



**SAN LUIS VALLEY**  
**DEVELOPMENT RESOURCES GROUP**

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**2016 Annual Comprehensive Economic Development  
Strategy (CEDs) and Progress Report**

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**Project Number**  
**ED16DEN3020023**

**Period Covered by the Report**  
**January 1, 2016 – December 31, 2016**

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**Date of Report**  
**December 31, 2016**

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## **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.

A result of the West Fork Fire in the summer of 2013, that virtually closed the upper Rio Grande areas of Creede and South Fork to tourism, has been a cooperative effort to promote tourism in the area, particularly outdoor recreation activities. Lower fuel prices likely contributed to an improved tourist season that continues to show improvement from the summer of 2013.

Residential home values in the South Fork area of Rio Grande County are slowly beginning to recover from the Great Recession. Most of these homes are considered second homes. The depressed prices have adversely affected local government revenues putting significant pressure on dwindling budget reserves.

Slumping silver prices have stalled 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 to pursue further exploration in anticipation of a recovery in silver prices.

Unemployment in the Valley continues to trend above the state average of 3.3%, with the exception of Mineral County. All counties in the region saw a drop in unemployment between August 2015 and August 2016. Rates for 2016 ranged from 1.7% in Mineral County, the region's least populous, to 5.9% in Saguache County.

Renewable energy continues to be a bright spot in the region's economy. Five utility-scale solar plants, all located in Alamosa County, produce 136.7 Megawatts of electricity, enough to power 22,418 home. Three additional solar plants have been permitted by Alamosa County but construction has yet to begin. These proposed plants would generate an additional 155 Megawatts of electricity.

Agriculture is the driving force in the Valley's economy, accounting for over 30% of the region's base economy. The primary crops produced are potatoes, alfalfa, barley, as well as cattle. In 2015 alone, the estimated production value of the Valley's top three crops – potatoes, alfalfa and barley – was over \$357 million. All three crops are heavily reliant on groundwater irrigation, which depends on an annual recharge from rivers and streams fed by mountain snow. However, drought conditions in the last decade have reduced the recharge, resulting in serious depletions of the aquifer.

To alleviate and correct the depletions, Colorado Division of Water Resources promulgated a

rule governing the withdrawal of groundwater in the San Luis Valley. The new rule is likely to affect crop production in the region and could mean the following thousands of acres of irrigated cropland, or changing crop production.

SLVDRG, through the San Luis Valley Council of Governments, just completed an economic impact analysis of the effects of reduced crop production due to reduced irrigated on the region's economy. The analysis produced an input/output model that can be used to estimate the economic effects to the regional and county economies of changes in crop production.

Proximity Malt, LLC is building a new regional craft malting plant in Rio Grande County intended to serve craft brewers and specialty malt users. Construction on the new plant is underway at the site of a former starch plant and malt production will begin in early 2017. The malting plant will employ 27 people. The San Luis Valley is a major producer of malt barley for Molson-Coors.

Agricultural commodities were lower this fall with alfalfa falling to around \$150/T and cattle declining after peaking at record highs in previous years. Potatoes, the region's number one crop in value, were barely higher at than in 2015. Barley prices were significantly lower in 2016 than 2015.

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%.

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

	<b>Name</b>	<b>Government</b>	<b>Position</b>
1	Michael Yohn	Alamosa County	Commissioner
2	John Sandoval	Conejos County	Commissioner
3	Lawrence Pacheco <i>(SLVDRG Secretary/Treasurer)</i>	Costilla County	Commissioner
4	Ramona Weber	Mineral County	Commissioner
5	Karla Shriver	Rio Grande County	Commissioner
6	Ken Anderson	Saguache County	Commissioner
7	Ty Coleman <i>(SLVDRG Chairman)</i>	City of Alamosa	Mayor
8	Aaron Abeyta	Town of Antonito	Mayor
9	Myrri Smith	Town of Blanca	Mayor
10	Herman Sisneros	Town of Center	Mayor
11	Jeffrey Larson	Town of Creede	Mayor
12	Kairina Danforth	Town of Crestone	Mayor
13	Chris Trujillo	Town of Del Norte	Mayor
14	Amber Najera	Town of Hooper	Mayor
15	Larry Zaragoza	Town of La Jara	Mayor
16	Brian Morgan	Town of Moffat	Mayor
17	Dan Bond	Town of Manassa	Mayor
18	Debbie Garcia	City of Monte Vista	Mayor
19	Diane Cantu	Town of Romeo	Mayor
20	Greg Terrell	Town of Saguache	Mayor
21	Gary Bailey	Town of Sanford	Mayor
22	Theresa Medina	Town of San Luis	Mayor
23	Jerry Hixson	Town of South Fork	Mayor

