



SOUTHWEST ENTERPRISE ZONE – 2025 ANNUAL REPORT

Overview

The Southwest Enterprise Zone (SWEZ) is administered by the Region 9 Economic Development District of Southwest Colorado Inc. (Region 9 EDD) and covers five counties (Archuleta, Dolores, La Plata, Montezuma, and San Juan) and the Ute Mountain Ute Tribe and Southern Ute Indian Tribe. Region 9 EDD is a nonprofit, 501 (c) 6 public/private partnership that works to improve economic conditions and coordinate economic development efforts throughout southwest Colorado. Incorporated in 1989, Region 9 EDD is led by a 26-member board of directors; 17 from local governmental jurisdictions and 9 from the private sector. In addition to the Southwest Enterprise Zone, programs include a business loan fund; regional broadband, housing, transportation and transit initiatives; producing a Comprehensive Economic Development Strategy (CEDS) as a federally designated economic development district; serving as a State Data Affiliate with the Colorado Demography Office; grant navigation; the SouthWEST Opioid Response District (SWORD); and also serving in a fiscal agent role for several additional programs. These include the State of Colorado Division of Homeland Security and Emergency Management grants (All Hazards), San Juan Resource Conversation and Development District Council (SJRCDC), and the Southwest Colorado Incident Management Team (SWIMT). Region 9 EDD also integrated with and staffs the Southwest Colorado Council of Governments (SWCCOG).

Tourism and outdoor recreation are the region’s number one industry with many well-known attractions such as: Mesa Verde National Park, Chimney Rock National Monument, Purgatory Ski area, and the Durango & Silverton Narrow Gauge Railroad. Agriculture and forestry remain potential growth areas for the region, and the Southern Ute and the Ute Mountain Ute Tribes are both major economic forces with their diversified enterprises and employment opportunities. Region 9 EDD is seeing businesses struggle from the current high-interest rate environment, state and federal economic uncertainty, both antidotally, and from our regional data and on-the-ground conversations with loan clients.

Past year Observations and Data

In 2025, Region 9 received 945 inquiries about the Enterprise Zone Program, a number that has seen growth since 2018 (see Objective 1). This year’s inquiries included questions and problem solving regarding the new Salesforce database, and changes to the SWEZ boundaries. Even with increased inquiries, business participation in the SWEZ continues to be inconsistent year-to-year based on the uniqueness of the individual businesses claiming credits. **The charts below show the trends by county. In 2025, SWEZ saw increased jobs, less investment and more tax credits from the participating businesses.**

| 2025 | Region 9 | | | |
|--------------|---------------------|---------------------|----------------------|--------------|
| | # Businesses Filing | Tax Credits | \$ Invested | Jobs Created |
| Archuleta | 28 | \$ 119,920 | \$ 960,137 | 41 |
| Dolores | 21 | \$ 72,257 | \$ 1,085,030 | 4 |
| La Plata | 21 | \$ 113,767 | \$ 956,316 | 35 |
| Montezuma | 127 | \$ 789,738 | \$ 16,156,148 | 115 |
| San Juan | 0 | \$ - | \$ - | 0 |
| Total | 197 | \$ 1,095,682 | \$ 19,157,631 | 195 |

Montezuma County continues to have the highest business participation and, along with Dolores and San Juan, are the three counties that met the EZ economic distress criteria on a county level. In 2025, La Plata and Archuleta census tracts did not meet distress criteria at the county level but have several eligible census tracts.

There are two census tracts out of ten that were NOT eligible in Archuleta, and twelve tracts out of thirty-three in La Plata County that did not meet the distress criteria. One new census tract, located in the City of Durango, became eligible in 2023 and was approved through the State boundary amendment process.

The results of the SWEZ redistricting which became effective Jan. 1, 2026, resulted in several boundary changes. Archuleta, San Juan, and Montezuma Counties will be eligible, but Dove Creek in Dolores County, as well as many census tracts in La Plata County are not eligible.

