

Town of Buena Vista

Economic Development Master Plan
Final Report



Town of Buena Vista

Economic Development Master Plan
Phase 1 Report



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1 | Executive Summary

The Phase 1 Report of Buena Vista’s Economic Development Master Plan is focused on providing an extensive, analytical, community-perspective analysis of the Town. The Phase 1 Report answers the question: “Who are we?”

Buena Vista is a town teeming with potential. The Town has a lot going for it and has already accomplished much. The revitalization of Main Street represents an amazing downtown renaissance. The Town is full of bright, energetic, capable, entrepreneurs who are engaged in improving their community. The entrepreneurial climate is robust—new retailers and restaurants are high-quality operations. Sales tax is climbing and the population is increasing. When stakeholders were asked to rate the quality of life in Buena Vista and its culture, the ratings were 9.3 and 8.3 (out of 10), respectively. People love living in Buena Vista!

There are a few challenges, however. Median household incomes are low. Many families are struggling financially. There is a shortage of housing, which is driving up prices. Families already struggling with low incomes are being priced out of the market. The age group of 25 to 44 is underrepresented in the population compared to the State averages. Missing this important workforce demographic group puts pressure on the labor market. Businesses are having difficulty finding and retaining quality employees. There are some fissures forming among the different geographic business areas of the Town and this simmering discontent could threaten the community’s outstanding spirit and the business esprit de corps.

The report provides details about these and other elements that define Buena Vista.

Buena Vista



2 | Strategic Plan Process

The Phase 1 report is intended to answer the question: “Where Are We?” It is a comprehensive review of economic, demographic, business and industry data, and interviews with community stakeholders (44 interviewed in Phase 1). The empirical data was synthesized with anecdotal information to present a clear vision of the current state of the Town.

The Phase 1 report will be provided to the Economic Vitality Advisory Board (EVAB), which will review the draft, suggest changes, and request clarifications. The final, edited report will then be presented to the Town, which will make it available to the public.

There will be a community presentation where the results from the Phase 1 will be presented and feedback from the community will be solicited. This is a great opportunity for the larger community to participate in the process and for their insights to refine the recommendations presented in Phase 2.

The Phase 2 report will answer the question: “Which direction should we go?” The Phase 2 report is scheduled to be delivered seven weeks after the finalization of the Phase 1 Report. The second report focuses on the SWOT analysis, which defines the universe of realistic possibilities for the Town and then prioritizes those opportunities by target industries that have the most merit.

The draft of the Phase 2 report will be presented to the EVAB, which will discuss the merits and potential of the different possibilities. These discussions are critical in narrowing down the broad range of possibilities into prioritized recommendations.

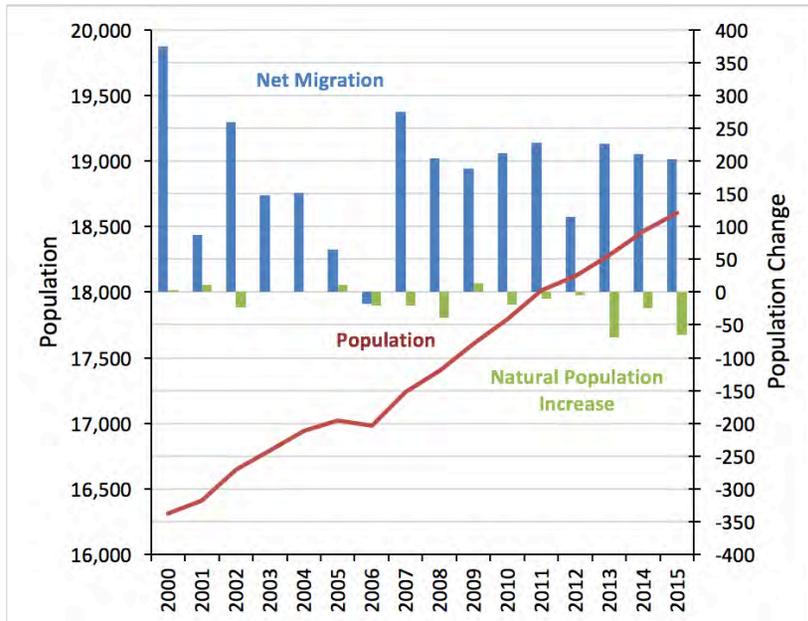
The edited Phase 2 report will be presented to the Town, which will make it available to the public.

The Phase 3 Report answers the question: “How do we get there?” The Phase 3 report is anticipated to be delivered six weeks after the completion of the Phase 2 report. The third report presents two to five specific recommendations that will 1) move the Town towards its long-term goals, 2) be achievable, and 3) will be catalysts for growth and development.

The Phase 3 report will be presented to the EVAB, which will review the report and suggest changes or request edits. The final report will be presented to the Town, which will make it available to the public.

3 | Demographics & Employment

Population Trends



Source: DOLA 2015

Figure 1: Chaffee County Population 2000-2015

In-migration & out-migration

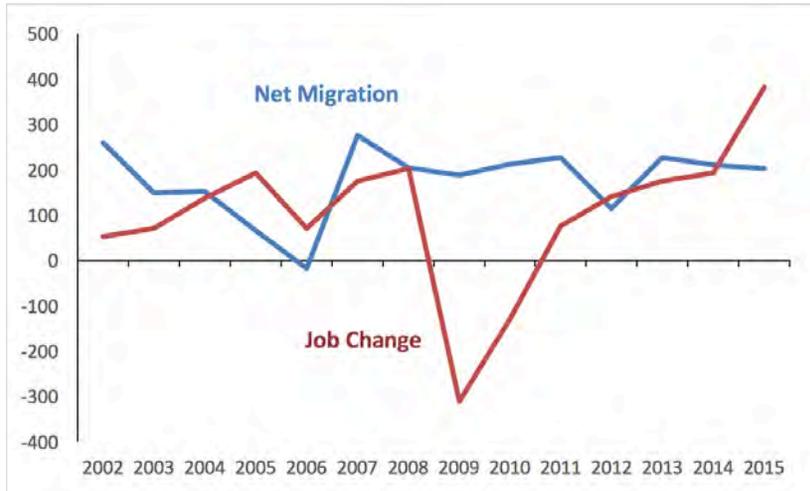
Population is a key component of a local economy’s productive capacity. An increase in the size or skill level of the local labor force typically increases the output of the economy.

Net migration is the difference between immigration into and emigration out of an area during the year; natural population increase is the difference between the number of live births and

the number of deaths during the year. As of 2015, the population of Chaffee County (the County) is estimated to be 18,604. The population for the Town of Buena Vista (hereafter referred to as “the Town”) is estimated to be 2,759. While many rural counties throughout the State experienced a decline in population during the Great Recession, Chaffee County experienced positive migration, growing by an average of 206 residents (net migration) per year between 2007 and 2015. The growth in population during that time due to immigration, however, was offset by a decline in the natural population because deaths have exceeded the number of live births for the nine out of the past ten years.

Migration and Job Change

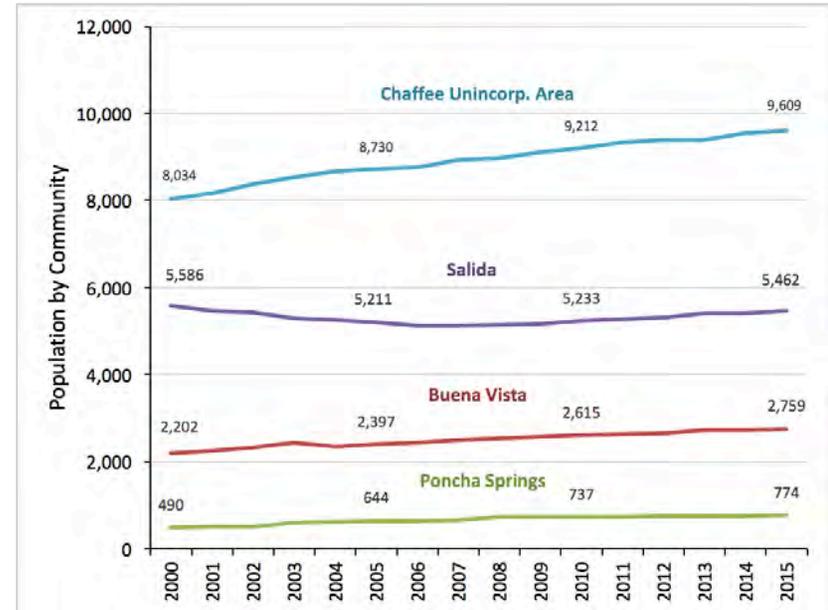
Figure 2 depicts net migration and the net increase or decrease of jobs in Chaffee County. Net migration tended to mirror changes in jobs with the exception of 2009 where population did not follow with the significant decrease in jobs. Jobs decreased during this time by approximately 550 jobs while net migration remained constant at approximately 206 residents per year. This indicates that County residents prefer to live in the area even during periods of decreased economic activity. Anecdotal evidence provided by primary stakeholders in the community confirms this idea, with many stating that “residents work four or five jobs to make it work here.”



Source: DOLA 2015
 Figure 2: Chaffee County Net Migration and Job Change 2000-2015

Figure 3 depicts the populations of the individual communities located within Chaffee County between 2000 and 2015. The population of the unincorporated area of the County has consistently been greater than the combined population of the Town’s three incorporated areas, which include two towns (Buena Vista, Poncha Springs) and one city (Salida).