## 2. NON-GOVERNMENT REPRESENTATIVES

	Name	Company / Enterprise	Position
1	Marty Asplin	Asplin & Associates	President
2	Jeff Woodward	Woody's Q Shack	President
3	T.J. Brown (SLVDRG Vice Chairman)	Del Norte Federal Bank	Vice President
4	Duane Bussey	San Luis Valley Federal Bank	President
5	Ed Ellis	Permian Basin Railways	President
6	Preston Porter	Porter Realty	Vice President
7	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

## 3. STAKEHOLDER ORGANIZATION REPRESENTATIVES: *Executive directors of chambers of commerce, or representatives of institutions of post-secondary education, workforce development groups or labor groups.*

	Name	Organization	Position
1	Betty Velasquez	Colorado Workforce Center	Director
2	Randy Wright**	Alamosa County Economic Development	Director
3	Carmen Simone	Trinidad State Jr. College	President

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

## 4. AT LARGE REPRESENTATIVES: *Individuals who represent interests of the region.*

	Name	Area of Interest	Background
1	Jim Ehrlich	Potato Administrative Committee	Executive Director
2	George Garcia	Blue Peaks Development Center	Fleet Director
3	Ashley Valdez	Xcel Energy	Community Service Manager
4	Pat Fluck	Seniors	Real Estate

**APPLICABLE REGULATIONS:**

13 CFR Part 304.2(c)(2):

*The District Organization must demonstrate that its governing body is broadly representative of the principal economic interests of the Region, including the private sector, public officials, community leaders, representatives of workforce development boards, institutions of higher education, minority and labor groups, and private individuals. In addition, the governing body must demonstrate the capacity to implement the EDA-approved CEDS.*

### Section III: Current Strategy Committee Membership

#### 1. PRIVATE SECTOR REPRESENTATIVES:

*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	Ty Coleman (SLVDRG Chairman)	Colorado Rural Housing and Development Corp.	Director
4	T.J. Brown (SLVDRG Vice Chairman)	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	Woody's Q Shack	President

#### 2. PUBLIC OFFICIALS AND REPRESENTATIVES OF OTHER ECONOMIC INTERESTS:

*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	Ramona Weber Mineral County	Public Official	County Commissioner
3	Debbie Garcia City of Monte Vista	Public Official	Mayor
4	Karla Shriver Rio Grande County	Public Official	County Commissioner
5	Dr. Carmen Simone Trinidad State Jr. College	Higher Education	President
6	Randy Wright Alamosa County Economic Development (ACED)*	Community Leader	Executive Director

7	John Sandoval Conejos County	Public Official	County Commissioner
8	Ken Anderson Saguache County	Public Official	County Commissioner
9	Lawrence Pacheco Costilla County (SLVDRG Secretary/Treasurer)	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

**APPLICABLE REGULATIONS:**

13 CFR Part 303.6(B)(1):

*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

<b>Staff</b>	<b>Title</b>	<b>Email Address</b>
<b>Kevin Wilkins</b>	Executive Director	<a href="mailto:kwilkins@slvdrg.org">kwilkins@slvdrg.org</a>
<b>Anne Jones</b>	Chief Financial Officer	<a href="mailto:ajones@slvdrg.org">ajones@slvdrg.org</a>
<b>Hew Hallock</b>	Director of Research	<a href="mailto:hhallock@slvdrg.org">hhallock@slvdrg.org</a>
<b>Tonya Owsley</b>	Business Development Director	<a href="mailto:towsley@slvdrg.org">towsley@slvdrg.org</a>
<b>Sarah Stoeber</b>	Business Development Director	<a href="mailto:sstoeber@slvdrg.org">sstoeber@slvdrg.org</a>

