includes public officials, community leaders, and representatives of workforce development boards, institutions of higher education, minority and labor groups, and private individuals.

Section IV: Staff

Staff	Title	Email Address
Michael Wisdom	Executive Director	wisdom@slvdr.org
Roni K Wisdom	Chief Financial Officer	rwisdom@slvdr.org
Hew Hallock	Director of Research	hhallock@slvdr.org
Tonya Owsley	Business Development Director	towsley@slvdr.org
Sarah Stoeber	Business Development Director	sstoeber@slvdr.org

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Section V: 2014 Scope of Work

A. Diversify local economies through business expansion, retention and creation

1. Provide gap funding for businesses in the San Luis Valley seeking to start up, expand, or retain present business status.
 - a. Accomplishments Achieved: Provided economic or counseling assistance to 16 businesses in the San Luis Valley.
 - b. Quantifiable Deliverables: Made loans to 14 businesses totaling \$2,327,457, leveraged \$4,269,335 in private funding and creating or retaining 307 FTE jobs.
 - c. Difficulties Encountered: None encountered.

2. Administer Colorado tax programs that assist local businesses and not-for profit organizations.
 - a. Accomplishments Achieved: These state enterprise zone tax incentives have been under intense scrutiny by members of the State Legislature and state agencies. We were able to demonstrate the values of these credits to local businesses and citizens.
 - b. Quantifiable Deliverables: The enterprise zone tax programs remains intact and continued to be favored and used by local businesses and individuals as an incentive to invest in businesses and organizations in the region. In 2014, approximately \$1.56M in state tax credits were offered to local businesses and individuals. Non-profit organizations and community projects in the San Luis Valley received \$1.2M in contributions through the enterprise program.
 - c. Difficulties Encountered: None encountered.

3. Provide on-going specialized counseling to local businesses.
 - a. Accomplishments Achieved: Provided business counseling to 30 local businesses that sought assistance. This counseling was provided by a team of professionals including professors from Adams State University, local businesses owners, economic developers, and small business counselors. In partnership with the San Luis Valley Small Business Development Center, a LEADING EDGE strategic business planning program was held in Creede.
 - b. Quantifiable Deliverables: The businesses that received counseling are still in business and confident of economic survival. Twenty-two people, representing 11 businesses, attended the LEADING EDGE program in Creede.
 - c. Difficulties Encountered: Business counseling continues to be very time intensive and we lack the staff to meet client demand.

B. Promote and expand tourism

1. Completion of the Great Outdoors Trails Initiative to update existing Trails and Recreation Master Plan.

- a. Accomplishments Achieved: The San Luis Valley Trails and Recreation Master Plan was completed and published the summer of 2014.
 - b. Quantifiable Deliverables: Copies of the plan were distributed to area local governments and organizations, as well published online and available for download at www.slvgo.com.
 - c. Difficulties Encountered: None encountered.
2. Host regional meetings to showcase and promote the Trails Master Plan.
 - a. Accomplishment Achieved: Public meetings were held throughout the San Luis Valley during the planning process and after the plan was completed. Presentations were also made to the San Luis Valley Council of Governments, county commissions and municipal boards, tourism groups and other stakeholders.
 - b. Quantifiable Deliverables: Five public open houses were held in Alamosa, Del Norte, Creede, Saguache, and Crestone during the planning process. Additionally, input was collected at the La Jara Farmers Market as well as through social media.
 - c. Difficulties Encountered: None encountered.
 3. Develop website and marketing materials to promote use of Trails Master Plan.
 - a. Accomplishment Achieved: San Luis Valley Great Outdoors has developed the trails and outdoor recreation website. It is online and provides information about trails and outdoor recreation throughout the region, as well as a “toolbox” for local communities and organizations to plan and build or improve trails and outdoor recreation opportunities.
 - b. Quantifiable Deliverables: The SLV GO website is www.slvgo.com.
 - c. Difficulties Encountered: None encountered.