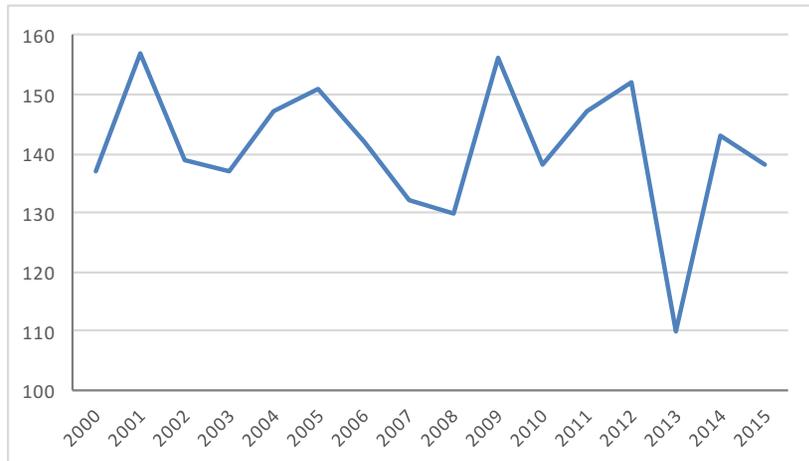
Buena Vista experienced an increase of 510 residents between 2000 and 2015. This is equal to a compounded annual growth rate (CAGR) of 1.01 percent. The County grew at an CAGR of 1.00 percent during the same period. The Town of Salida experienced a net decrease in its population of 124 over the same period. The population growth rate of the Town of Buena Vista is consistent with that of other rural mountain towns such as Gunnison and Pagosa Springs.



Source: DOLA 2015
 Figure 3: Chaffee County Population by Community 2000-2015

Birth Rate

The County experienced an average annual birth rate of 141 between 2000 and 2015. Figure 4 shows that there was a dramatic decrease in the number of births during 2013, but the birthrate returned to a relatively normal level in 2014.

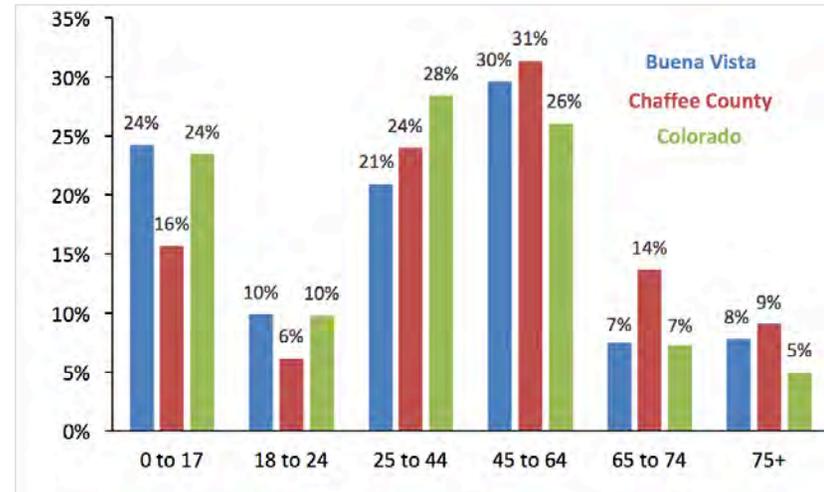


Source: U.S. Census

Figure 4: Chaffee County Birthrates 2000-2015

Age Distribution and Millennials

Buena Vista’s population distribution is similar to the State’s except that the Town has significantly fewer people in the 25 to 44 age category. Twenty-eight percent of the State’s population fits into this age category versus only twenty-one percent in Buena Vista. The Town exceeds the Statewide distribution in the 45 to 64 and 75+ age categories.

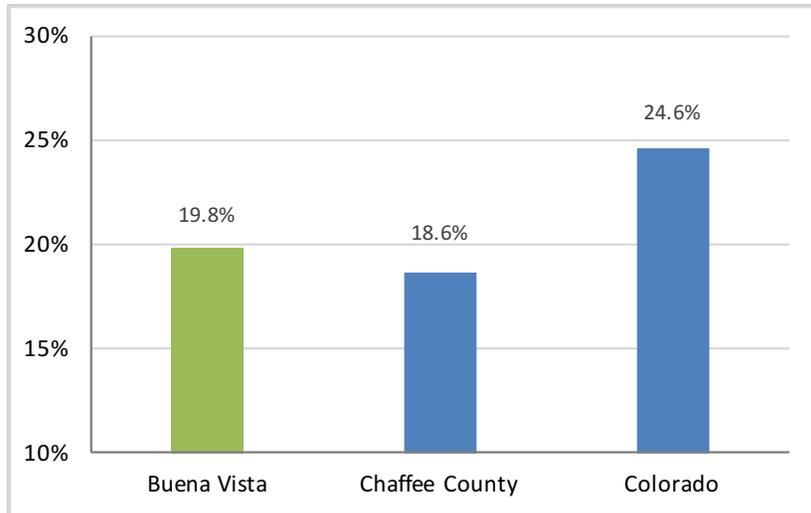


Source: DOLA 2015

Figure 5: Regional Age Distribution Comparison 2015

Millennials

The relatively low numbers in the 25 to 44 age category is concerning because this category typically provides the entrepreneurs, young business owners, and those who will shape the future of the community. This age category includes millennials, who currently represent half of the world’s population. Young people’s choices, experiences, drive, and preferences help shape the image of cities. As of 2015, millennials (Generation Y) are between 18 and 34 years of age. An analysis of this specific age category is shown in Figure 6.



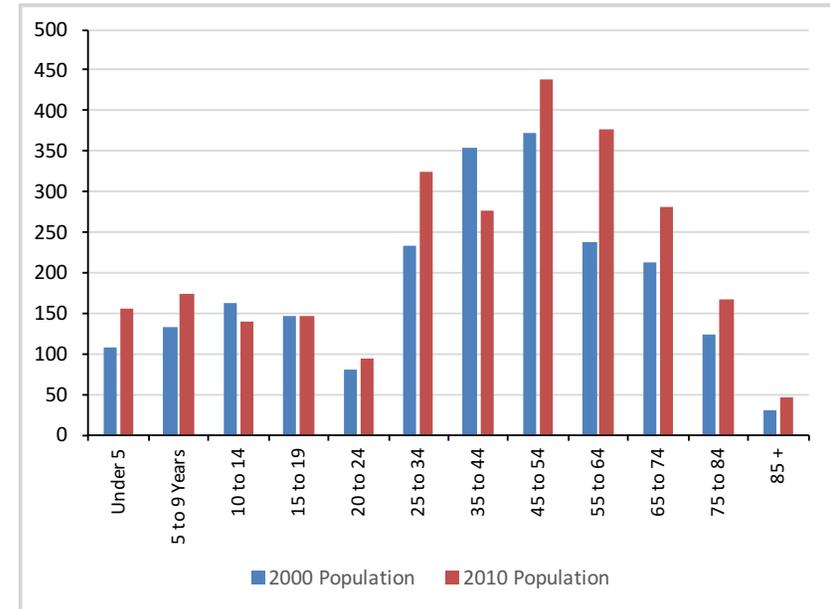
Source: DOLA 2015

Figure 6: Millennial Population

Both Chaffee County and the Town have a relatively low number of millennials when compared to the State. Interestingly, however, the number of youth and young adults between 0 to 24 is close to the State average.

The Town’s change in age distribution from 2000 to 2010 is depicted in Figure 7. Significant changes in age distribution over this time period include a decrease in those in the 35 to 44 age category and an increase in the 25 to 34, 45 to 54 and 55 to 64 age categories. The current (2015) median age for the Town is 40.1 compared to the State median age of 37. The median age for the County is 48.1, which is more than ten years above the State median age. This increase in the senior population, accompanied by a high median age, supports the idea that the

Town has a relatively low percentage of millennials in its population.

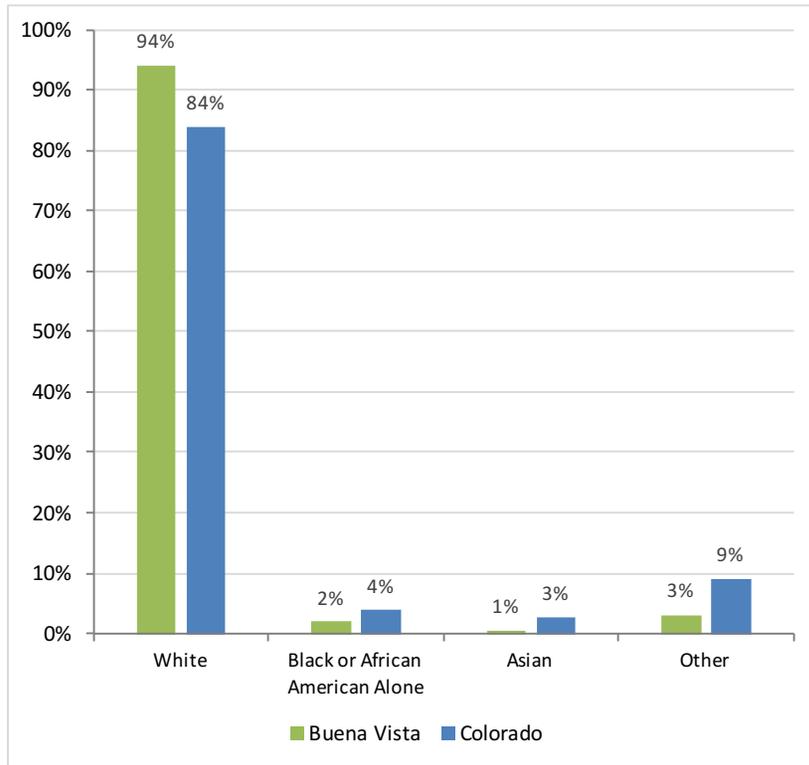


Source: ACS 5-Year Estimate

Figure 7: Buena Vista Age Distribution for 2000 and 2010

Racial Diversity Trends

Figure 8 shows that the Town’s population is more ethnically homogenous than the State as a whole.