The SWEZ had 25 designated Enterprise Zone Contribution Projects in 2025. Three new projects were added, and two projects were termed out. Projects generated a total of \$1.281 million in economic activity through direct and in-kind contributions. This was the first increase since 2022 with 2024 numbers at \$1.019 million.

| | Region 9 | | |
|------|--------------|----------------|--------------|
| | Tax Credits | \$ Invested | Jobs Created |
| 2011 | \$ 673,131 | \$ 22,501,542 | 268 |
| 2012 | \$ 1,648,586 | \$ 76,642,252 | 505 |
| 2013 | \$ 4,199,768 | \$ 183,347,978 | (21) |
| 2014 | \$ 1,238,773 | \$ 46,244,938 | 461 |
| 2015 | \$ 2,699,282 | \$ 66,073,593 | 89 |
| 2016 | \$ 1,321,904 | \$ 146,678,225 | 488 |
| 2017 | \$ 618,920 | \$ 518,986,986 | 140 |
| 2018 | \$ 1,111,662 | \$ 31,102,433 | 100 |
| 2019 | \$ 1,185,896 | \$ 34,402,991 | (28) |
| 2020 | \$ 981,308 | \$ 47,762,699 | 267 |
| 2021 | \$ 529,235 | \$ 17,641,144 | 61 |
| 2022 | \$ 664,534 | \$ 22,151,181 | 34 |
| 2023 | \$ 556,219 | \$ 18,540,602 | 6 |
| 2024 | \$ 1,019,892 | \$ 26,015,098 | 81 |
| 2025 | \$ 1,095,682 | \$ 19,056,050 | 195 |

Past year Efforts to Improve Conditions

Specific SWEZ Administration activities to improve conditions included:

- Met with 10 different organizations interested in applying as EZ Contribution Projects.
- Distributed press on each new EZ Project and three new projects approved: Mancos Burro Fest, Mancos Opera House and Aspen Services.
- Provided an EZ Annual Report and county specific EZ data to all Region 9 government jurisdictions.
- Maintained an updated contact list of regional accountants and distributed EZ information bimonthly including Salesforce database tips, form updates, deadlines, and instructions on boundary changes, grandfathering and general information.
- Supplied and updated EZ information packets, and SWEZ rack cards to the general public, Region 9 EDD clients and area economic development groups.
- Cited SWEZ information in Region 9 EDD brochure, e-newsletters, social media as well as in monthly updates distributed to our Board of Directors, funders, and governments.
- Provided individual one-on-one training for all new SWEZ Projects, Projects with staff changes, and mentored other EZ staff in other regions of Colorado.
- Conducted business EZ training in four of five counties regarding the new boundary amendments and impacts.
- Region 9 EDD conducted 41 presentations in 2025 with an overview of the SWEZ included in all.
- Participated in monthly EZ Administrator phone calls as well as peer reviews, training, office hours to answer questions, and EZ Administrator meetings.