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## Section V: 2016 Scope of Work

### A. Build a Business-Friendly Environment

1. Market federal, state and local programs that assist local businesses.
  - a. Accomplishments Achieved: Residents and businesses of all six counties of the region are eligible for Colorado Enterprise Zone state income tax credits. Five of the six counties are now included in the Enhanced Rural Enterprise Zone.
  - b. Quantifiable Deliverables: The EZ investment tax credit program returned \$1.2 million in tax credits to 383 residents and businesses in the region.
  - c. Difficulties Encountered: None.
2. Act as a conduit for the State Department of Transportation to meet regularly with local officials and citizens to discuss and improve the San Luis Valley (SLV) regional highway network.
  - a. Accomplishments Achieved: SLVDRG serves as the planning agency for the San Luis Valley Transportation Planning Region's regional coordinating council, which includes county and local governments in the seven-county planning area. SLVDRG organized the San Luis Valley Regional Transit Council bringing together local governments, transit agencies, non-profit human service organizations, and the Colorado Department of Transportation (CDOT) to monitor and share transit issues in the region.
  - b. Quantifiable Deliverables: SLV TPR met quarterly to review progress on CDOT highway construction projects and receive updates on transportation and agency issues throughout the region and state. SLVDRG was awarded an annual planning grant from CDOT to continue serving as the regional transportation planning agency. SLVDRG received funding from CDOT to create the SLV Regional Transit Council, which met quarterly. The group learned about available transit services in the region and funding opportunities for vehicles and transit planning. SLVDRG staff also attended the annual meeting of the Colorado Association of State Transit Agencies and presented during a workshop on establishing a regional transit planning council.
  - c. Difficulties Encountered: Funding from CDOT for transit planning ended July 1, 2016.
3. Assist in the development of sector (cluster) strategies for agricultural and health industries.
  - a. Accomplishments Achieved: None at this time.
  - b. Quantifiable Deliverables: None at this time.
  - c. Difficulties Encountered: None.

4. Expand the development of sector (cluster) strategies to include the transportation industry. (Year 2 - January 1, 2017 to December 31, 2017 only)
5. The staff will participate in training offered by various professional organizations including but not limited to EDA, International Economic Development Council (IEDC), Council of Development Finance Agencies (CDFA), and National Association for Development Organizations (NADO).
  - a. Accomplishments Achieved: The 2016 EDA National Conference provided important information for future economic development planning and future trends. NADO's Economic Development Conference for the Denver Region presented new ideas and information on CEDS, data, and economic development programs.
  - b. Quantifiable Deliverables: Our Executive Director and Chief Financial Officer attended the EDA conference held in Washington, D.C. during April 2016. The Director of Research attended the NADO regional conference in Denver. The Executive Director also attends meetings of the Colorado Association of Regional Organizations, and the Director of Research attends the annual State Demography Conference.
  - c. Difficulties Encountered: None.

#### **B. Retain, Grow, and Recruit Companies**

1. Assist businesses in developing a relationship with regional markets.
  - a. Accomplishments Achieved: Very limited activity. SLVDRG maintains an informal relationship with the San Luis Valley Local Foods Coalition, which is a certified Enterprise Zone Project. SLV Local Foods Coalition is a recipient of an SBA Accelerator Grant to advance a food distribution center and commercial kitchen. Its enterprise employee five FTE and four part-time employees.
  - b. Quantifiable Deliverables: The San Luis Valley Local Foods Coalition initiated a Community-Support Agriculture (CSA) program this summer distributing locally-grown produce and other products – meat, dairy, baked goods, etc. – to subscribers throughout the region. Besides providing local food, the project intends to provide another marketing outlet for food produced in the region. The CSA also provided two deliveries during the winter.
  - c. Difficulties Encountered: None.
2. Focus on businesses which diversify the economy and provide lasting community benefits.
  - a. Accomplishments Achieved: Provided loan counseling to seven businesses in the region.
  - b. Quantifiable Deliverables: Made ten loans to seven businesses totaling \$587,484, leveraged \$726,880 in private funds, and created or retained 19.5 FTE jobs.
  - c. Difficulties Encountered: None.
3. Assist businesses facing prolonged road construction.