Source: U.S. Census

Figure 8: Population by Ethnicity 2014

Employment

Workforce

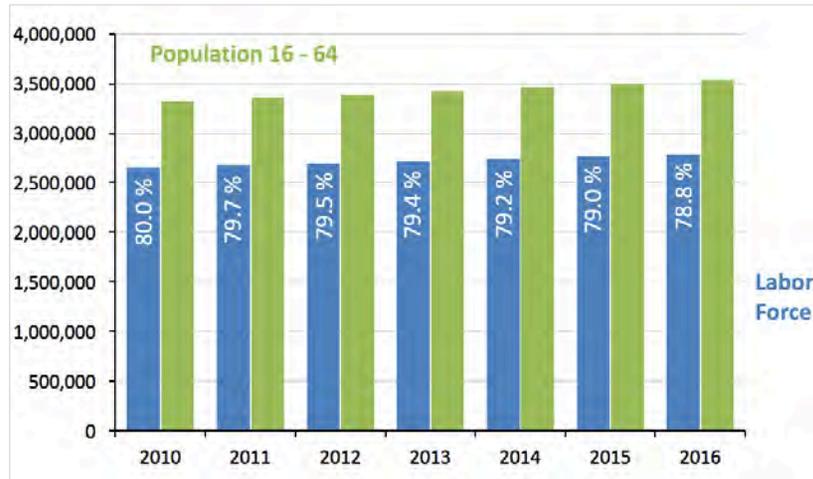
The County labor force consists of those individuals (typically 16 or older) who are either employed or actively seeking employment. As shown in Figure 9, the portion of the County population in the labor force is an estimated 58.6 percent in 2016. The labor force participation rate (LFPR) has been decreasing at a slow, consistent pace for the past six years.

Overall, the County’s LFPR is approximately one percent lower than it was six years ago.



Source: DOLA

Figure 9: Chaffee County Labor Force Participation 2010 - 2016



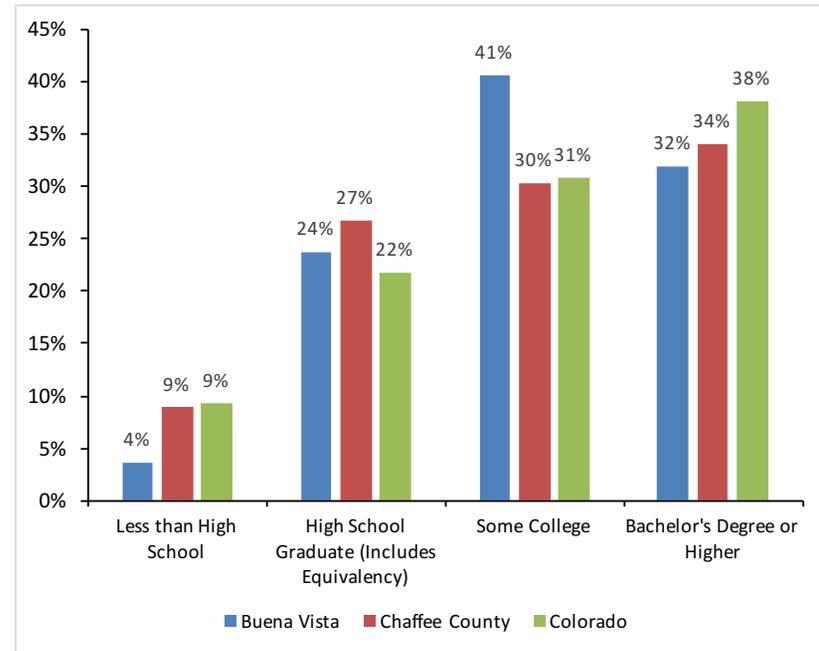
Source: DOLA

Figure 10: Colorado Labor Force Participation 2010 - 2016

The County’s LFPR been ten to eleven percent lower than the State average over the last six years. The LFPR for both the County and the State have been decreasing at a similar rate of approximately 0.4 percent each year. The decrease in the LFPR can be partially explained by the retirement of the baby boomer generation.

Education Level of Workforce

As shown in Figure 11, forty-one percent those age 25+, have attended some college and 32 percent have earned a bachelor’s degree or higher. In comparison to State levels of education, the Town’s labor force has a much higher level of those who have attained some college but a lower level of those who have completed a bachelor’s degree or higher.



Source: ACS 5-Year Estimate

Figure 11: Educational Attainment for Those 25+ (2016)

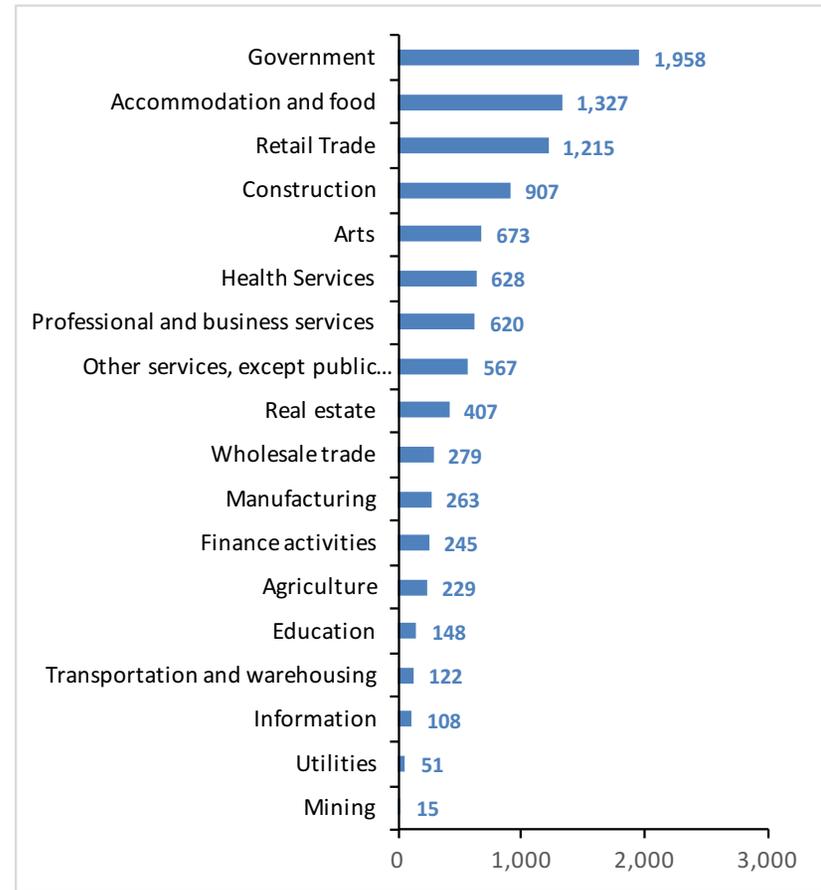
Industry in Chaffee County

To be robust, stable and vibrant, an economy needs a diverse mix of industries that both provide for local residents’ needs and are able to attract outside sources of revenue.

According to the Department of Local Affairs (DOLA), the County had approximately 9,954 total jobs in 2015. The most prominent industries in the County in terms of number of jobs are government, accommodation and food, retail trade, and construction. Thus, the Town’s economy relies heavily on lodging, restaurants, and general retail sales. Figure 12 shows

the number of jobs across all major industries for employers located in the County. Two industries, including “management of companies and enterprise” and “admin and waste,” were small enough in terms of jobs that the information is suppressed in order to protect proprietary information.

The fact that government has approximately 47 percent more jobs (631 jobs) than the next highest category, accommodation and food, is disconcerting. However, this prominence of government-related jobs is consistent with the State.



Source: DOLA 2015

Figure 12: Chaffee County Jobs by Industry 2015

Collegiate Peaks



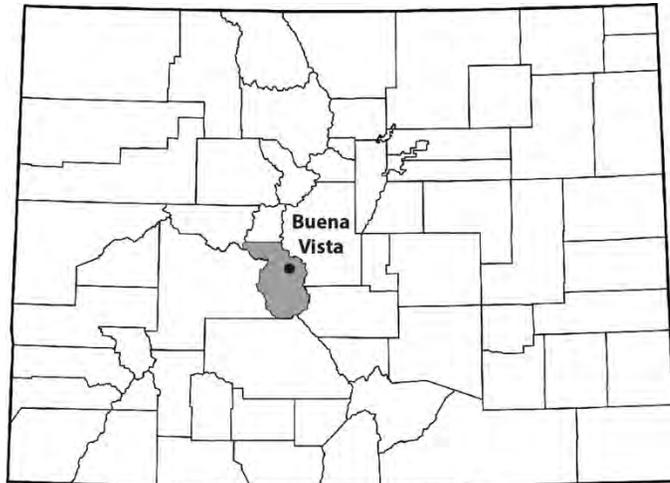
3 | Competitive Differentiation

Inventory of Assets

The Town and the surrounding area (Leadville, Aspen, Breckenridge etc.) is a major destination for tourists and outdoor enthusiasts. A brief overview of the area’s natural assets is provided to help summarize those characteristics that set the Town apart from surrounding communities.