C. Strengthen, sustain and expand agricultural businesses

1. Assist local growers further their efforts to develop value added products.
 - a. Accomplishment Achieved: SLVDRG provided financing through the revolving business loan fund to Colorado Malting Co. and to Colorado Mushroom Farm.
 - b. Quantifiable Deliverables: Business financing enabled Colorado Malting Co. continues to its growth providing malting barley to brewers. This past year, Colorado Malting made its first shipment overseas – to Japan and United Kingdom. Shipments to brewers in Colorado and across the United States continue to grow. Financing for Colorado Malting created or retained four jobs. Colorado Mushroom Farm re-opened the shuttered Rakhra Mushroom plant with financing from the revolving business loan fund bringing 250 job back to the region’s economy. This financing package of \$1.5 million was the largest ever made by the San Luis Valley Business Loan Fund and the state’s revolving loan program.
 - c. Difficulties Encountered: None encountered.

2. Complete an economic impact analysis to examine the regional economic effects of the loss up to 60,000 acres of crop production due to a decline in the levels of aquifers used to irrigate cropland in the San Luis Valley.
 - a. Accomplishment Achieved: A scope of work has been developed the economic impact analysis and partial funding has been secured. Plans are still in place to conduct the analysis.
 - b. Quantifiable Deliverables: The Colorado Department of Local Affairs has given a grant of \$38,250 to the project and four counties in the region have donated a total of \$7,250. The scope of the work for the project has been reviewed and accepted by a research team from the Colorado Water Institute at Colorado State University.
 - c. Difficulties Encountered: Securing further funding for the project.

D. Train local workforce to meet the needs of business

1. Work with local businesses to identify training needs.
 - a. Accomplishments Achieved: The local workforce development board is working with businesses to identify education and training they need in quality employees.
 - b. Quantifiable Deliverables: Assisted local GED program through Trinidad State Jr. College to secure funding for 2015. Met with high school advisors to discuss programs available to assist their efforts through Colorado Labor and Employment. Working to develop an intensive, short term training program for Colorado Works (TANF) clients to provide “soft skills” training.
 - c. Difficulties Encountered: Funding for all programs is always an issue. We were able to find the funding for the GED program but was not able to tap into additional funding for high school counselors because of shortened time frames required by the grant. We lack an identified “champion” for the intensive training program although I believe we have possible found a site and some of the funding.

2. Provide conduit for discussions and implementation strategies to address identified business training needs between Colorado Workforce Centers, Trinidad State Jr. College (TSJC) and Adams State University (ASU).
 - a. Accomplishments Achieved: Hosted quarterly Colorado Rural Workforce Consortium meeting in Alamosa. Invited speakers included local restaurateur, representative from San Luis Valley Health, and agricultural producer and processor. Invited guests included local government, businesses, ASU and TSJC.
 - b. Quantifiable Deliverables: At this meeting, CRWC developed strategic goals to promote and assist business find quality employees. These goals were developed by eleven workforce regions in Colorado to advance workforce centers ability to provide better services to their regions.
 - c. Difficulties Encountered: CRWC meets semiannually so it is difficult to keep momentum going to achieve strategic goals. We plan to have interim conference calls to help.

- a. **Accomplishments Achieved:** Representatives of workforce development, education, economic development, industry, and other partners attended the 2nd annual Colorado Sectors Summit from the San Luis Valley. Discussions of creating a sector partnership around agriculture and health care were agreed upon.
- b. **Quantifiable Deliverables:** Attendees learned how to develop a sector partnership and talking points to cover when convening a summit in our area. Workforce staff then made contact with health care professionals to set up initial meetings.
- c. **Difficulties Encountered:** Workforce staff is spread thin and was not able to follow through on meetings and agendas. We will need to regroup, organizing a smaller, more effective assembly of local leaders to move these sectors forward.