- a. Accomplishments Achieved: SLVDRG has a program and guidebook for local businesses facing road construction in their communities. Entitled “The San Luis Valley *Cone Zone* Survival Guide,” the program gives businesses a pathway for managing the potential disruptions that road construction can bring.
  - b. Quantifiable Deliverables: No communities in the region had prolonged road construction during the past year.
  - c. Difficulties Encountered: None
4. Complete an economic impact analysis of the effects of reduced groundwater irrigation in the Rio Grande Basin.
- a. Accomplishments Achieved: A research team from Colorado State University developed an input/output model to gauge the economic impact to the San Luis Valley regional economy should significant acreage of irrigated crop land be fallowed or if there are changes in crops raised.
  - b. Quantifiable Deliverables: With funding from the Colorado Department of Local Affairs, El Pomar Foundation, local governments, and regional lending institutions, a year-long study by Dr. Rebecca Hill and Dr. James Pritchett resulted in a forecasting tool that may be used to estimate the effects on the regional economy of the San Luis Valley should large amounts of acres be taken out of irrigated crop production due to efforts to reduce depletion of the aquifer. The model can be applied regionally and or by county. Presentations were made to funders and the public. The model may be used by local governments and other decision-making entities, and holds potential for application to other sectors of the economy.
  - c. Difficulties Encountered: Obtaining funding was challenging.
5. Implement the suggested strategies to alleviate possible effects of the reduced groundwater irrigation. (Year 2 – January 1, 2017 to December 31, 2017, only).

### **C. Increase Access to Capital**

- 1. Bridge the gap for businesses to eventually qualify for bank financing and prepare them for traditional bank relationships.
  - a. Accomplishments Achieved: Three loan clients, still in operation, closed out loans with SLVDRG and now can be considered “bankable” with traditional lenders.
  - b. Quantifiable Deliverables: Three loans totaling \$242,488 at origination, were closed out in 2016. Conventional financing for their businesses was not possible at the time the loans made. Those businesses continue to operate providing 16 jobs.
  - c. Difficulties Encountered: None
- 2. Provide risk mitigation for local lenders.
  - a. Accomplishments Achieved: Originated three loans in 2016 with participation by local lenders.

- b. Quantifiable Deliverables: Of the seven new loans made in 2016, three were done in participation with local lenders, mitigating their risk. The three loans totaled \$444,400 (\$95,700 from SLVDRG and \$393,680 for local lenders).
- c. Difficulties Encountered: None.

#### **D. Create and Market a Stronger San Luis Valley /Colorado Brand**

1. Promote tourism through SLV Great Outdoors that highlights the uniqueness and authenticity of the region.
  - a. Accomplishments Achieved: SLVGO hired an executive director who has office space and support from SLVDRG, as well as SLVDRG serving as the group's fiscal agent. SLVGO is in the process of becoming an independent, non-profit organization.
  - b. Quantifiable Deliverables: SLVGO is a program of the San Luis Valley Council of Governments, and SLVDRG operates the SLVCOG. SLVDRG is the fiscal agent for SLVGO with responsibility for accepting grant awards and financial management. SLVDRG provides in-kind services to SLVGO by providing office space and support.
  - c. Difficulties Encountered: None.
2. Assist in the development of local trails for greater outdoor activities.
  - a. Accomplishments Achieved: SLVDRG/SLVCOG continues to serve as the coordinating agency for San Luis Valley Great Outdoors (SLVGO), which is the regional organization responsible for the promotion and enhancement of outdoor recreational opportunities in the San Luis Valley. Outdoor recreation initiatives are occurring throughout the region with new bicycle trails in Rio Grande County and a region-wide plan funded by Great Outdoors Colorado's (GOCO) Inspire Initiative to boost and encourage outdoor activity for young people.
  - b. Quantifiable Deliverables: The Del Norte Trails Organization completed the 6.5-mile Pronghorn Trails System and more trails have been added in the Bureau of Land Management's Penitente Canyon Special Recreation Area. A coalition of organizations from throughout the Valley received funding of \$1 million from GOCO's Inspire Initiative to develop outdoor recreation plans for young people in their communities. SLVGO continued to meet and plan in 2016 for future development of outdoor recreation opportunities in the region.
  - c. Difficulties Encountered: Securing funding for programs, promotion, and trail development.