Winning Story



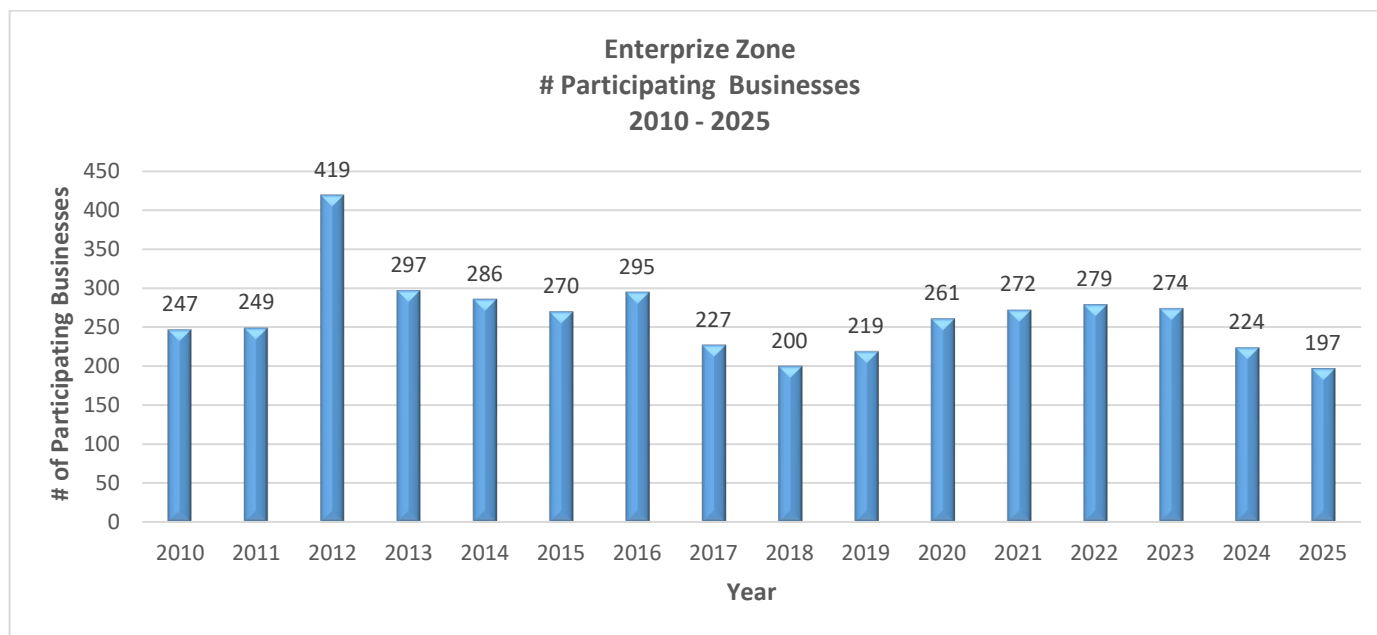
The Pagosa Springs Community Development Corporation (PSCDC) is the county-level economic development organization in Archuleta County, and their Contribution Project was to provide much needed workforce housing in their community. Archuleta County donated 35 vacant lots to the PSCDC in 2023, **and 11 new single-family homes were constructed this past year the Chris Mountain II subdivision.** Designed for the “missing middle,” meaning households earning between 80% and 100% of Area Median Income (AMI), the homes were offered at cost for

vertical construction, with gap funding and down payment assistance to help keep them attainable for the local workforce. The PSCDC helped provide utility infrastructure to the site and worked with a local construction company. All homes have been sold, and the PSCDC is working on Phase II of another 10 homes. Their initiative and hard work makes them a leader in the state utilizing Prop 123 funding, and other sources to create a varied capital stack.

Objectives Report

Objective #1 – Continue to increase the number of EZ inquiries to the Region 9 office year over year. This objective continues to be met though this year’s inquiries were not all from businesses wanting to take advantage of the credits, but problem-solving calls and questions about eligibility due to planned boundary amendments. Region 9 EDD began measuring the number of EZ inquiries received directly to our office in 2016. Those inquiries totaled 945 in 2025, 753 in 2024, 792 in 2023, 649 in 2022, 502 in 2021, 383 in 2020, 456 in 2019 and 216 in 2018. **The number increased significantly in 2025.**

Objective #2 - Increase the number of businesses that participate in the EZ in each county using 2005 as a base year (228 participating businesses). Achieving this goal continues to be a challenge with numerous factors impacting this number. **This year continues to show a decline in participation,** the lowest since the ‘Great Recession’ in 2018 which impacted business participation even more than the COVID pandemic.



Objective #3 - Target businesses involved in other Region 9 EDD programs and inform them about EZ tax credits. Track how many utilize the credits.