E. Improving infrastructure including telecommunications and transportation

1. Provide assistance to the SLV Broadband as they work toward improving communication and accountability of broadband service providers, and map telecom infrastructure.
 - a. **Accomplishments Achieved:** SLV Broadband, a region-wide organization supporting the expansion of broadband in the San Luis Valley, meets regularly to discuss and recommend broadband development. Supported the San Luis Valley Rural Electric Cooperative in its launch of broadband service to its members in mostly-unincorporated areas of the region. Work continues with Colorado Department of Local Affairs and USDA on funding for broadband development and deployment.
 - b. **Quantifiable Deliverables:** SLVDRG continues to host monthly meetings of SLV Broadband. Received funding from Colorado Department of Local Affairs to analyze opportunities for broadband expansion and a request-for-proposals has been developed for a contractor to conduct the work.
2. Work with local governments and Colorado Department of Transportation to maintain and improve the San Luis Valley regional highway network.
 - a. **Accomplishments Achieved:** Regularly attended local, regional and state meetings on transportation issues particularly dealing with a regional transportation plan and a regional transit plan. Meetings also dealt with transportation needs and projects.
 - b. **Quantifiable Deliverables:** SLVDRG staff sponsored, attended and took minutes meetings of the San Luis Valley Transportation Planning Region planning council. SLVDRG also kept planning council informed of transportation project status, planning and funding opportunities. SLVDRG received grant funding for the next year from the Colorado Department of Transportation to establish a transit planning council and conduct an assessment of transit services in the San Luis Valley.

- c. Difficulties Encountered: None encountered.

F. Capacity Building, Communications, Community Services and Facilities

1. Facilitate and/or attend meetings of local government, economic development and non-profit organizations to foster open lines of communication, provide technical assistance, and develop regional projects.
 - a. Accomplishments Achieved: Through meetings, we were able to provide information regarding economic development activities in the San Luis Valley including changes to Enterprise Zone regulations, updates to Workforce needs and trainings, new Revolving Loan Fund programs, show assistance provided through Community Service Block Grants to the elderly, and homeless, and tourism efforts on behalf of the SLV. We have decided it is easier to attend community meetings to discuss issues and provide information.
 - b. Quantifiable Deliverables: SLVDRG hosted monthly meetings with representatives from towns and counties throughout the San Luis Valley. Staff attended monthly meetings with Upper Rio Grande EDC, Alamosa County EDC, and ScEEEd. Staff also met with Town of Saguache, Town of Crestone, Town of Del Norte, City of Alamosa, City of Monte Vista, and Town of Center.
 - c. Difficulties Encountered: None encountered
2. Update/Revise the Comprehensive Economic Development Strategy (CEDS) and submit it and the CEDS Checklist to EDA on March 31, 2014.
 - a. Accomplishments Achieved: CEDS was completed.
 - b. Quantifiable Deliverables: CEDS was delivered to EDA by March 31, 2014.
 - c. Difficulties Encountered: None encountered.

G. Develop and enhance renewable energy resources

1. Become the repository for research, educational information, and training opportunities relating to renewable energy resources in the San Luis Valley.
 - a. Accomplishments Achieved: Hew Hallock, Director of Research continues to develop his extensive data base of information and resources for renewable energy resources. He represents SLVDRG at local, regional and state conferences, bringing back information for regional dissemination.
 - b. Quantifiable Deliverables: A library of information has been established along with state, local, regional, and federal contacts and resources.
 - c. Difficulties Encountered: None encountered

H. Data Services and Research

1. Provide data services as an ongoing economic and community development tool.

- a. Accomplishments Achieved: We continue to market and provide data and other information as requested by local community members, governments, and non-profits.
- b. Quantifiable Deliverables:
 - Produced annual Statistical Profile of the San Luis Valley.
 - Provided SLV Demographic information for inclusion in the State Demographers annual meeting in November.
 - Attended the annual demographers meeting and continue to be a liaison with the State of Colorado
 - Responded to requests for demographic and economic data on the San Luis Valley from businesses, individuals, local governments, and non-profit organization.
 - Published and distributed CEDS in compact disc format to local governments and business, as well as online at www.slvdr.org.
- c. Difficulties Encountered: None encountered

I. Board and Citizen Involvement

1. Maintain and acquire new membership on the board to meet EDA's requirements.
 - a. Accomplishments Achieved: We have had slight turnover as elected officials change. We provide a new board member packet and orientation session in order help them come up to speed and become comfortable with our programs.
 - b. Quantifiable Deliverables: Board membership is complete.
 - c. Difficulties Encountered: None encountered.