Natural Assets

Buena Vista is a statutory Town located in Chaffee County, Colorado. Map 1 displays the Town’s location within the County (gray).



Map 1: Chaffee County and Town of Buena Vista

The Town and surrounding area feature many beautiful natural assets, including the Arkansas River, Collegiate Peaks Wilderness, and various lakes, ponds, and streams. The valley in which the Town is located is surrounded by mountains, ridges, and peaks.

Arkansas River

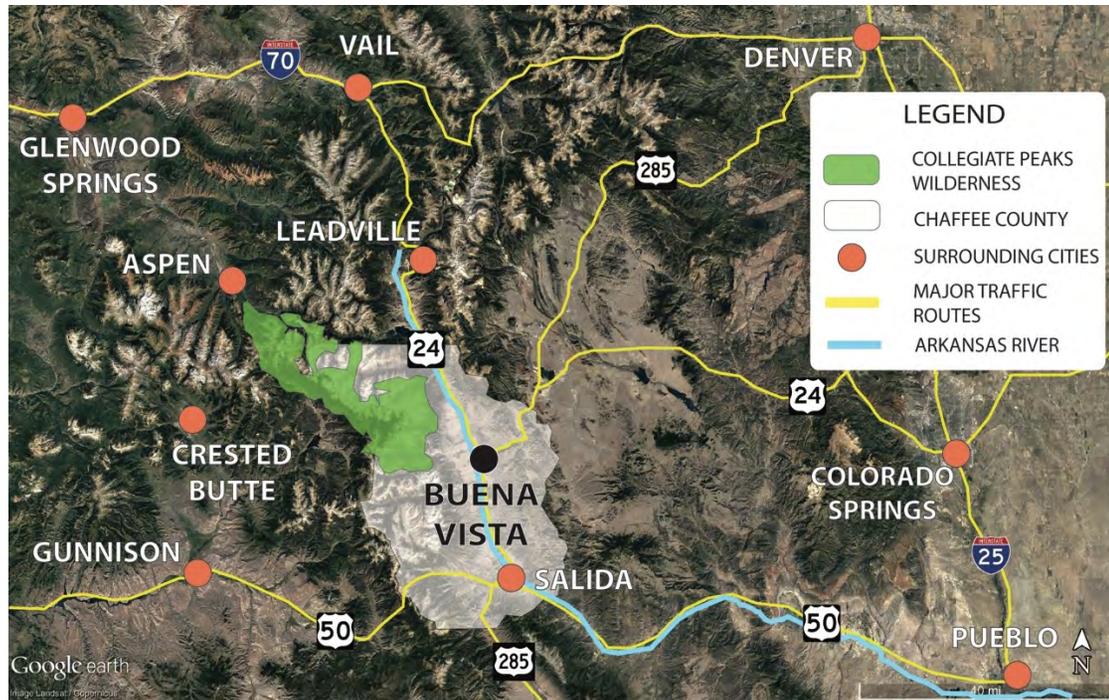
The Arkansas River (“The River”) is a major tributary of the Mississippi River. Its headwaters originate in the Sawatch and Mosquito mountain ranges, which surround the Town of Leadville (34 miles North of the Town) in Lake County, CO. Deep snowpack in these mountains (including multiple peaks over 14,000 ft.) provide the River with a steady flow throughout the year. The confluence of Tennessee Creek and the East Fork Arkansas Rivers near Leadville mark the beginning of the River.

The river experiences a drastic change in elevation, including multiple steep, fast-flowing sections which support extensive whitewater rafting. The Town is located near some of the River's most famous rafting stretches, including "The Numbers," (near Granite, CO) and Brown's Canyon (17 miles South of the Town). Approximately 15 rafting outfitters located in the Town offer tourists and outdoor enthusiasts the opportunity to raft the river with experienced guides. Fly fishing is also popular along the Arkansas and other nearby rivers and streams.

Collegiate Peaks Wilderness

The Collegiate Peaks Wilderness is a section of the Sawatch Mountain Range and includes some of the highest mountains in the Rockies. The area was designated as a Wilderness by the U.S. Congress in 1980 and now features a total of 165,864 acres. The Wilderness is managed by the U.S. Forest Service. Nine of the seventeen peaks located throughout the Collegiate Peaks section of the Sawatch Range are above 14,000 ft. and are a popular destination for hikers and backpackers. These peaks were named for prominent universities

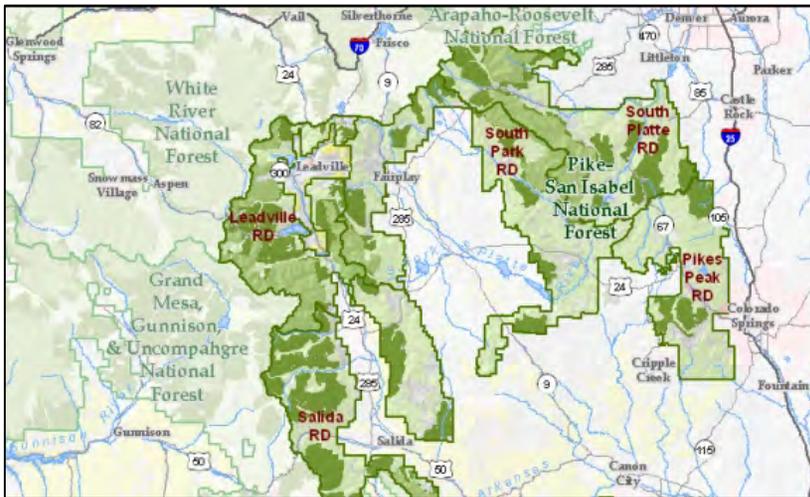
and thus feature names such as Mount Harvard, Mount Princeton, Mount Yale, etc. Popular recreational activities in the Collegiate Peaks include: fishing, backpacking, hiking, hunting and camping. Map 2 displays the Town's proximity to major cities, traffic routes, and natural assets.



Map 2: Natural Assets and Nearby Cities

Pike-San Isabel National Forest

There are many recreational opportunities in and near Buena Vista. The U.S. Forest Service has done extensive research into recreational activity and usage in the Pike-San Isabel National Forest - the closest forest area surrounding the Town. The findings, which cover an area much larger than the outdoor recreational area immediately surrounding Buena Vista, provide insight into popular activities and the number of visitors the forest receives per year.

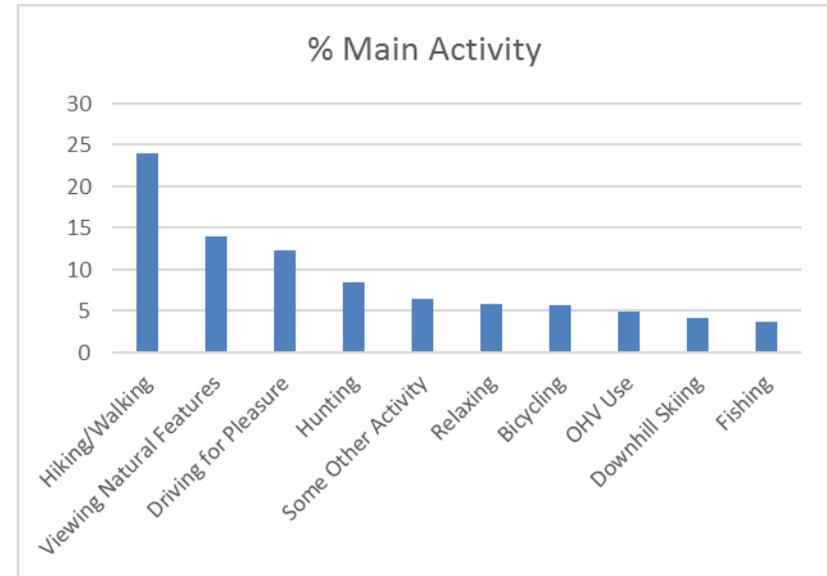


Source: roadless.net

Map 3: Pike-San Isabel National Forest

Popular Activities

The ten most popular activities for visitor of Pike-San Isabel National Forest are shown in Figure 13.



Source: USDA National Visitor Use Monitoring

Note: The figure only shows the top ten activities and does not sum to 100 percent.

Figure 13: Percent participation in popular activities

Visitors Per Year

There were more than 5.7 Million visitors to Pike-San Isabel National forest in 2015. Figure 14 shows the estimates of visits by type.

