

## 2021 CEDS Weaknesses

Though weaknesses in the SCEDD region are as varied as the topography, there are a few consistent themes. Early in the 2021 CEDS process it became clear that there were three primary areas of concern throughout the region: 1) Broadband availability was spotty at best. 2) Attainable housing was already tight and was made worse by the pandemic, as the region saw city dwellers, now able to work from home, escaping to rural areas. 3) A dependable and well-trained workforce is in short supply, making it hard to attract a variety of businesses and leaving shortages in key trades, such as construction. Of course, the pandemic had a significant impact on the service industry with many restaurants, bars, and performing-art industries closing, and in some cases, permanently.

### Broadband

Much of SCEDD is pre-broadband or early broadband. The federal definition for broadband is a minimum download speed of 25 Mbps and an upload speed of at least 3 Mbps. Broadband coverage outside towns and cities is extremely spotty. Fiber service, the gold standard of broadband, is extremely limited. In rural, mountainous region, wireless internet is the de facto choice where available. On the southeastern plains, a lack of population density intensifies the difficulties in providing private sector solutions. Throughout the district, a lack of planning, financial, managerial, and technical expertise adds up to a critical lack of capacity. One study (Upper Arkansas) recommended creation of a single, regional broadband planning entity.

### **Southeastern Plains (Baca, Bent, Crowley, Kiowa, Otero, Prowers)**

A 2017 study found that broadband availability and reliability was not only spotty in the rural areas, but that even in municipal areas there was not consistently high-quality broadband availability. Lack of population density means that exclusively private sector initiatives will continue to fall short because of the difficulty of making a business case. Although there have been numerous improvements in middle mile building over the last four years, this 2017 assessment still largely rings true: There is a lack of capacity for planning, promoting, and funding broadband improvements and there is a shortage of IT professionals in this region. (*Colorado Southeast Region Broadband Strategic Plan, 2017*)

- Bent County – SECOM's service is better in incorporated areas than in outlying areas. Speeds reported from less than 20 Mbps to 500 Mbps.
- Baca County – Springfield has pretty good service, but the outlying areas of the county are sketchy at best. Less than 20% of hospital district clientele has adequate internet access for virtual health care.
- Crowley County – In-town service is a fiber line. Rural is microwave. There is middle mile fiber on Highways 96 and 71.
- Kiowa County – There is a huge need in Brandon, Chivington and Sheridan Lake. Eads and west are well covered.
- Prowers County- Need to ensure broadband expansion continues east of Lamar.

### Upper Arkansas (Fremont, Chaffee, Custer, Lake)

As a sub-region, the Upper Arkansas is making more progress to provide rural broadband than most. One local ED describes broadband there as more of a challenge than a weakness. Custer County is on the last mile of securing \$2 million in funding for six wireless towers to provide 100Mbps download broadband to 80 percent of county addresses. In Chaffee and Lake Counties, Colorado Central Telecom has been making great strides in providing fixed wireless. Rural parts of Fremont County are particularly underserved, especially in the western portions. A 2015 study assessed a critical weakness as a lack of regional planning and suggested a regional broadband planning entity.



*John Martin Reservoir, Bent County*

### South Central (Huerfano, Las Animas)

Broadband services in the sub-region are inadequate – especially outside of population centers. Low population density, economic factors, and the geography of the region make achieving broadband development objectives difficult. There is a lack of capacity to plan, promote, and manage broadband projects. In 2017 consultants recommended that public sector investment and public sector led collaboration between various broadband development efforts is the best way to overcome barriers to development. (*South Central Council of Governments Regional Broadband Strategic Plan, 2017*).

- Huerfano County – Has a good service in urban areas. Service in the rural portions of the county are generally poor. Fiber optic lines in La Veta provide 100 to 400 MB but are generally untapped. They are exploring installing at least two towers. Fiber optic is heading south on Hwy 12 to Cuchara. SECOM, Jade, Charter, Spectrum, Century Link are providing services and working on expansions.
- Las Animas County finds service provided by SECOM wireless is overall strong in much of eastern Las Animas County. The same cannot be said for Trinidad and the more mountainous parts of the county. Fiber optic cable is being installed down I-25 from the north to Trinidad, but it is unclear what role it will play in the county-seat area.