#### **E. Educate and Train the Workforce**

1. Assist with workforce sector strategies to determine the workforce needs of SLV businesses and industry clusters.

- a. Accomplishments Achieved: Development of two sector strategies in the San Luis Valley, value-added agriculture and health care sectors.
  - b. Quantifiable Deliverables: Sectors were developed through coordination between ASU, TSJC, workforce and local businesses. Hemp has been identified as a sector initiative, which may require coordinated training for workforce.
  - c. Difficulties Encountered: None
- 2. Develop Strategies to support stronger communication among partners who provide employment education including Workforce Development, Workforce Innovation and Opportunity Act (WIOA), Temporary Assistance to Families (TANF), and adult education.
  - a. Accomplishments Achieved: Moving toward the development of a “professional skills” incubator using a sewing cooperative business model to help TANF clients learn soft skills needed by businesses.
  - b. Quantifiable Deliverables: Sewing cooperative model feasibility study has begun and should be completed by first quarter of 2017. Purchase of equipment to set up cooperative has been accomplished through partnership with SLVCAA and Rio Grande County.
  - c. Difficulties Encountered: None
- 3. Assist organizations to develop mechanisms to assist businesses to meet their need for quality, trained, and skilled workforce.
  - a. Accomplishments Achieved: Continued outreach from Workforce Centers to businesses and other organizations through use of the SLV Workforce Board.
  - b. Quantifiable Deliverables: Development of strategic plan with workforce centers to provide additional training to employees as requested by employers.
  - c. Difficulties Encountered: Difficulty finding business members for the board.

#### **F. Cultivate Innovation and Technology**

- 1. Promote SLVDRG as the repository for research, demographic information, federal and state economic development programs for the SLV.
  - a. Accomplishments Achieved: SLVDRG continues to provide pertinent and up-to-date information on demographics, state and federal government programs, and funding opportunities to local government, non-profits and individuals.
  - b. Quantifiable Deliverables:
    - 1. Produced annual Statistical Profile of the San Luis Valley.
    - 2. Provided demographic and economic information to Colorado State Demography Office for annual demography conference.
    - 3. Attended annual State Demography Conference.
    - 4. Hosted demographic seminar in Alamosa with presentations by staff from the State Demography Office and Colorado State University. Over 50 people attended.

5. Continue to distribute CEDS in compact disc format to local governments, individuals, and businesses. We constantly promote our CEDS as the definitive resource on the San Luis Valley and refer inquiries to the document.
6. Update community profiles for each municipality (18) and county (6) in the Valley.
  - c. Difficulties Encountered: None encountered.
2. Guide development of broadband strategic planning to address lack of adequate and cost effective broadband in several outlying communities. (Year 1 – January 1, 2016 to December 31, 2016, only).
  - a. Accomplishments Achieved: Completion of Regional Broadband Strategic Plan.
  - b. Quantifiable Deliverables: This fall, the consultants from Mid-States Consultants and OHivey completed and delivered the Regional Broadband Strategic Plan, which will be used to guide the development of broadband technology throughout the San Luis Valley. A steering committee named by the SLVCOG Executive Board will present a development plan by July 2017.
  - c. Difficulties Encountered: None
3. Use the broad band strategic plan to begin implementing strategies to develop broadband in underserved areas. (Year 2 – January 1, 2017 to December 31, 2017, only).