Annual Visitation Estimate	Visits (1000s)	90% Confidence Level
Total Estimated Site Visits	5743	±20.4
Day Use Developed Site Visits	946	±21.4
Overnight Use Developed Site Visits	297	±35.5
General Forest Area Visits	4281	±26.9
Designated Wilderness Visits	220	±33.8
Total Estimated Site Visits	4328	±20.6
Special Events/Organized Camp Use	30	±0.0

Source: USDA National Visitor Use Monitoring

Figure 14: Annual Visitation Estimates

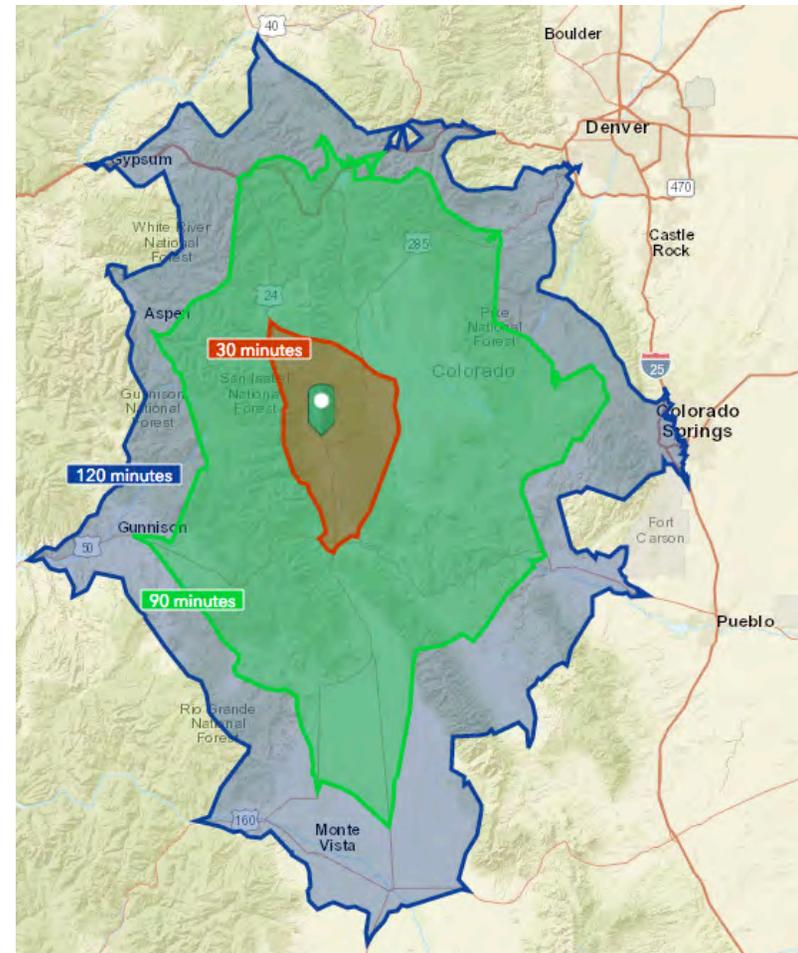
Proximity/Access

The Town is located along U.S. Route 285 and Highway 24. Route 285 connects the Town to Denver and is a north-south U.S. Highway that stretches through the states of Texas, New Mexico and Colorado. Highway 24 connects the Town to both I-70 (North of Town) and Colorado Springs (East of Town) and has an average daily traffic (AADT) count of 12,000 near its intersection with Main Street. Route 285 and Highway 24 are considered the primary traffic corridors in the County.

Resort towns and mountain destinations such as Buena Vista compete on many levels. Differentiation comes from drive time, proximity to major metropolitan areas, and the overall “drivability” of major traffic corridors.

Map 4 displays a drive time map for the Town. The drive time areas are broken out into 30, 90 and 120-minute drive time

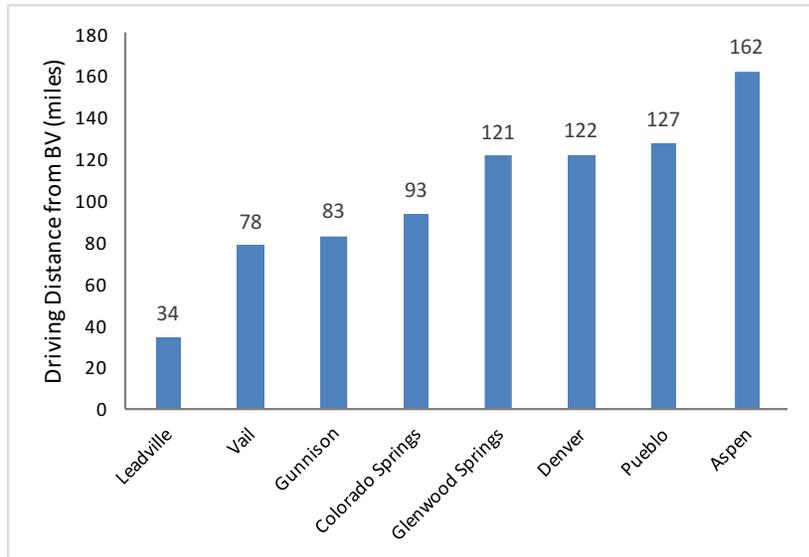
distances. For example, Gunnison is located on the outer edge of the blue area (90-minutes’ drive time distance). Thus, it would take approximately 90 minute to drive to Gunnison on an average day.



Source: Esri

Map 4: Drive Times from Buena Vista to Nearby Cities

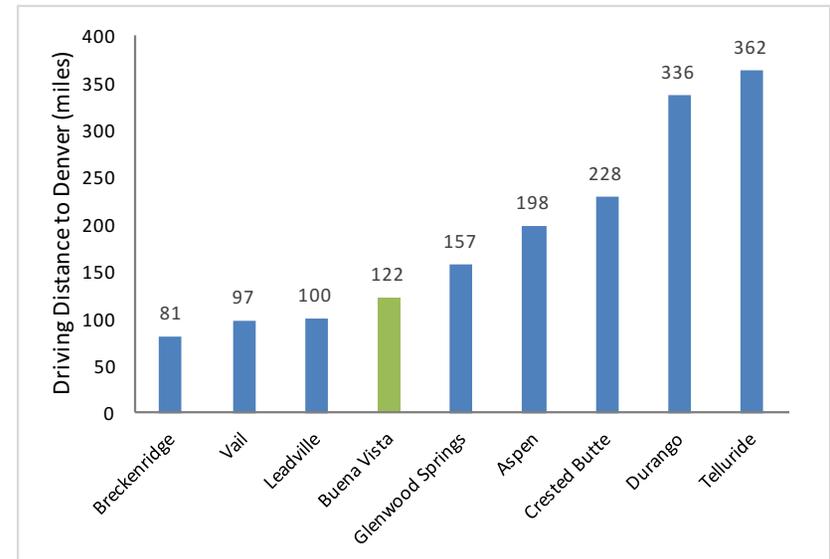
Proximity to a major metropolitan area is an advantage for any destination or resort town community. As can be seen in Map 4, The Town is located within a two-hour drive of two major metropolitan statistical areas (MSA) - the Denver-Aurora-Bloomfield MSA and Colorado Springs MSA. The Pueblo MSA is just outside this two-hour drive time. The driving distances (in miles) from Buena Vista to various nearby cities are displayed in Figure 15.



Source: Google Maps

Figure 15: Distance to Nearby Cities

The Denver-Aurora-Bloomfield (DAB) MSA is the largest MSA in Colorado and the 19th largest MSA (of 382) in the United States. The population of the DAB MSA is estimated to be 2,814,330 in 2015. Denver International Airport (DEN) is the largest airport in the United States by acreage, is the 5th busiest airport in the United States and the 18th busiest in the world. DEN has the 3rd largest domestic connection network in the country.¹ Proximity to this MSA and its airport is a major competitive advantage for resort and mountain towns located near the Front Range. Figure 16 displays the driving distances (in miles) from various popular Colorado destinations to Denver. When compared with other similar communities such as Aspen and Crested Butte, the Town has a competitive advantage with respect to its proximity to these MSAs.



¹ https://en.wikipedia.org/wiki/Denver_International_Airport

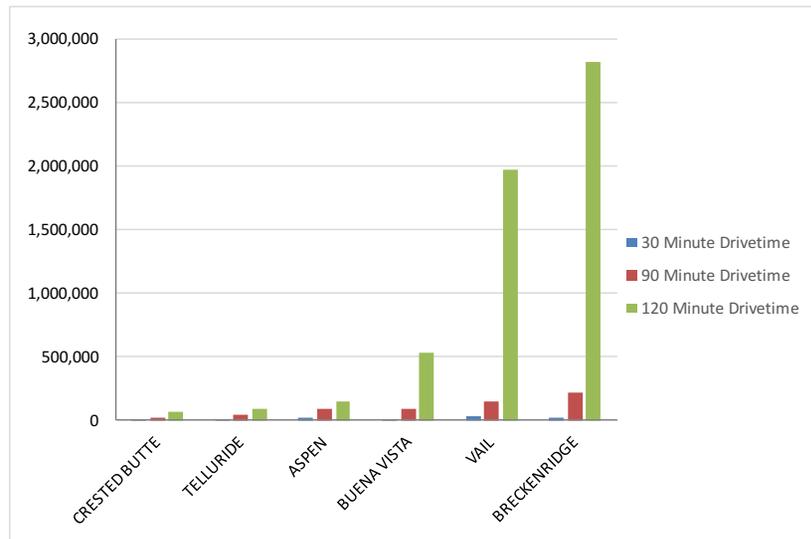
Source: Google Maps

Figure 16: Proximity to Denver MSA

Another benefit of the Town’s location is the 12,000 vehicles per day that pass Main Street on Highway 24.