Section VI: Evaluate

We have chosen seven performance measures against which to review our accomplishments and judge the effectiveness in meeting our goals:

1. Total jobs created as a result of SLVDRG activities, regardless of goal category, objective, strategy, tool, source, or partnership arrangement.
 - A total of 263 jobs were or are being created as a result of SLVDRG activities.
2. Total jobs retained as a result of SLVDRG activities.
 - A total of 51.5 jobs were retained as a result of SLVDRG activities. This shows the need for assisting existing businesses.
3. Quality of jobs created or retained in terms of wages, occupation, skills, benefits, and other factors.
 - Two of the businesses are for value added manufacturing, which require advanced skills and offer higher wages. One was a service industry that requires advanced degrees and higher wages and the remaining are retail/service industries with modest wages.
4. Amount of private sector investment in the region as a result of CEDS implementation.
 - Private sector investment totaled approximately \$4,269,335 as a result of SLVDRG assistance and activities based on the CEDS strategies. \$3,700,000 was for two businesses, a retention of a community grocery store and opening of a value added mushroom farm.
5. Any notable changes in economic environment of the region attributed to the programs, projects, and activities being carried out.
 - Our activities preserve the economic vitality of the San Luis Valley, which has continued to experience the economic decline seen in other parts of Colorado and the United States. Compared to the state unemployment rate of 4.0 percent for September 2014, unemployment rates for counties in the San Luis Valley range from 2.6 percent in Mineral County to 7.6 percent in Costilla County for the same period. The trend in unemployment over the last year shows decreases in all counties, which are an improvement; however, the region's unemployment continues to be 1 to 2 percent higher than the state rate. While there has been no loss of a single, major employer in the region, job numbers indicate the recession has affected this rural region. Unfortunately, the numbers do not tell if the unemployed have become employed or just quit looking.
 - Agriculture continues to be the driving economic force in the San Luis Valley with the primary crops being potatoes, alfalfa, barley and cattle.
 - The region's construction industry continues to be slow although there have been some increase in the new home construction and multi-family apartment buildings. Commercial construction is very slow. Nearly all construction work for local contractors

in the last 12 months has come from major public sector projects such as schools and remodeling existing facilities at Adams State University.

6. Number and types of investment undertaken in the region.

- There were 12 investments undertaken in the region including ongoing technical assistance provided to businesses. The businesses ranged from telecommunication infrastructure to manufacturing facilities, restaurants, tourist welcome center to transportation businesses.

7. Accomplishments or advancements made in achieving project objectives, and/or successful implementation of strategies and elements listed in the plan of action.

- Financial Assistance continues to be a very important component of our strategies for economic development in the SLV. The Revolving Loan Fund is a critical component for funding small businesses as local lending institutions continue to tighten their policies. We have created a partnership with a Denver 504 lender, CEDCO, to be able to offer more SBA loan products. We are also working with CHFA to use the Collateral Support program to assist lenders with collateral shortfalls.
- We were please to assist the Colorado Mushroom Farm, a value added agricultural businesses. This business will bring 250 fte jobs with approximately \$7MM in wages annually. We are seeing more movement in the agriculture industry as they are looking at value added processes.
- Tourism has continued to increase and local tourism venues are taking full advantage of those increases. The local Welcome Center saw approximately 34,000 visitors in 2014 which is a 21% increase for the area. Local restaurateurs, motel owners, and train riders are pleased with their overall revenues. Our assistance to the Welcome Center and tourism agencies has helped them provide additional marketing which has helped.
- We are an affiliate of the Colorado State Demographers Office. As an affiliate, we attend trainings and annual meetings held by them so we can keep our demographic information up to date for our constituents. We update on a semiannual basis, basic demographic information for dissemination to the counties, towns, cities, and non-profit organizations.
- SLVDRG continues to serve as the facilitator for the San Luis Valley Transportation Planning Region, which includes all of the six counties in the region. We provide local governments and other interests with information from the Colorado Department of Transportation regarding transportation issues. Other responsibilities include holding regular meetings of the TPR and providing regional input into state transportation meetings. This year, we focused on development of a new regional transportation plan and statewide transportation plan, which is due to be released the first quarter of 2015. We also provided input and guidance for the San Luis Valley Regional Transit Plan and have been awarded a planning grant from CDOT to establish a transit planning council in the region during 2015.