**G. Update the Comprehensive Economic Development Strategy (CEDS)**

1. Begin updating and re-writing individual sections of the SLV CEDS (Year 1 & 2 – January 1, 2016 to December 31, 2017, only).
  - a. Accomplishments Achieved: Began initial planning of CEDS format and content.
  - b. Quantifiable Deliverables: None at this time.
  - c. Difficulties Encountered: None
2. Begin meeting with strategy committee quarterly to discuss findings, develop strategies and outline future economic development needs and strategies for the CEDS update. (Year 2 & 3 – January 1, 2017 to December 31, 2018, only).
3. Meet with communities, counties and other organizations to assess community and economic development needs, issues, and concerns. (Year 2 – January 1, 2017 to December 31, 2017, only).
4. Develop library of assessments from other organizations that study SLV needs. (Health care, child care, elderly care, judicial, other economic development organizations, etc.) (Year 2 – January 1, 2017 to December 31, 2017, only).
5. Submit any revisions to the updated/revised CEDS to the EDA Denver Regional Office and Economic Development Representative (EDR) based on EDA's review of the document.

6. Submit in hard and electronic copy an updated/revised Comprehensive Economic Development Strategy (CEDS) and CEDS Checklist following the new CEDS Guidelines and include a resiliency section. Submit document to EDA by December 31, 2018. The CEDS will have 30-day public comment period and be approved by the Board prior to submission to EDA. (Year 3 – January 1, 2018 to December 31, 2018, only).

## Section VI: Evaluate

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

1. Capital investment by new and existing businesses in the San Luis Valley.
  - During 2016, at least \$61 million in capital investment was made by 383 businesses in the San Luis Valley.
  - The top investments by sector were:
    - i. Ag, forestry, fishing & hunting - \$37 million
    - ii. Wholesale - \$5 million
    - iii. Transportation & warehousing - \$4.5 million
    - iv. Retail - \$2.8 million
    - v. Information - \$2.7 million
  - Through the Colorado Enterprise Zone Investment Tax Credit, \$1.2 million was returned to businesses in the form of state income tax credits to be reinvested in those businesses and their communities.
2. New jobs created in the San Luis Valley.
  - A total of 81.74 jobs were created as a result of capital investments made in 2016.
3. Total jobs created or retained as a direct result of SLVDRG activities.
  - A total of 19.5 jobs were retained or created through lending by the SLVDRG business loan fund. Ten new loans were made to seven new or existing businesses.
4. Quality of jobs created or retained in terms of wages, occupation, skills, benefits, and other factors.
  - Proximity Malting, a new value added agricultural manufacturing enterprise, financed in 2015 by the SLVDRG requires advanced skills and offers higher wages estimated to be \$67,000. The number of full-time jobs will be 27 and the company is scheduled to begin operation in 2017.
5. Amount of private sector investment in the region as a result of CEDS implementation.
  - The investment by Proximity Malting of \$25,587,532 as a direct result of SLVDRG assistance and activities based on the CEDS strategies. Their investment and activity to open the facility continued through 2016 and will continue into 2017, when the plant begins operation.
6. 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 challenges seen in other rural regions of Colorado and the United States. Compared to the state unemployment rate of 3.3 percent for August 2016, unemployment rates for counties in the San Luis Valley range from 1.7 percent in Mineral County to 5.9 percent in Saguache 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. However, commodity prices have slipped lower than last year.
- Construction continues to be slow although there has been some new home construction and multi-family apartment buildings. Commercial construction is very slow and most public sector projects are complete. Alamosa County does plan to build a new justice center and renovate the existing jail in 2017.

7. Number and types of investments undertaken in the region.

- The SLVDRG business loan fund made seven new loans to ten business in 2016. Those loans totaled \$587,484 and leveraged \$726,880 in private funds, and created or retained 19.5 FTE jobs. The businesses ranged from a veterinary practice to a craft brewer and a graphic design firm.