Market Size

Understanding the market size (population) within the various drive-time areas is also an important element in understanding whether the Town has a competitive advantage over other communities in its ability to reach a larger market. Figure 17 displays the market sizes located within 30, 90, and 120 minutes of various communities that are similar in nature to Buena Vista.

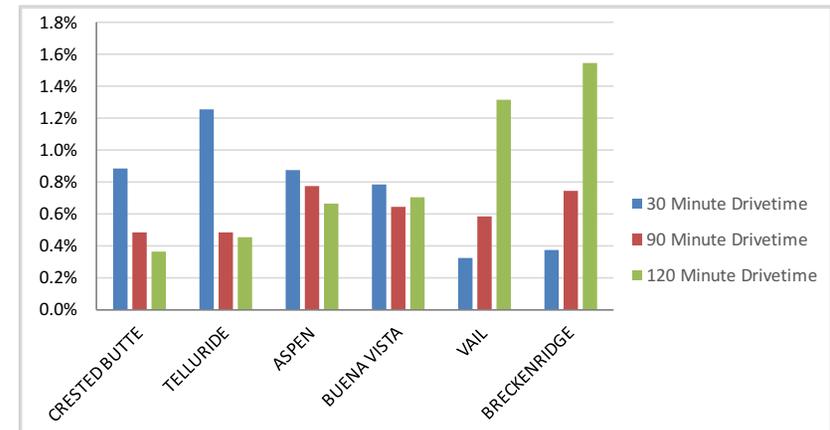


Source: Esri

Figure 17: Population (30, 90, 120 Minute Drive Times)

Both Vail and Breckenridge are located on or near I-70 and benefit from the large Denver MSA population within their 120-minute drive time. Buena Vista also benefits from capturing a portion of the Denver MSA within 120 minutes. In comparison to other mountain Towns, such as Aspen and Crested Butte, the Town of Buena Vista has a competitive advantage in its ability to reach a larger market within 120 minutes of driving time.

The forecasted population growth rates for the next five years (2016 through 2021) with respect to the same drive times are shown in Figure 18.



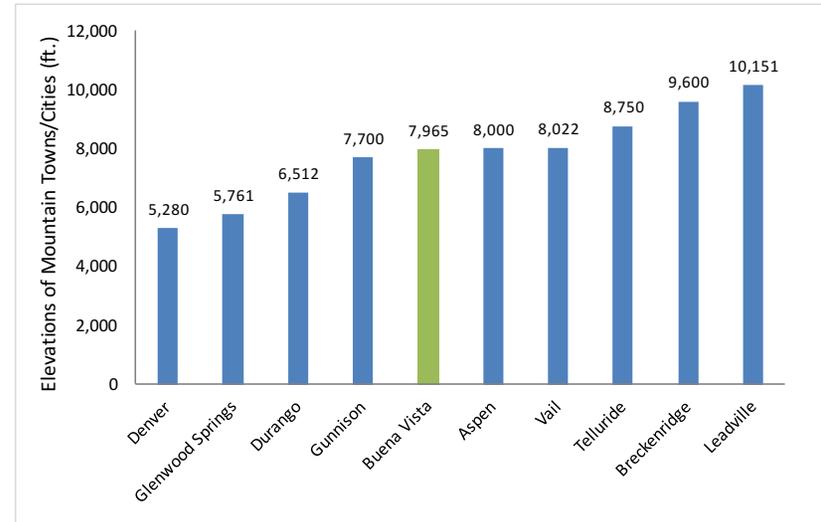
Source: Esri

Figure 18: Population Growth Rates within Drive times (2016 - 2021)

Geographical

The Town is located among multiple mountain peaks, many of which are taller than 14,000 ft. One competitive advantage of the Town may be its elevation, which is 7,965 ft. The City of Leadville (34 miles North of the Town) is well known as the highest City in the U.S., at an elevation of 10,151 ft. If the Town of Buena Vista were a City, it would be considered the sixth highest city in the U.S. Various economic opportunities exist for municipalities located at such elevations. Some of these opportunities include: high-altitude training camps (sports and law enforcement), testing & evaluation of liquid pharmaceutical products, altitude medicine institutions (i.e. Institute for Altitude Medicine at Telluride), high altitude unmanned aircraft system (UAS) testing, medical high altitude simulation tests (HAST), etc.

Figure 19 displays the various elevations associated with well-known resort and mountain Towns located throughout Colorado.

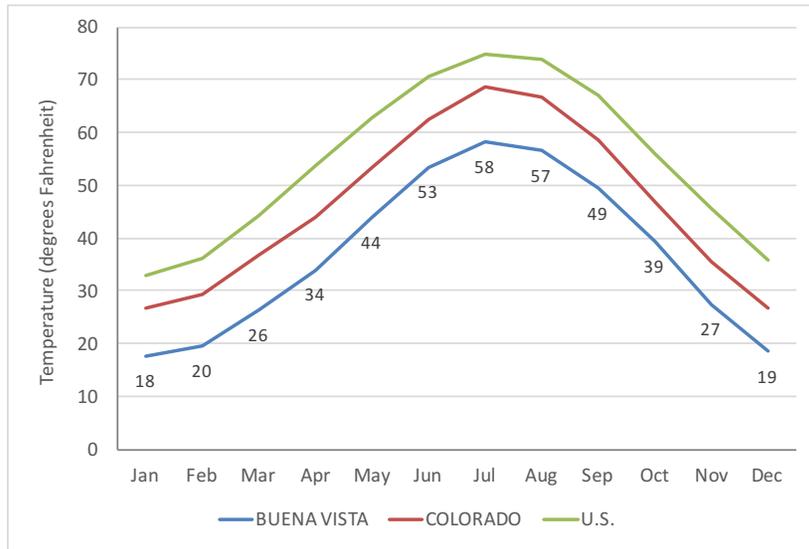


Source: Google

Figure 19: Elevation Comparison of CO Mountain Towns/Cities

Climate

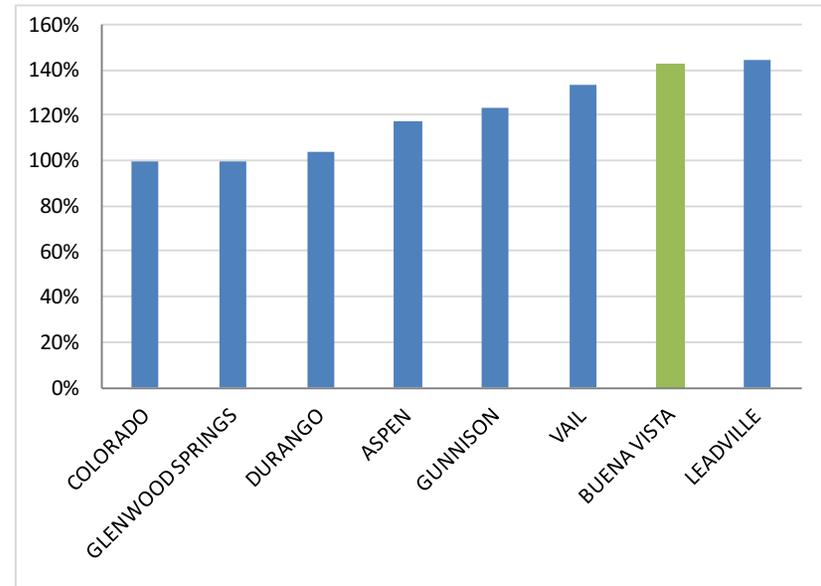
Temperatures in the Town are cooler than the State and national averages. The average temperature in July is 58 degrees Fahrenheit; in January and December the temperature is around 19 degrees Fahrenheit, as shown in Figure 20. The average annual temperature for the Town is 36.9 degrees Fahrenheit, which ranks as the 21st coldest municipality (of 561) in the State. Breckenridge (36.69 degrees) and Leadville (36.87 degrees) have similar average annual temperatures.



Source: USA.com

Figure 20: Average Monthly Temperatures

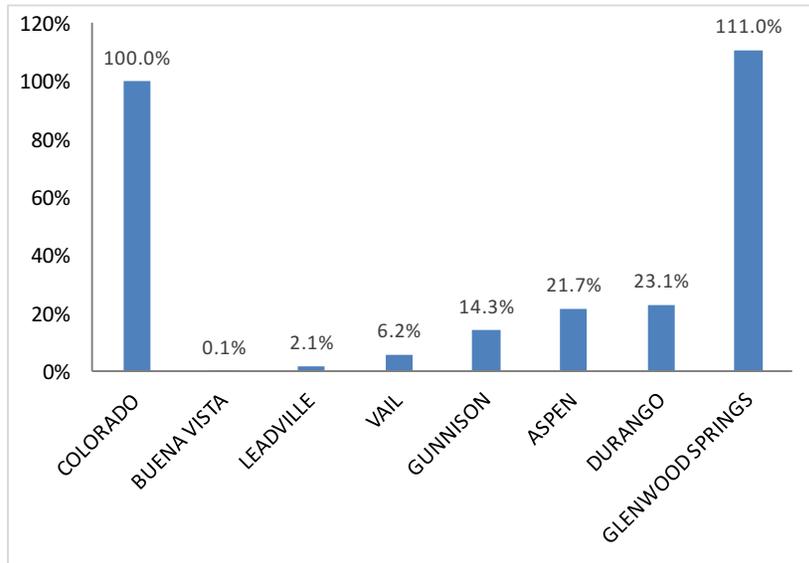
The heating index for the Town, which compares the amount of energy required to heat a building based upon average temperature and duration of cold days, is 142 percent of the State average and is higher than most of the comparable cities/towns, as seen in Figure 21.