Section VII: Schedule

2015 Implementation/Action Plan

CEDS Strategy	2015 Scope of Work	Objective	Priority	Lead Organization	Resources	Timeline	Jobs	Evaluation
<i>Renewable Energy</i>	Develop and enhance renewable energy resources	Explore opportunities for energy education and research.	Low	SLVDRG	Tri-State, NREL, CEO, OEDIT, ASU, TSJC, CSU Extension	On-going, 2015	TBD	# of inquiries and responses
<i>Agricultural and related</i>	Strengthen, sustain and expand agricultural businesses	Promote organizations who support and promote locally grown food opportunities	Low	SLVDRG	OEDIT, EDA, Local lenders, SBA, USDA	On-going, 2015	TBD	Meetings attended, brochure developed
<i>Agricultural and related</i>	Economic Impact study to determine effects of loss of 60,000 acres in production	Initiate economic impact water usage study	High	SLVDRG	DOLA, CSU	On-going, 2015	0	Initiate study to be completed in 18 months.
<i>Tourism</i>	Promote and expand tourism	Assess/inventory tourism opportunities in region.	Medium	SLVCOG	SLV Great Outdoors, Rio Grande County, NPS	On-going, 2015	TBD	Complete assessment
<i>Business and Industry, Financial Assistance</i>	Create broader economic base through business expansion, retention, creation & attraction	Provide gap funding for businesses in the San Luis Valley seeking to start up, expand, or retain present business status.	High	SLVDRG	OEDIT, EDA, Local lenders, SBA, USDA	On-going, 2015	25	# of loans & jobs created/retained
<i>Business and Industry, Financial Assistance</i>		Administer Colorado tax programs that assist businesses and non-profits.	Medium	SLVDRG	OEDIT, DOLA, CARO	On-going, 2015	0	Amount of credits, jobs created/retained & amount contributed
<i>Business and Industry, Financial Assistance</i>		Provide on-going specialized counseling to local businesses.	Low	SLVDRG	OEDIT, EDA, Local lenders, SBA, USDA	On-going, 2015	15	# of loans & jobs created/retained
<i>Business and Industry, Financial Assistance</i>		Develop business resource manuals including marketing packages.	Medium	SLVDRG	OEDIT, SBA	On-going, 2015	TBD	Manuals created & distributed
<i>Workforce Development</i>	Ensure workforce preparation/availability	Coordinate with Colorado Workforce to ensure need of ag sector are met.	High	Colorado Workforce Center, South Central WIB	SLVDRG, CRCC, CWDC, TSJC, RMS, ASU	On-going, 2015	0	Meetings attended, survey completed, changes made to Workforce to address local needs