The table below shows the number of (non-duplicative) businesses utilizing EZ tax credits that Region 9 directly worked with through our loan program, fielding EZ calls or other technical assistance. Businesses that claim EZ business tax credits are tracked annually and by county. (The detailed list of business names is available by request.) Our goal was to see at least 20 businesses that Region 9 EDD worked with utilize the credits annually, but Region 9 EDD has rarely met this goal since tracking began in 2009. Due to the increasing numbers of EZ inquiries to the office, we believe these numbers should be higher. We also know that there is at least a one-year lag from when we notify a business about tax credits to when they utilize the credits. Moving forward, this outcome will no longer be tracked as there are too many variables from changing boundaries and business utilization of credits for this measurement to show a direct correlation.

Objectives for Coming Year

- 1. Build the capacities of southwest Colorado organizations directly cultivating entrepreneurship through job creation, supporting businesses and economic development activities.** – Region 9 EDD ensures clients of the Southwest Small Business Development Center (SBDC), Southwest Colorado Accelerator for Entrepreneurs (SCAPE), EZ, and our regional loan program are aware of EZ tax credits. Region 9 then tracks our internal business customers that then utilize (not just pre-certify) tax credits. **The Southwest EZ goal is to continue to increase the number of businesses annually by 20.** With redistricting taking place this goal will be dropped in 2026.

| | Archuleta | Dolores | La Plata | Montezuma | San Juan |
|--------------------------------------|-----------|----------|-----------|-----------|----------|
| 2009 36 Businesses | <u>5</u> | <u>1</u> | <u>18</u> | <u>11</u> | <u>1</u> |
| 2010 -13 55 Businesses | <u>10</u> | <u>3</u> | <u>25</u> | <u>16</u> | <u>1</u> |
| 2014-17 40 businesses | <u>8</u> | <u>7</u> | <u>14</u> | <u>9</u> | <u>2</u> |
| 2018-2020 29 businesses | <u>5</u> | <u>1</u> | <u>6</u> | <u>13</u> | <u>4</u> |
| 2021-2024 64 businesses | <u>9</u> | <u>6</u> | <u>15</u> | <u>32</u> | <u>2</u> |
| 2025 19 businesses | <u>3</u> | <u>4</u> | <u>5</u> | <u>7</u> | <u>0</u> |

2025 Outcomes – Counted 19 businesses in 2025, up two from 2024.

2. **Ensure that southwest Colorado has the physical infrastructure and job training needed to plan for, compete, and meet economic development and workforce needs.** – All but one current SWEZ Project focus on job creation and physical infrastructure. Region 9 EDD proactively outreaches nonprofits that are considering capital campaigns regarding EZ eligibility. Job training initiatives are also a higher priority for communities.

2025 Outcomes –The EZ objective is to recruit two additional infrastructure or job training EZ Contribution Projects annually. This objective was met with two new projects: Aspen House for workforce training and Mancos Opera House for infrastructure being approved. **This goal will continue in 2026.**

3. **Facilitate the creation, enhancement or expansion of community amenities and attractions which make southwest Colorado a desirable place to live and relocate.** SWEZ Metrics were updated in 2025 to: a) Support tourism expansion projects and events measured through Region 9 EDD outreach to organizations with possible EZ Projects and, b) increase the number of EZ projects approved using 2025 as the base year. **The goal is to see an increase each year with the base year being 2 projects.**

2025 Outcomes – Region 9 EDD outreached 10 organizations with potential EZ projects, half which were tourism and event projects with one approved in 2025 and another coming up before the Economic Development Commission in 2026. Moving forward, two projects will be considered as the base number of projects to be measured moving forward.

4. **Support and assist the key industry sectors in southwest Colorado that diversify the local economy (agriculture, tourism, healthcare & manufacturing).** The measurable objectives are to a) increase the total number of participating businesses in each county, particularly in our enhanced counties over the previous year and, b) track job growth of these industries in Region 9 annually using 2025 as the base year.

2025 Outcomes – The number of businesses that participated increased only in one of our counties over the previous year, but the total number of participants declined over the past four years. **Our objective remains to increase the number of businesses participating.**