Source: USA.com

Figure 21: Heating Index

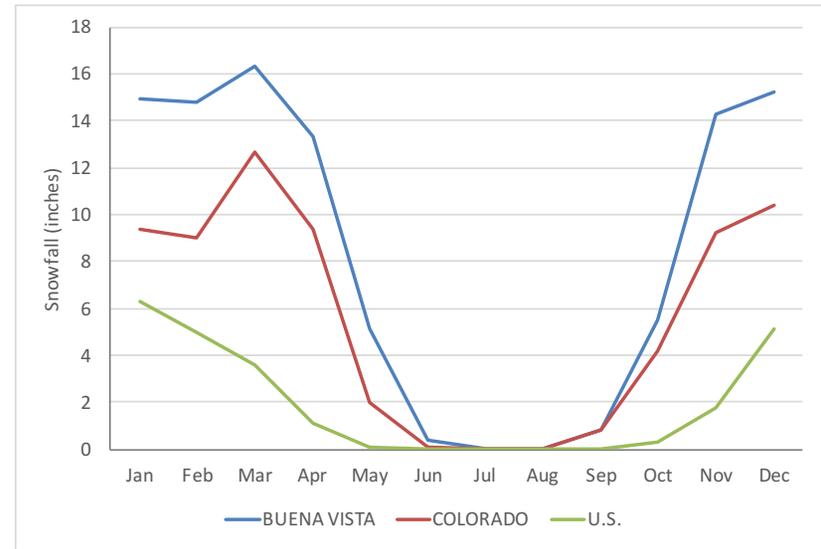
Conversely, the cooling index (the amount of energy required to cool a building) shown in Figure 22 is 0.1 percent of the State average and is the lowest of comparable counties. This cool environment in the Town creates ideal conditions for winter activities and businesses such as data centers that favor locations with a low cooling index.



Source: USA.com

Figure 22: Cooling Index

Figure 23 shows the average monthly snowfall (in inches). The Town and surrounding area experience a significant amount of snowfall between the months of November and March. The mountain biking trails and OHV trails become fully accessible by early June.

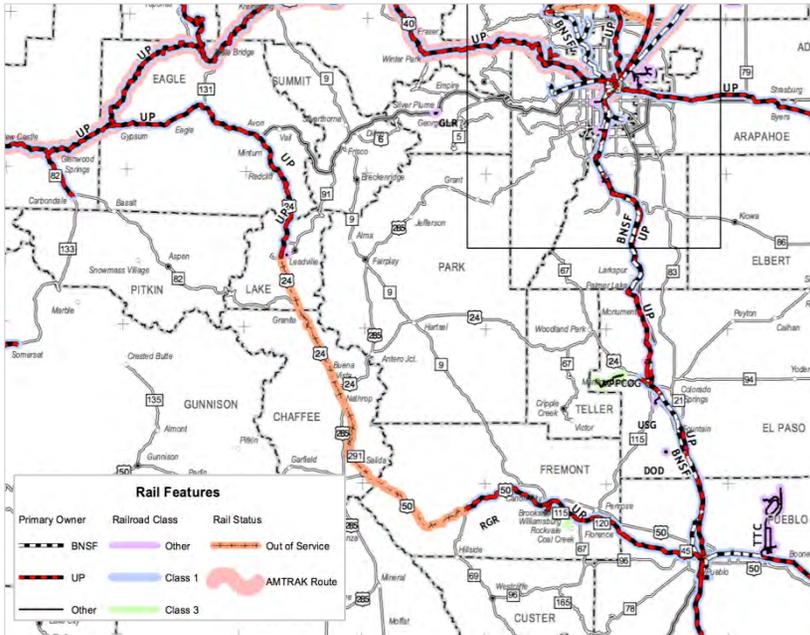


Source: USA.com

Figure 23: Average Monthly Snowfall

Rail Access

According to a railroad map produced by CDOT in 2010, the railroad that passes through the Town is currently out of service. However, both the Royal Gorge Route in Canon City and the Union Pacific Line in Leadville are both still active, as shown by Map 5.



Source: CDOT

Map 5: Railroad Map (2010)

In the early 1900’s, the Town was the head of three major railroads: Denver/South Park Pacific Line, The Colorado Midland (“the Midland”) and the Denver/Rio Grande Line. The Midland was shut down in 1922. The Denver/South Park Pacific Line (later known as the South Park) “built the highest railroad tunnel in the world at that time. It was the Alpine Tunnel, located above St. Elmo.” The Denver/Rio Grande Line was bought by Southern Pacific in the 1980’s and then merged with Union Pacific in 1966. Union Pacific abandoned the stretch that runs through Buena Vista after acquiring it in 1966.

Public Education

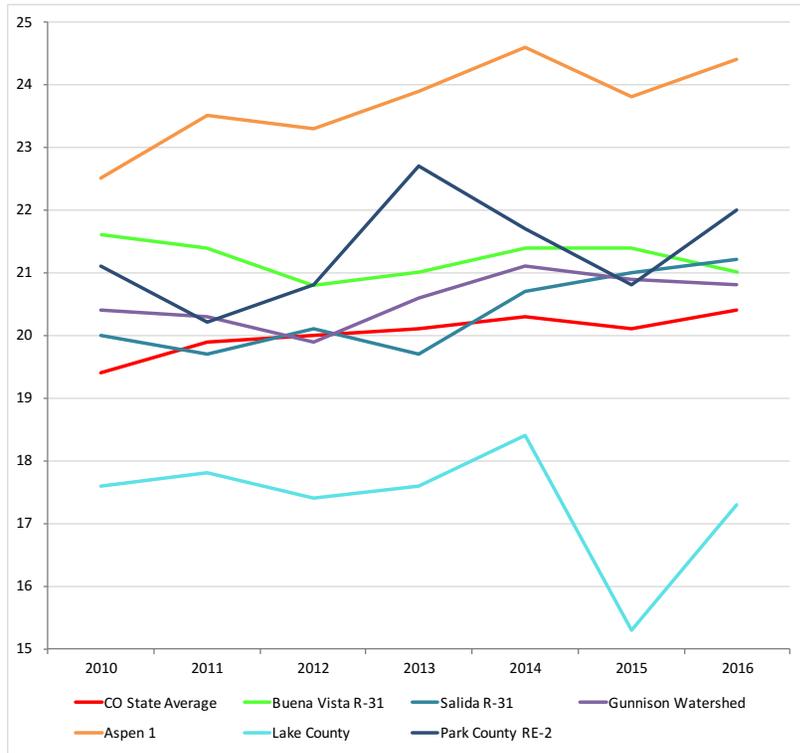
The Buena Vista R-31 school district includes four schools that serve PK-12 students. These schools are Parsons Elementary, McGinnis Middle School, Buena Vista High School, and Chaffee County High School.

The average number of students enrolled in the district between 2007 and 2016 was 990 students. Although enrollments have fallen by 1.4 percent from 2007 to 2016, current enrollment is actually 101 percent of the ten-year average and 2015 had the highest enrollment of the decade. Both Salida and Gunnison school districts have seen an increase of approximately 200 students over the last five years while Lake County has seen a decrease of approximately 200 students over the same time period. Both Aspen and Buena Vista have remained relatively consistent in their PK-12 enrollment over the past decade.

The ACT college readiness assessment is a standardized test for high school achievement and college admissions in the United States. In this test, students are tested on four categories, including English, Math, Reading and Science. The composite score is the average of these individual test scores and is used in addition to the student’s GPA to apply for college admission and scholarships.

Figure 24 shows the ACT composite test score averages for Buena Vista R-31, Lake County R-1, Salida R-32, Gunnison Watershed RE1J and Aspen 1 districts and the State as a whole. Students in the Buena Vista R-31 District have consistently performed at a higher level than the State average over the past

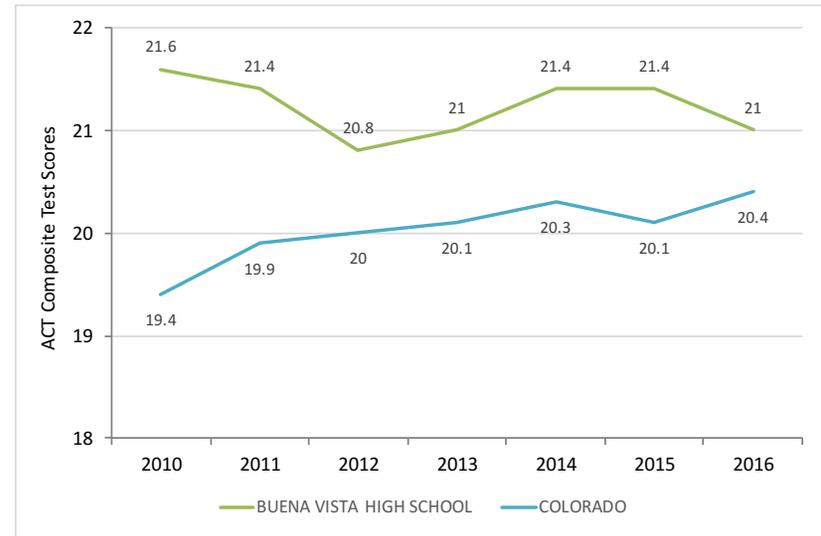
six years and had higher scores than all but the Park County RE-2 and Aspen 1 districts.