### Pueblo County

Pueblo West and most of the area outside of the city of Pueblo lack reliable access to broadband. A study funded by San Isabel Electric Cooperative also showed that in addition to a lack of technology, some residents are ambivalent about supporting broadband expenditures based upon concerns that the economic development that broadband enables may negatively impact a rural lifestyle. In terms of the geographic and population affected by a lack of availability of broadband, Pueblo County is in better shape than the South Central and Southeastern Plains sub-regions.

## Housing

Attainable housing is a significant concern throughout SCEDD. In some cases, housing is unavailable at any price. Although there was a brief drop in real estate sales at the beginning of the COVID-19 pandemic in early 2020, that changed rapidly as the populace quickly learned they could work remotely. This is especially true with the four counties located closest to the mountains. Real estate sales are now at record highs in those areas. Lack of rental properties is another major housing concern. Many counties find that service industry workers and even professionals such as teachers, police, and firefighters cannot find attainable property to rent or buy. In the Southeastern Plains, housing stock has deteriorated due to a lack of economic activity.

### **Southeastern Plains (Baca, Bent, Crowley, Kiowa, Otero, Prowers)**

While the population and number of households throughout the region has increased slightly and is expected to continue to increase, the number of housing units has declined over the past few decades. Employers cite a lack of decent and available housing units as a barrier to finding and keeping employees. The housing stock throughout the region is aging, and the condition of units in most communities is a growing concern. Many units are vacant, abandoned, or are in disrepair. Rentals are often affordable, but unsafe and undesirable. The latest “Workforce Feasibility Report” cites six major issues with the creation of new housing:

- Lack of housing supply leads to outmigration/stagnation
- Appraisals are not adequate due to lack of sales comps
- Construction costs have been prohibitive on smaller scale projects
- Scarce availability of contractors and labor for new development
- Exponential material cost increases make small project prices unattainable to local workforce
- Lack of construction loan capital to help create available, buildable lots

Finally, removing blighted units is a high priority throughout the sub-region, as is rehabilitation and preservation of the remaining housing stock. There is a lack of market-rate rental stock available and attractive to new residents.

### **Upper Arkansas (Fremont, Chaffee, Custer, Lake)**

The pandemic has seen major increases in the median home prices across the region. “The Missing Middle” has been dubbed the biggest hurdle for retaining or attracting new employees. Housing for the wage-earning workforce between 80% to even 140% AMI is not available because of the inflation over the past two years in the market. Currently, state and federal programs do not provide meaningful assistance for this wage-earning group. Land costs and horizontal construction costs have made the creation of developable lots too high to reach attainable pricing on the construction of new homes throughout the region.



*Apartments, Eads, Kiowa County*

The Upper Arkansas Area Council of Governments offers several programs that address some of the financial side effects, including a home loan improvement program, Section 8 Rental and Home Ownership assistance, housing counseling and education, and direct loans through the USDA.

### **South Central (Huerfano, Las Animas)**

Housing is a significant challenge, and this is true across the counties. The challenge seems to be most acute in the middle-tier, which is a barrier to both talent attraction and talent retention. It is especially challenging when trying to attract more professional-level labor, such as engineers, doctors, etc. With a significant amount of people relocating along the Colorado front range, all south central counties are experiencing housing shortages in almost every category. Attainable housing for the workforce is the hardest hit. The median housing price in Trinidad has hit a tipping point that is now passing affordability for even average wage earners. Much of the existing housing stock is older and in need of rehabilitation. Starter homes are needed. Rental properties are in scarce supply for all wage earners.

### **Pueblo County**

The City of Pueblo has several census tracts of dilapidated, owner-occupied, and rental housing in neighborhoods wracked by poverty. In other parts of the community, Pueblo West, and rural Pueblo County, there is a shortage of available housing. Pueblo is also struggling with providing housing for the “Missing Middle” for the same reasons seen in the Upper Arkansas sub-region.

## **Access to Capital**

SCEDD has material weaknesses in business and entrepreneur access to capital. It is particularly ill-prepared to meet the financing needs of tech and intellectual property startups, with additional holes in the ability to help mature companies pivot or grow or handling commercial loans of between \$1 to \$5 million.

