

# Executive Summary

## Existing Conditions

A combination of factors has diminished the strength of the oil and gas industry that has driven the economy San Juan County for the past several decades: oversaturation of the natural gas market has dampened prices and discouraged production; new extraction methods require fewer workers per well site; a concentration of ownership of mineral rights has resulted in many companies' relocating operations out of the area; and two electricity providers, Arizona Public Service Electric Company and Public Service Company of New Mexico (PNM), have shuttered parts of their coal power plants and coal mines, and plan to continue to downscale operations.

The loss of these high-paying jobs, which require a great deal of highly specific technical skill, has resulted in a contracting population, decreased median income, and a demographic shift towards an older population.

Entities within the county have made a great effort to diversify the economy and meet the economic demand of various market sectors (see the Economic Development Element), but few target industries can provide the same level of employment and income as the waning oil and gas industry.

## Land Use

Residents of San Juan County take great pride in the freedom to use their land as they see fit. Many public survey respondents cited the relative lack of land use regulation as influencing their decision to live in the unincorporated portion of the county as opposed to one of the municipalities, but the lack of regulation also has had deleterious effects on the development of the county. Noncontiguous development has led to inefficient expansion of public infrastructure. Private roadways, not subject to county road standards, have inadvertently spurred greater growth than they have the physical or

functional capacity to handle. Loopholes in subdivision regulations have resulted in the creation of parcels that lack adequate road access and infrastructure. In the absence of zoning, residential development frequently abuts incompatible land uses such as heavy industrial activity. Unconstrained excavation creates erosion and drainage issues that affect neighboring properties.

The public survey conducted during the planning process for this update found very strong and consistent support for increased land use regulation in the county to protect investment, health, and enjoyment of properties. Those results are detailed in the introduction to this plan.

San Juan County should take measures to protect property values and the public health while preserving property owners' rights and freedoms, including enacting performance standards to reduce or mitigate certain impacts on neighboring properties, modifying and updating the subdivision regulations, encouraging contiguous infill development, and adopting an earthworks permitting ordinance.

## Economic Development

Growth industries in San Juan County are centered on health care, which is projected as the top growth industry in the county into 2026, as well as arts, recreation, accommodation, and food services. The county saw a spike in unemployment in 2017 and many industries in the county have experienced loss of jobs from before the recession in 2007, with the greatest losses in construction, utilities and mining.

The steep fall in oil prices in 2014, a persistent downturn in the natural gas prices, technological advances that lower staffing needs, industry trends away from coal and PNM's incremental drawdown and planned closure of the San Juan Generating Station have caused significant energy industry jobs losses with

more projected in the future. Counting indirect employment and induced ripple effects, the region could lose up to 3,180 jobs and \$213.3 million in annual income, cutting annual tax receipts for local, tribal and state government by \$43.3 million.

Much effort has been made to reposition the county and diversify its economy, and target industries have been identified in: Outdoor Recreation, Petrochemicals, Agriculture, Retirement Developments.

The Outdoor Recreational Industry Initiative (ORII) is a recent effort to develop and attract outdoor recreation tourism and manufacturing. The group has teamed with the County, City of Farmington, Bureau of Land Management, existing recreational industry business people, San Juan College, and the oil and gas industry to develop a new maker space, identify incentives, revitalize downtowns, develop partnerships, identify funding, and promote recreational entrepreneurship.

The effort to develop petrochemicals manufacturing and distribution would take advantage of the existing oil and gas transportation network and may offer a solution to the issue of developing manufacturing without the transportation infrastructure in place to distribute goods easily.

The county has seen large increases in irrigated acreage, crop diversity and the value of agricultural products produced in the county in recent years. Local efforts, including Local Foods Local Places, stand to expand the agricultural goods industry in the county.

The County continues efforts to attract retirement developments and expand workforce development and business incubation. San Juan College's Enterprise Center plays a central role in workforce development. Another key is attracting businesses and workforce, which may be inhibited by a lack of orderly development and insecurities about future land value and potential uses, due to a lack of existing regulation.

One important tool in attracting development is the Local Economic Development Act (LEDA) ordinance allowing the county to donate public investment in certain private development. The County should review its LEDA ordinance to ensure that it is up to date with a state regulation expanding qualified uses, to identify incentives for target industries, and to market to those sectors.

## Housing

Housing unit growth in the county increased steadily from 1990 to 2010, but since 2010, the U.S. Census estimates that fewer than 300 new units were developed. Average vacancy in the county rose from 2011 to 2015 and fell slightly in 2016 to 17.3%, just above the state average of 16.4%. Vacancy in the unincorporated portion of the county is much higher than in the municipalities at 27.7% compared to between 10.6% in Aztec and 18.2% in Bloomfield.

San Juan County's housing stock has a broad spectrum of age and value. Houses are slightly newer on the whole than the statewide average. Housing costs are diverse and housing cost burden (defined as spending 30% or more of total household income on housing) is slightly lower than the state average at 22% of households.

San Juan County Housing Authority administers 365 vouchers for HUD Section 8 Housing, but currently does not have funding to fill all of them. Currently, they have funding to issue 263 vouchers to assist families, but another 526 families are on the waiting list. Moving to the top of the waiting list for eligibility review takes about a year.