8. 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 SLVDRG maintains a loan portfolio of \$4.7 million and 42 loans. The loan fund is a critical component for funding small businesses as local lending institutions continue to tighten their policies. We are also working with CHFA to use the Collateral Support program to assist lenders with collateral shortfalls.
- There seem to be more interest from agriculture industry in value added processes and at least one potato processor recently expressed interest in working with SLVDRG to move forward with plans to double its production capacity.
- Tourism has continued to increase and local tourism venues are taking full advantage of those increases. The Welcome Center in Alamosa saw approximately 29,884 visitors in 2016. Our assistance to the Welcome Center and tourism agencies has helped them provide additional marketing.
- A coalition of business and government leaders from the entire region have undertaken an effort to develop a business brand for the San Luis Valley. The effort is funded with \$30,000 from the Colorado Office of Economic Development and International Trade and in-kind support from SLVDRG.
- As an affiliate of the Colorado State Demography Office, we attend trainings and annual meetings in order to keep our demographic information up-to-date. This summer, SLVDRG hosted a first-ever demographic seminar on who lives in the region. We update on a semiannual basis, basic demographic information for dissemination to the counties, towns, cities, and non-profit organizations.
- SLVDRG serves as the coordinating agency for the San Luis Valley Transportation Planning Region, which includes all of the six counties in the

region and Chaffee County. 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. The regional transit planning council created in 2015 continued to meet in 2016.

## Section VII: Schedule

### 2017 Implementation/Action Plan

CEDS Strategy	2016 Scope of Work	Objective	Priority	Lead Organization	Resources	Timeline	Jobs	Evaluation
<i>Business and Industry, Financial Assistance</i>	Build a Business-Friendly Environment	Market federal, state and local programs that assist local businesses	High	SLVDRG	OEDIT, DOLA, CARO	On-going, 2017	0	Amount of credits, jobs created/retained & amount contributed
<i>Capacity Building, Communications, Community Services and Facilities</i>	Build a Business-Friendly Environment	Provide conduit for Colorado Dept. of Trans. to meet regularly with local officials and citizens to discuss and improve the SLV regional highway system	High	CDOT	SLVDRG, local governments	On-going, 2017	0	Meetings attended and hosted, creation of transit council
<i>Business and Industry, Financial Assistance</i>	Build a Business-Friendly Environment	Assist in the development of sector (cluster) strategies for agricultural and health industries	Low	SLVDRG	OEDIT, EDA, Local lenders, SBA, USDA	On-going, 2017	15	# of loans & jobs created/retained
<i>Business and Industry, Financial Assistance</i>	Build a Business-Friendly Environment	Expand the development of sector (cluster) strategies to include the transportation industry	Low	SLVDRG	OEDIT, EDA, Local lender, SBA, CDOT	2017	0	# of loans & jobs created/retained
<i>Business and Industry, Financial Assistance</i>	Build a Business-Friendly Environment	Staff will participate in trainings offered by professional organizations including but no limited to EDA, International Economic Development Council, and National Association of Development Councils	Medium	SLVDRG	EDA, IEDC, NADO, CARO, OEDIT, SDO	On-going, 2017	0	# of trainings attended
<i>Business and Industry, Financial Assistance</i>	Retain, Grow and Recruit Companies	Assist businesses in developing a relationship with regional markets	Medium	SLVDRG	OEDIT, SBA	On-going, 2017	0	Relationships developed with regional markets
<i>Business and Industry, Financial Assistance</i>	Retain, Grow and Recruit Companies	Focus on businesses which diversify the economy and provide lasting community benefits	Medium	SLVDRG	OEDIT, EDA, Local lenders, SBA, USDA	On-going, 2017	TBD	# of jobs created
<i>Business and Industry, Financial Assistance</i>	Retain, Grow and Recruit Companies	Assist businesses facing prolonged road construction	Low	SLVDRG	CDOT, Local Gov't	On-going, 2017	0	Sessions held
<i>Agricultural and related</i>	Retain, Grow and Retain Companies	Implement the suggested strategies to alleviate possible effects of reduced groundwater irrigation	High	SLVCOG	DOLA, CSU Extension, CSU	2017	0	# number of partners using results of study