A healthy ecosystem provides access to capital for business and industry at all stages of development (seed capital, venture funding, private equity) and in types of capital (equity and debt). The weaknesses within the district are a lack of access to equity capital and a limited range of options in debt capital. On the equity side: Early-stage entrepreneurs need access to seed funds, often organized as angel investor funds and networks. Follow-on funding often comes from venture capital funds. Businesses who need to pivot or position themselves for growth, need private equity firms. In the district, there are not any seed funds, venture funds, or private equity funds available. Entrepreneurs within SCEDD DO have access to funds centered on the front range, in a statewide venture capital fund, and investment groups located on the Western Slope.

On the debt side, the district has a nice mix of commercial banking and non-profit revolving loan funds, which are adequate for many, but not all projects that require some type of conventional commercial loans. SBA and USDA guarantees are available to create credit enhancements for commercial loans. That said, the SBA 504 program is not available from a provider within SCEDD. This is a material weakness because the bank/revolving loan program model does not work as well for commercial loans above \$1 million with real estate involved.

### **Southeastern Plains (Baca, Bent, Crowley, Otero, Prowers)**

Throughout the Southeastern Plains there is a major gap of financing for both residential and commercial property and businesses. Grant programs are heavily relied on for startup funding. There are several loan programs offered through SECED and Otero Partners, Inc. Local lending is available and there is interest in these banks wanting to assist. However, a stagnant market comp makes underwriting difficult. SBA 504 loans and USDA loans continue to be under used due to the lack of underwriting.

### **Upper Arkansas (Chaffee, Custer, Lake)**

The biggest need for Chaffee, Custer, and Lake is access to small business loans. The Upper Ark COG does have an active Revolving Loan Fund (RLF).

### **South Central (Huerfano, Las Animas)**

Both South Central counties have RLFs available for local businesses, but the funds are limited when addressing significant business expansions or improvements. Access to capital is a problem for small businesses and commercial startups.

### **Pueblo County**

Economic incentives are available for certain types of businesses located in Pueblo County through PEDCO. These incentives are funded through a city sales and use tax. In late 2020, an angel syndicate (Southern Colorado Angels) was launched, focusing initially on Pueblo, Fremont, and El Paso Counties. Southern Colorado Innovation Link (SCIL) is an accelerator program for tech and intellectual property startups. They prepare entrepreneurs to become “pitch ready,” but they must send most of their clients out of the area for equity investment. NeighborWorks, centered in Pueblo, but serving all of SCEDD, has a small business revolving loan fund.

## **Labor Participation**

Most of SCEDD lacks skilled and reliable workforces. From service workers such as waitstaff and building contractors, to manufacturing and more, there are shortages and high turnover rates. The busy summer tourist season is especially challenged in finding reliable help, as well as work the entire season. Even recruiting professionals, such as police/sheriff deputies, middle managers, medical staff, and tech. workers, is a constant challenge. Once again, attainable housing plays an important role in solving this problem. As previously stated, the SCEDD service area is huge. The closest population centers are far enough away, it makes commuting to work in SE Colorado time consuming, costly, if not prohibitive. Finally, the regional economic recovery has been hampered by prolonged unemployment. Most large employers cite the overextended federal unemployment benefits as the biggest issue.

### **Southeastern Plains (Baca, Bent, Crowley, Custer, Otero, Prowers)**

As of the first quarter of 2021, unemployment rates across the sub-region range from 2.8%-6.8%. These rates are a vast improvement when compared to the start of the pandemic when several counties hit above 12% unemployment rates. The expiring federal unemployment benefits have assisted in encouraging many workers to return to work. Several counties in the sub-region also have high disability populations who are unable to participate in the labor market. Finally, this sub-region struggles to recruitment in order to replace the aging workforce who are transitioning into retirement. Attracting younger families into the sub-region with quality housing and employment opportunities is a major priority.

### **Upper Arkansas (Fremont, Chaffee, Custer, Lake)**

Throughout the pandemic, the services sector industry has been extremely hard hit in this sub-region. The essential service employers are also seeing jobs unfilled. School and hospital districts are having trouble attracting and keeping teachers and nurses. Municipal governments are also having trouble filling positions. Housing costs for the Missing Middle makes keeping these employees a major issue.