<i>Workforce Development</i>		Provide conduit for discussions and implementation strategies to address identified business training needs between Colorado Workforce Centers, Trinidad State Jr. College and Adams State University.	Medium	Colorado Workforce Center, South Central WIB	SLVDRG, CRCC, CWDC, TSJC, RMS, ASU	On-going, 2015	TBD	Meetings attended, survey completed, changes made to Workforce to address local needs
<i>Workforce Development</i>		Develop local business intern program.	Medium	SLVDRG, Colorado Workforce	SLVDRG, Colorado Workforce, TSJC, ASU	On-going, 2015	0	Selection of host businesses and interns.
<i>Capacity Building, Communications, Community Services and Facilities</i>	Capacity Building, Communications, Community Services and Facilities	Facilitate/attend quarterly meetings of local government, economic development and non-profit organizations to foster open lines of communication, provide technical assistance, and develop regional projects.	Medium	SLVDRG	SLVCOG, Local Economic Development Organizations	On-going, 2015	0	4 meetings are held or attended
<i>Capacity Building, Communications, Community Services and Facilities</i>		Assist SLV Broadband improving communication & accountability of broadband providers & maps telecom infrastructure.	High	SLV Broadband	SLVDRG, SLV REC	On-going, 2015	0	Meetings attended and hosted
<i>Capacity Building, Communications, Community Services and Facilities</i>		Work with local governments and Colorado Department of Transportation to maintain and improve the San Luis Valley regional highway network.	Medium	CDOT	SLVDRG, local governments	On-going, 2015	0	Meetings attended, update of new regional transportation plan & creation of transit council.
<i>Data Collection, Management, Research and Community Services and Facilities</i>	Data Services and Research	Provide data services as an ongoing economic and community development tool.	Medium	SLVDRG	DOLA - State Demographers	On-going, 2015	0	# of inquiries and responses
<i>Capacity Building, Communications, Community Services and Facilities</i>	Board and Citizen Involvement	Maintain and acquire new membership on the board to meet EDA's requirements.	Low	SLVDRG	EDA Governing Board, SLVDRG Exec Board, SLVCOG Exec Board	On-going, 2015	0	Complete board is seated according to EDA requirements

Section VI: Evaluate

We have chosen seven performance measures against which to review our accomplishments and judge the effectiveness in meeting our goals:

1. Total jobs created as a result of SLVDRG activities, regardless of goal category, objective, strategy, tool, source, or partnership arrangement.
 - A total of 8 jobs were created as a result of SLVDRG activities.
2. Total jobs retained as a result of SLVDRG activities.
 - A total of 12.5 jobs were retained as a result of SLVDRG activities. This shows the need for assisting existing businesses.
3. Quality of jobs created or retained in terms of wages, occupation, skills, benefits, and other factors.
 - All of the jobs were in retail or transportation industries. Construction, while improving, is still slow. The local workforce center tells us that they are having a difficult time placing clients in higher paying professions due to the present economic situation.
4. Amount of private sector investment in the region as a result of CEDS implementation.
 - Private sector investment totaled approximately \$251,500 as a result of SLVDRG assistance and activities based on the CEDS strategies. This is the least amount of leveraging that we have seen in the program which indicates that funding and private money is still very tight. Public Sector investment for businesses through revolving loan fund was \$444,283.
5. Any notable changes in economic environment of the region attributed to the programs, projects, and activities being carried out.
 - Our activities preserve the economic vitality of the San Luis Valley, which has continued to experience the economic decline seen in other parts of Colorado and the United States. Compared to the state unemployment rate of 6.5 percent for November 2013, unemployment rates for counties in the San Luis Valley range from 3.2 percent in Mineral County to 11.3 percent in Costilla County for the same period. The trend in unemployment over the last year shows decreases in all counties which are an improvement; however, they are still averaging 8.4 percent which is not quite 1 percent higher than the state rate. While there has been no loss of a single, major employer in the region, job numbers indicate the recession has affected this rural region. Unfortunately, the numbers do not tell if they unemployed have become employed or just quit looking.
 - Agriculture continues to be the driving economic force in the San Luis Valley with the primary crops being potatoes, alfalfa, barley and cattle.
 - The regions' construction industry continues to be slow although there have been some increase in the new home construction and assisted living home construction. Commercial construction is very slow. Nearly all construction work for local contractors

in the last 12 months has come from major public sector projects such as schools and remodeling existing facilities at Adams State University.

6. Number and types of investment undertaken in the region.

- There were 6 investments undertaken in the region including ongoing technical assistance provided to businesses. The businesses ranged from telecommunication infrastructure to manufacturing facilities, restaurants, tourist welcome center to transportation businesses.

7. Accomplishments or advancements made in achieving project objectives, and/or successful implementation of strategies and elements listed in the plan of action.