<i>Business and Industry, Financial Assistance</i>	Increase Access to Capital	Bridge the gap for businesses to eventually qualify for bank financing and prepare them for traditional bank relationships	High	SLVDRG	OEDIT, EDA, Local lenders, SBA, USDA	On-going, 2017	25	# of loans & jobs created/retained
<i>Business and Industry, Financial Assistance</i>	Increase Access to Capital	Provide risk mitigation for local lenders	High	SLVDRG	OEDIT, EDA, Local lenders, SBA, USDA	On-going, 2017	0	# of loans
<i>Tourism</i>	Create and Market a Stronger San Luis Valley/Colorado brand	Promote tourism through SLV Great Outdoors highlighting the uniqueness and authenticity of the region	Low	SLVCOG	SLV Great Outdoors, Rio Grande County, NPS, Rio Grande NF, BLM, Colo. Div. Parks & Wildlife	On-going, 2017	TBD	# of visitors to area attractions, lodging & sales tax revenues
<i>Tourism</i>	Create and Market a Stronger San Luis Valley/Colorado brand	Assist in the development of local trails for greater outdoor activities	Medium	SLVDRG/COG	SLV Great Outdoors, Rio Grande County, NPS, Rio Grande NF, BLM, Colo. Div. Parks & Wildlife	On-going, 2017	TBD	New trails built
<i>Workforce Development</i>	Educate and Train the Workforce	Develop strategies to support stronger communication among partners that provide employment education including Workforce, WIOA, TANF, and Adult Education	Medium	Colorado Workforce Center, South Central WIB	SLVDRG, CRCC, CWDC, TSJC, RMS, ASU	On-going, 2017	TBD	Meetings attended, survey completed, changes made to Workforce to address local needs
<i>Workforce Development</i>	Educate and Train the Workforce	Assist organizations to develop mechanisms to assist businesses to meet their need for quality, trained, and skilled workforce	Low	SLVDRG, Colorado Workforce	SLVDRG, CRCC, CWDC, TSJC, RMS, ASU	On-going, 2017	0	Selection of host businesses and interns.
<i>Data Collection, Management, Research and Community Services and Facilities</i>	Cultivate Innovation and Technology	Promote SLVDRG as the repository for research, demographic information, federal and state economic development programs for the San Luis Valley	High	SLVDRG	DOLA - State Demographers, OEDIT, EDA, Local Governments	On-going, 2017	0	# of inquiries and responses
<i>Data Collection, Management, Research and Community Services and Facilities</i>	Cultivate Innovation and Technology	Use the broadband strategic plan to begin implementing strategies to develop broadband in underserved areas.	High	SLVDRG	DOLA, Local Governments, SLVREC, EDA, OEDIT	2017	0	# of areas where service is planned or initiated.

<i>Data Collection, Management, Research and Community Services and Facilities</i>	Update CEDS	Begin updating & rewriting sections of the SLV CEDS	High	SLVDRG	SLVDRG	2017	0	# of section updated and data collected
<i>Data Collection, Management, Research and Community Services and Facilities</i>	Update CEDS	Begin meetings with strategy committee quarterly to discuss findings, develop strategies and outline future economic development needs and strategies for the CEDS update	High	SLVDRG	SLVDRG	2017-2018	0	# of meetings
<i>Data Collection, Management, Research and Community Services and Facilities</i>	Update CEDS	Meet with communities, counties and other organizations to assess community and economic development needs, issues and concerns	High	SLVDRG	SLVDRG, Local governments, local chambers of commerce	2017	0	# of communities met with
<i>Data Collection, Management, Research and Community Services and Facilities</i>	Update CEDS	Develop library of assessments from other organization that study SLV needs.	Medium	SLVDRG	SLVDRG	2017	0	# of studies catalogued
<i>Data Collection, Management, Research and Community Services and Facilities</i>	Update CEDS	Submit any revisions to the Update/Revised CEDS to the EDA Denver Regional Office and Economic Development Representative based on EDA's review of the document	High	SLVDRG	SLVDRG, EDA	2017-2018	0	Revisions submitted
<i>Data Collection, Management, Research and Community Services and Facilities</i>	Update CEDS	Submit in hard and electronic copy an Updated/Revised CEDS and CEDS Checklist following the new CEDS guidelines & include a resiliency section. Submit document to EDA by Dec. 31, 2019. The CEDS will have a 30-day public comment periods & be approved by the Board prior to submission to EDA.	High	SLVDRG	SLVDRG, EDA	2018	0	CEDS submission