### **South Central (Huerfano, Las Animas)**

In this sub-region unemployment rates are between 7-8.8% as of the first quarter of 2021. The federal unemployment rates and housing costs are cited by many businesses as the primary cause for these high numbers.

### **Pueblo County**

Unemployment rates are between 8.7% as of the first quarter of 2021 in this region. The federal unemployment rate and housing costs are cited by many businesses as the primary cause for these high numbers.

## **Substance Abuse**

As with much of the country, the negative impacts of the opioid crisis have been and are still present in parts of SCEDD. Additional problems with methamphetamines, alcohol, and other substances contribute to this problem. The lack of professional treatment facilities and trained workers compound the situation. Of course, substance abuse often leads to crime, homelessness, and high dropout rates. Illegal marijuana grows, drug manufacturing facilities, and cocaine houses impact the quality of life and stresses resources. In turn, these issues can stigmatize communities, making them less appealing to businesses looking to relocate.

### **Southeastern Plains (Baca, Bent, Crowley, Kiowa, Otero, Prowers)**

Substance abuse is a major problem across the sub-region. Treatment facilities and access to mental health services are major concerns. The COVID-19 pandemic saw an alarming rate of teen and young adult suicides.

### **Upper Arkansas (Fremont, Chaffee)**

Both Chaffee and Fremont Counties state substance abuse as problem. Homeless populations have high rates of substance abuse. The numbers showing narcotic and opioid use are alarming in this region.

### **South Central (Huerfano, Las Animas)**

Both Huerfano and Las Animas Counties have significant substance abuse issues. Both counties are pursuing increased services. Mental health and youth mental health service are a priority. This sub-region also saw a major increase in teen suicide rates throughout the pandemic.

### **Pueblo County**

Pueblo County has a history and an ongoing problem with substance abuse: “Drug issues are a significant challenge throughout the region (*sic*) and are perceived to be one of the root causes of homelessness and poverty in communities. It is also a challenge in the workforce as it relates to employers with mandatory drug testing, such as the schools, hospitals, manufacturers, and other

large employers. There is a perception that a certain segment of the population is dependent on social services and entitlements as a byproduct of this.” (*San Isabel Electric Association Economic Development Strategic Plan, 2020*)

### Water Security

As with most of the arid West, Colorado is experiencing severe drought. All 13 counties within SCEDD are in moderate to exceptional drought. Lack of water negatively impacts agriculture the most, but it can also negatively affect overall economic growth and well-being. Additionally, out-of-basin water transfers and sales to growing front range cities removes water from farms and ranches. Recreation and tourism are also affected as reduced snowpack impacts everything from mountain skiing to hunting and fishing. Adequate and reliable water supplies are needed for housing developments and businesses alike. Area water districts and other agencies are reviewing the need for additional water storage projects. Domestic water restrictions are now a normal part of every summer in most of SCEDD’s communities. This topic addresses both water supply, as well as water rights to enable additional growth.

#### **Southeastern Plains (Baca, Bent, Kiowa, Otero, Prowers)**

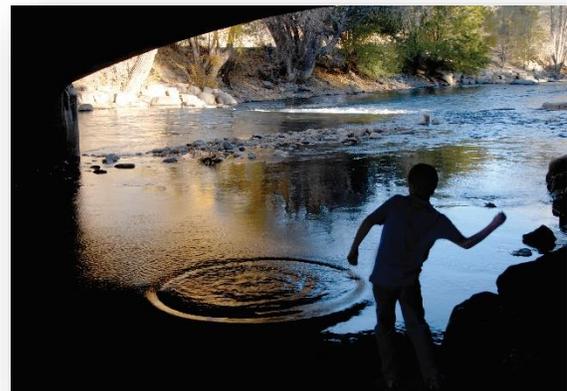
The Arkansas Valley Conduit is the single, most significant project for the sub-region. This project will help deliver drinking water to 40 communities for a projected future population of 50,000 people across the sub-region. This project has recently begun to take major steps towards becoming a reality. Needless to say, this project was first conceived in 1963 and has yet to supply this sub-region with any water. Drinking water quality concerns continue to require major upgrades to water and even wastewater systems. Critical infrastructure projects for water and wastewater are listed as part of the economic strategies contained in this plan. Most communities have adequate water rights to support anticipated economic development over the next five years.