- The renewable energy sector has all but disappeared for several reasons including the uncertainty of utility scale transmission lines, lack of power purchase agreements from Xcel, and unknown federal tax credits. Solar gardening and distributed solar installations continue to interest local communities and the agricultural community. We were able to assist one local business install a solar array which, when paid for, will provide 80% of their electricity. Also, the community has become aware of our library of resources for most energy information as well as the state that provides information as it comes along.
- Financial Assistance continues to be a very important component of our strategies for economic development in the SLV. The Revolving Loan Fund is a critical component for funding small businesses as local lending institutions continue to tighten their policies. We saw an increase in the number of inquiries and applications to our program and a decrease in leveraging. We continue to attempt to become an SBA 504 lender.
- Tourism has continued to increase and local tourism venues are taking full advantage of those increases. The local Welcome Center saw approximately 30,000 visitors in 2013 which is an increase for the area. Local restaurateurs, motel owners, and train riders are pleased with their overall revenues. Our assistance to the Welcome Center and tourism agencies has helped them provide additional marketing which has helped.
- We are an affiliate of the Colorado State Demographers Office. As an affiliate, we attend trainings and annual meetings held by them so we can keep our demographic information up to date for our constituents. We update on a semiannual basis, basic demographic information for dissemination to the counties, towns, cities, and non-profit organizations.
- We have continued to sponsor programs for small businesses affected by road construction and have been very successful with the booklet *SLV Cone Zone Survival Guide*. The guide is being written for other towns/cities to use to help their businesses. We will be implementing a workshop using the guide this spring.
- We were please to assist two value added agricultural businesses, malting barley and potato processing. Slowly, the agriculture industry is starting to look at value added processes.

Proposed 2015 Scope of Work

Grantee: **San Luis Valley Development Resources Group**

The Recipient will perform the following activities:

A. Create a broader economic base through retention, expansion, creation and attraction of businesses.

1. Provide gap funding for businesses in the San Luis Valley seeking to start up, expand, or retain present business status.
2. Administer Colorado tax programs that assist local businesses and not-for profit organizations.
3. Provide on-going specialized counseling to local businesses.
4. Develop basic business resource manuals for the region and all counties and communities including marketing packages (incentives, etc.).

B. Promote and expand tourism, including natural resources, arts/cultural, recreational, historical, heritage, agricultural, eco-tourism.

1. Coordinate with SLV Tourism to conduct a self-assessment/inventory of tourism opportunities and infrastructure to meet infrastructure needs in all six counties.

C. Strengthen, sustain and expand agricultural businesses and elevate agricultural on state, national and global level as an economic driver

1. Promote locally grown food throughout the valley to stop leakage
2. Facilitate discussion of the economic impact analysis of loss up to 60,000 acres of crop production due state-mandated reduction pumped irrigation to mitigate aquifer depletions.

D. Ensure adequate workforce preparation and availability for the education, training, skills, and technical abilities required for job opportunities in the renewable energy sector and other industry sectors.

1. Coordinate with Colorado Workforce to ensure that the workforce needs of the agricultural sector are being met
2. Provide conduit for discussions and implementation strategies to address identified business training needs between Colorado Workforce Centers, Trinidad State Jr. College and Adams State University.
3. Develop an internship and apprenticeship program with local businesses.

E. Capacity Building, Communications, Community Services and Facilities

1. Facilitate and/or attend meetings of local government, economic development and non-profit organizations to foster open lines of communication, provide technical assistance, and develop regional projects.

2. Provide assistance to SLV Broadband as they work toward improving communication and accountability of broadband service providers, and map telecom infrastructure.
3. Work with local governments and Colorado Department of Transportation to maintain and improve the San Luis Valley regional highway network.

F. Develop and enhance renewable energy resources

1. Explore opportunities for renewable energy and energy efficiency education, research and training programs at Adams State College, Trinidad State Junior College and CSU Extension.

G. Data Services and Research

1. Provide data services as an ongoing economic and community development tool.

H. Board and Citizen Involvement

1. Maintain and acquire new membership on the board to meet EDA's requirements.