The County has an affordable housing plan, developed in 2011 in conjunction with the City of Farmington, but it cannot provide grants until it adopts an affordable housing ordinance that authorizes grants.

## Transportation

The County maintains approximately 747 miles of roadway, 232 of which are paved. San Juan County is not responsible for maintaining private roadways in the county, which may not meet county standards for placement, drainage, right of way, or weight limit. Private roadways may be inadequate to carry emergency response vehicles. While the County does not maintain private roadways, it is responsible for ensuring public safety; in the past, private roadways built in floodplains have washed away in storms, requiring costly public intervention to restore access to residents.

San Juan County has worked closely with its municipalities and other governmental entities to improve its alternative transportation systems. Red Apple Transit, a public transportation system operated by the City of Farmington, provides service to the major population centers in the county. The Navajo Transit System and North Central Regional Transit District further expand the public transportation options for residents of San Juan County and the Navajo Nation. An expanded multi-modal network supports the multi-jurisdictional Outdoor Recreation Industry Initiative, and the County will continue to work to expand and improve this network. Recent upgrades to the Four Corners Regional Airport may attract future commercial service. Potential future rail service may bolster economic development initiatives.

## Facilities

San Juan County owns and operates over 100 individual facilities. San Juan County takes a proactive role in maintaining its facility inventory. County administration has overseen numerous strategic renovations, expansions, and building systems upgrades to ensure that facilities and their occupants can deliver quality services to county residents. The County has also strategically divested certain properties to entities best suited to maintaining and operating those facilities.

The County should develop a long-range facilities master plan and asset management plan to ensure the longevity and most efficient use of public assets.

## Environment

San Juan County boasts a diverse and unique environment with species of concern and sensitive ecological areas that should be actively protected and taken into account when considering future development. Certain soil types in the county may pose challenges for development and soil type should be matched to appropriate development type.

Nearly all available water in the county (99%) is surface water, and special care should be taken to protect the quality of surface waters and riparian ecology. Whenever possible, the County should support several ongoing efforts by various agencies and ecological groups to conduct ongoing studies and restoration efforts.

Potential sources of water contamination are present in the county, including well sites and private septic systems. Many instances of contamination have been documented in the county, although no toxins are listed at acute levels. Toxins listed at chronic levels include aluminum, mercury and selenium. The New Mexico Environment Department lists 60 actively leaking storage tanks in the county to be mitigated. They should be monitored for potential impacts on water resources.

## Water and Wastewater

The majority of New Mexico's surface water flows through San Juan County, which has greatly benefited the county's agricultural heritage, rapid industrial growth and quality of life. Recognizing the value of this asset, numerous governmental and non-governmental entities have taken action over the past several decades to expand reservoir capacity, protect and preserve river health, and promote water-efficient practices in residential and agricultural uses. Recent persistent droughts have further

strengthened San Juan County’s resolve to protect its surface water.

Mutual Domestic Water Associations (MDWAs) provide most of the domestic water service in San Juan County. These small, independent organizations occasionally encounter issues with water contamination or equipment malfunction. As a result, water quality, water provision, and billing are inconsistent. This plan recommends exploring the feasibility of establishing a regional water authority, which could achieve economies of scale by consolidating staffing, equipment and supplies, and could more readily respond to issues.

## Hazards Mitigation

Hazards mitigation is defined as “... any action taken to reduce or eliminate the long-term risk to human life and property from natural and man-made hazards...” The emphasis on long-term risk distinguishes mitigation from actions geared primarily to emergency preparedness and short-term recovery.

The 2013 Multi-Jurisdictional Natural Hazard Mitigation Plan for San Juan County (HMP) identifies the following hazards for San Juan County (in order of priority):

- Drought
- Flooding
- Wildfires / Wildfire Urban Interface (WUI)
- Hazardous materials transportation

Drought will likely be an ongoing hazard in the county, and in 2018 the county experienced the most widespread and severe drought in recent history. In response, the County convened a Drought Task Force that is working with various state, local, and tribal agencies and groups to develop strategies for coping with drought. The County should expect drought to pose a threat as climate change continues to impact precipitation and temperature.

The county has a history of flooding, and although county government must approve building permits, earthworks projects and

unregulated road building can cause drainage changes and flooding hazards for neighboring properties. Adopting drainage planning requirements is an important step in mitigating flooding issues.

The HMP identified 246,491 acres in the Urban Wildfire Interface in unincorporated San Juan County as having several areas at high risk. Residents and businesses in these areas should be encouraged to develop defensible space around structures to minimize the threat of damage from wildfire.

The County should conduct a survey of county property to assess risk to flood or fire, and take the appropriate mitigation steps to protect public assets.

The HMP identified several specific concerns about the transportation of hazardous materials in San Juan County, noting that a spill could cause significant economic disruption from large-scale evacuations. It is a difficult hazard for which to mitigate, given the many unknowable factors involved. However, researching and understanding the materials and areas of greatest risk can provide an opportunity for mitigating certain factors.