#### **Upper Arkansas (Chaffee)**

Water rights to facilitate additional economic growth are a major concern in Chaffee County. Resources for water-right acquisition are needed to ensure economic prosperity continues in the county.

#### **South Central (Huerfano, Las Animas)**

Overall, water rights are sufficient for the urban centers throughout the sub-region. Huerfano County lacks enough reservoirs for storing water. The northern portion of the county suffers from aging water infrastructure. Additional reservoir(s) are being studied. In general, water resources are low and will not meet expected long-term needs. Las Animas County needs additional water treatment facilities to process water for a growing population in Trinidad.



*Bridge over Arkansas River, Chaffee County*

### Grant Writing/Professional Service Capacity

Rural capacity for applying to Grants, Planning, and Implementing Projects is in short supply across the majority of the smaller communities within SCEDD. Very few local governments or nonprofits have dedicated resources for grant writing.

Pueblo, and a handful of other sub-regions within SCEDD, has adequate abilities to address the above items. However, there is clearly a shortage of skilled individuals who have a good grasp on how to find, write, and properly manage grant funding. The situation is the same with planning, project implementation and management. At least half of the SCEDD sub-regions have small populations and are financially poor. They can scarcely afford paid planners, economic development directors, etc. The current SCEDD team can address and/or assist with most of these current issues. However, a long-term, comprehensive solution is needed. SCEDD is positioned to assist at the district level to fill this niche and provide technical assistance in order for these smaller counties to access grants and other essential funding.

### Brand Positioning and Self-image

The 13 counties that comprise the SCEDD region make up a huge land mass -- approximately one-fifth of the state of Colorado. This area is mostly rural and agricultural with small towns and cities scattered throughout. Diverse, natural, and scenic beauty are the norm -- from semi-arid prairies/grasslands, canyons/mesas, to national forests with snowcapped peaks. In many ways the sheer size of the area and terrain along with the diversity of the communities makes it difficult to categorize the district. SCEDD is best conceived of as the Upper and Lower Arkansas River Drainage. The two sections are different as night and day.

Adding to this identity crisis is the recent decision by the Colorado Tourism Office (CTO) to restructure/redefine/and rename the various tourism regions of the state. Pueblo, Fremont, and Chaffee Counties are now grouped with *Pike's Peak Wonders*. Huerfano County is now part of *The Mystic San Luis Valley*. The remaining counties are known as *Canyons and Plains*. As an economic district, SCEDD not only has to contend with the above concepts and perceptions, but it needs to take a serious look at branding and self-image. Perhaps the biggest challenge is for the district to best define its economic similarities, strengths, commonalities, and offerings.

The construct that is unchanged by state redefinitions is the reality that Pueblo County is an economic hub for SCEDD and the other twelve counties are spokes—with all the good and bad that this description implies.

### **Southeastern Plains (Baca, Bent, Crowley, Custer, Kiowa, Prowers)**

Smaller communities across this part of the district lack marketing or business attraction services. These efforts are most often undertaken by their individual economic directors. However, there isn't any dedicated funding sources to assist. This is a very difficult task for individuals who are already tasked with tackling other major, important projects and tasks in the sub-region. Assistance from the Colorado Tourism Office on marketing events, national historic sites, grasslands, and other major recreation destinations would help to increase the tourism industry in the sub-region.

### **South Central (Huerfano, Las Animas)**

Both South Central counties have managed to brand themselves well by using local tourism boards and/or chambers of commerce. Huerfano County has an abundance of outdoor recreation resources and additional efforts should be made towards marketing of these resources.

### **Four Year Higher Education Attainment**

Many of the counties within SCEDD have high graduation rates that are above the state average. The district also has multiple higher-education opportunities. However, there are several counties that are seeing lower attendance at post-secondary educational institutions..

### **Southeastern Plains (Bent, Crowley)**

Across this sub-region four of the counties have some of the highest graduation rates for high schools in the state. Baca, Kiowa, Otero, and Prowers Counties all have rates of 90 percent or above. The small-town school districts and small class sizes are often cited as reason students in these school districts have been successful. Also, three of these counties have post-secondary educational opportunities. However, Bent and Crowley Counties have lower than average graduation and attainment rates. These school districts are starting to work towards partnerships with their neighboring community colleges to offer additional opportunities for their students.

### **Upper Arkansas (Lake)**

Lake County reports that their graduation rate is lower than the state average and needs improvement. The school district has been working on a graduate record examination (GRE) program with Colorado Mountain College.

### **South Central (Huerfano, Las Animas)**

Both Huerfano and Las Animas Counties see room for improving high school graduation rates, with students going on to college. Career and Technical Educational exist in both communities.

### **Availability of Commercial/Industrial Space**

The ability to attract new, high-paying jobs and businesses to the district is heavily dependent on the availability of developable land. Some counties have available space and are actively seeking businesses to locate in their areas. Other have land, but the necessary infrastructure is too costly for a single business to take on to start vertical construction.

### **Southeastern Plains (Baca, Bent, Crowley, Prowers)**

In the southeastern plains there are four counties that have land designated for industrial and commercial uses and are next to major transportation routes. These spaces are prime and affordable real estate to attract new businesses. However, investments in water, wastewater, roads, electrical, and gas are needed to make these site-ready in Baca, Bent, Crowley, and Prowers Counties. These sites are all located in Opportunity Zones.

### **Upper Arkansas (Fremont, Chaffee, Lake)**

Infrastructure in Fremont, Chaffee, and Lake Counties is needed for several large parcels of land to be ready for commercial development. Regional airports in all three counties also have available space for commercial expansion. Both Chaffee and Lake Counties have Opportunity Zones.

### **South Central (Huerfano)**

Huerfano has limited industrial space with infrastructure available. Additional commercial space can be realized through downtown revitalization.

### **Availability of Labor**

“Now Hiring” and “Help Wanted” signs can be seen throughout SCEDD. As discussed under the Labor Participation and Housing categories, these issues have increased the need for new employees in the sub-region. However, a qualified, trained workforce is also an essential part of the equation for many businesses across the sub-region. There are major labor deficiencies in the construction trades and the availability of service workers are a major deficiencies in their workforce.

### **Southeastern Plains (Baca, Bent, Crowley, Kiowa)**

In the Southeastern Plains sub-region the agricultural workforce was particularly hit hard by the COVID-19 pandemic. Many H2A workers were not able to enter the United States, therefore, farmers did not have the work force to plant, tend and harvest crops. Business closures and prolonged unemployment benefits contributed to the disruption in the workforce. Workforce training and development are major priorities over the next five years.

### **Upper Arkansas (Chaffee, Lake)**

Chaffee and Lake Counties are seeing major disruptions in the service and tourism workforces. Housing, business closures, and prolonged unemployment benefits have impacted the available workforce and created an acute issue.

### **South Central (Huerfano, Las Animas)**

Both Huerfano and Las Animas Counties are seeing employment issues in their workforce. The reopened New Elk Coal Mine will need skilled positions. New trade programs have been developed and are being implemented in the sub-region to begin to address these issues.



*Window Shopping, Salida, Chaffee County*

### **High Utility Costs**

Utility costs throughout the district are reasonable mainly due to the superb management of utilities that are operated by local governments and special districts. However, there is one major exception in the district, which are the customers whose electricity is provided by Black Hills Energy in Crowley, Fremont, Huerfano, Pueblo, and Otero Counties. These customers paying 34% more than the Colorado average. These customers are paying higher rates in order to cover the costs associated with the early decommissioning of a power plant. The same is true for the investments in green energy. Costs should be divided among all households using the energy.

New utility legislation by the PUC should be considered to ensure the decommissioning of large power plants and investments in green energy are shared by all users of the grid. Especially in areas such as resort communities, who are demanding green energy, to ensure that rural communities do not bear the entire cost.

### Availability of Childcare

Access to childcare continues to impact the availability of the workforce. Across SCEDD, public preschool/childcare is at nearly 100% capacity according to the *2020 Kids Count Report*, by Annie E. Casey Foundation. This creates a competitive market for parents to try to get their children enrolled. Further, early childcare and private care facilities are also at capacity. The need for additional resources and facilities is a major priority of both school districts and the private market.

### Succession Planning – Small Business

In many rural communities, the family-run pharmacy, grocery store, or hardware store is the cornerstone of the community. Without these small, family-run businesses, communities would not have access to the goods and foods necessary to keep remain viable. When these businesses close, a long commute often results. The national, large-chain businesses that exist in other larger communities are not viable in these smaller, rural communities because of the smaller populations and isolated locations.

There are two main issues that need to be addressed to allow future generations to step into and run these businesses when the reins are handed over. First, access to business capital is essential for the next family to step into and continue to run the business. Loans (for not only the business but the buildings, equipment, and other assets) are necessary for succession of these businesses. Second, workforce training for specialized portions of these businesses is required. Trades or professional training needs to be offered in the district to allow the next generation to continue these businesses in these smaller communities.

### Critical Infrastructure

Infrastructure is the backbone of how businesses and communities operate and survive. Roads, bridges, broadband, transmission lines, water, and wastewater projects are in high demand throughout every county. Through the SWOT and economic implementation public process over \$300 million of need for high priority infrastructure projects were identified for the next five years. A complete list of these projects is included in this CEDS update by county in the attached Appendix A.

The federal government's economic recovery response to the COVID-19 pandemic has created numerous federal initiatives to fund economic recovery throughout the next five years of this CEDS. The redistribution of these funds through federal agencies, such as the EDA, to state and local governments, and non-profits in the form of contracts, loans, grants, and direct payments to the district will be the foundation of the recovery efforts.

While funding is key to moving these critical infrastructure projects forward there are several other major weaknesses in the region to ensure funding reaches our region's projects, policies, and programs as outline in the Economic Implementation Strategies found in Chapter 7.

First, planning, grant assistance, and technical assistance will be paramount to ensure equity in the redistribution of federal funds to our local communities, especially the smaller rural communities. Capacity to implement and project management of these large-scale infrastructure projects is lacking in many rural communities throughout the region. SCEDD is positioned to assist with absorbing some of this needed capacity to ensure high-priority projects are funded and implemented.

Second, access to the skilled labor force to complete these projects will be in high demand not just within SCEDD, but across Colorado and in many other parts of the nation. Regional collaboration and scheduling should be a top priority to ensure major projects and contractors are able to work systematically throughout the region. Further, this will allow supply chains and access to materials to be available when groundbreaking occurs.

Third, professional services that are required including engineering, surveying, financial, and even legal are in short supply within the region. Working on building capacity and relationships with these professional services is a goal of SCEDD to ensure access to our local governments, businesses, and non-profits.

### **Business Attraction**

Business attraction is essential to growth and economic prosperity throughout the region. Some counties benefit from large population centers, paid professional staff, and regional attractions that businesses seek out. However, many of the smaller rural communities have small, dedicated staffs that have an everyday uphill struggle to fill all the needs of their business communities. This CEDS update has identified multiple projects and programs that will assist in helping these communities attract businesses that offer skilled, high-paying jobs.

#### **Southeastern Plains (Baca, Bent, Crowley, Kiowa, Otero, Prowers)**

The rural nature of this sub-region has several obstacles when it comes to business attraction/development due to the lack of resources available to tackle this large endeavor. Throughout this CEDS process, extra attention was given to these areas to ensure the size and scale of need was thoroughly identified. There are multiple opportunities for businesses to locate throughout the Southeastern Plains sub-region. Improved access to broadband, available space, lower costs of living, access to regional distribution, and other strengths identified in the SWOT can be leverage as tools to attract and retain new businesses. Continued investments in workforce development will ensure a labor force that is ready to work once these businesses locate in the sub-region.

**Upper Arkansas (Custer, Lake)**

Both Lake and Custer Counties have significant numbers of people who hold jobs in neighboring counties. There are ample, affordable spaces located in these counties for new businesses to locate, which could reduce the need for commutes. Investments in broadband and other infrastructure to make these sites developable and attractive to businesses should be a high priority.



*Cañon City, Fremont County*

**South Central (Huerfano)**

Although Las Animas and Huerfano Counties are experiencing a bit of a boom right now as new businesses are relocating or starting up, there is still a need for economic development in certain areas of the sub-region. These include professional and retail in the downtown cores. The COVID-19 pandemic has caused a few businesses to close, however, this has also created opportunities for downtown revitalization and for business retention.