Source: CDE

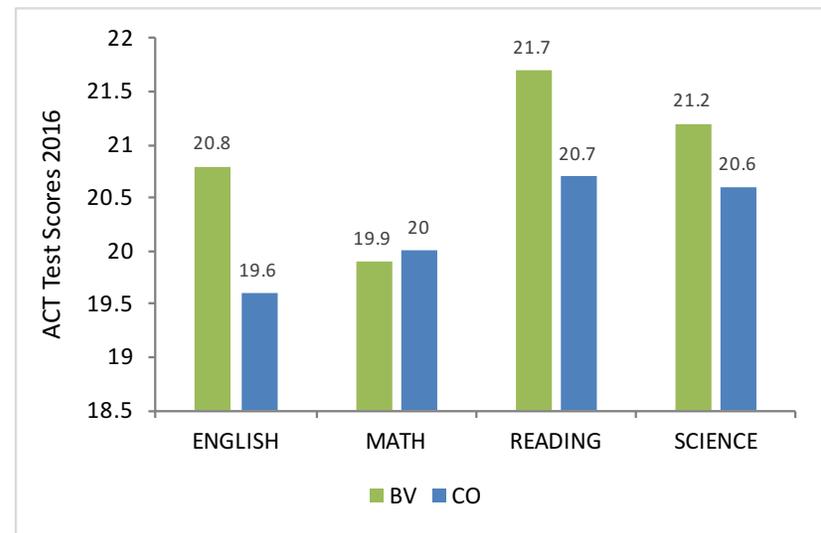
Figure 24: ACT Composite Scores by District and State 2010 – 2016

Figure 25 displays the composite (average) scores for both the District and the State between 2010 and 2016 while the breakdown of the individual ACT test categories for the year 2016 is displayed in Figure 26.



Source: CDE

Figure 25: ACT Composite Scores 2010 – 2016

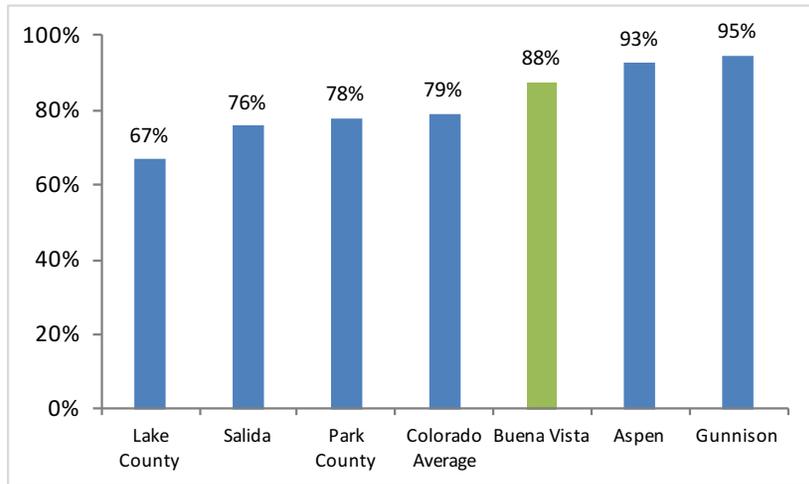


Source: CDE

Figure 26: ACT Composite Test Scores Breakdown 2016

While it had a lower composite score in mathematics in comparison to the State in 2016, the District has been outperforming the State in every other category for the last six years.

The testing data supports the position expressed by many stakeholders that the Buena Vista District provides a high-quality education.



Source: CDE

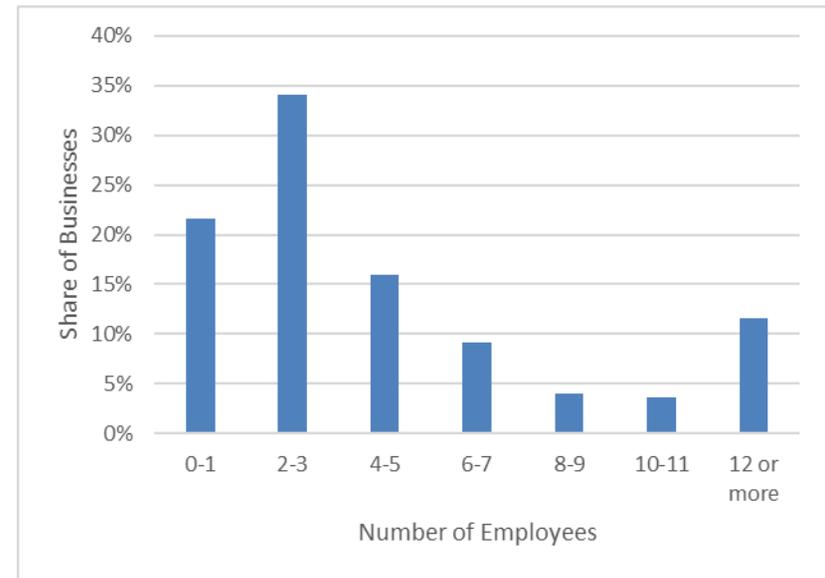
Figure 27: 2016 Graduation Rates by District and State

Buena Vista’s relatively high graduation rate of 88 percent is nine percentage points higher than the State average.

Business Size

According to ESRI, almost 35 percent of the businesses sampled in Buena Vista have 2-3 employees; more than 20 percent have 0-1 employees (see Figure 28). Around 10 percent of the sample had 12 or more employees (see Figure 28). There are approximately 250 registered businesses located with the immediate Town area which includes a .75 mile radius around the intersection of Main Street and Highway 24. This area excludes the prison and the airport. The average number of

employees per business for businesses located within this radius is 5.6.



Source: ESRI Business Analyst

Please note that this data represents a sample of 250 businesses and does not capture all businesses within the Town.

Figure 28: Share of Businesses by number of employees

Geothermal

The Mount Princeton Hot Springs area is one of the State’s most active geothermal energy areas. Temperatures in excess of 184 degrees Fahrenheit have been measured at Hortense Hot Spring, making it the hottest hot spring in Colorado.²

² http://en.openei.org/wiki/Mt_Princeton_Hot_Springs_Geothermal_Area

There has been some activity and exploration around utilizing the geothermal resources for beneficial use—potentially for energy generation. Fred Henderson has been the vanguard for these discussions.

South Main Street Development

The South Main Development, located along the Arkansas River on the western side of the downtown area, has been a significant addition to the Town over the last decade. Currently, the 41-acre South Main Development includes approximately 70 homes, a 20-room surf Chateau Hotel, the Eddyline Restaurant, and several shops. At full build-out, the development will include approximately 400 residences and as many as 75,000 SF of commercial space. Existing homes in the development are priced in the \$300,000 to \$2 million range.

The South Main development has an urbanistic, unique approach to the facades and overall style incorporated into the various residences and commercial buildings. Having a new housing product type of the quality and progressive nature of South Main is an asset to the community in attracting professionals.



Source: South Main Website

Figure 29: South Main Development

Main Street



4 | Housing

Housing was the challenge most often cited as being an impediment to economic growth. Many have anecdotes about families moving into the Town unable to find housing. This section summarizes the data that defines the current housing situation and then offers some insights into potential solutions.

Table 1 summarizes various characteristics of the Town’s housing stock as of 2015.

Housing Characteristics	Buena Vista	Chaffee County	Colorado
Population	2,705	18,309	5,278,906
Housing Stock (Total Units)	1,239	10,260	2,261,063
% Occupied	90%	76%	90%
% Owner Occupied	64%	76%	64%
% Renter Occupied	36%	25%	36%
% Vacant	10%	24%	10%
% for Rent	14%	6%	17%
% for Sale Only	29%	5%	9%
% Other Vacant	58%	89%	75%
Median Household Income	\$ 42,405	\$ 48,528	\$ 59,448
Median Home Value	\$ 202,000	\$ 274,200	\$ 247,800
Median Gross Rent	\$ 787	\$ 802	\$ 1,002
Median Gross Rent as % of Income	32%	30%	31%
Median Year Structure Built	1980	1981	1982

Source: U.S. Census

Table 1: Housing Stock Summary

The Town’s housing stock is similar to the State average in terms of occupancy, vacancy, ownership breakdown, and the median year when the structures were built. The Town’s median household income (MHI) of \$42,405 is significantly less than the

State MHI of \$59,448. While the median home value (MHV) and median gross rent (MGR) are both significantly less than that of the State, the disparity among the MHI values for the Town and the State is much more significant. Table 2 shows these disparities among primary housing characteristics.

Housing Characteristic	Buena Vista	Colorado	Disparity
Median Household Income	\$ 42,405	\$ 59,448	40%
Median Home Value	\$ 202,000	\$ 247,800	23%
Median Gross Rent	\$ 787	\$ 1,002	27%

Source: U.S. Census

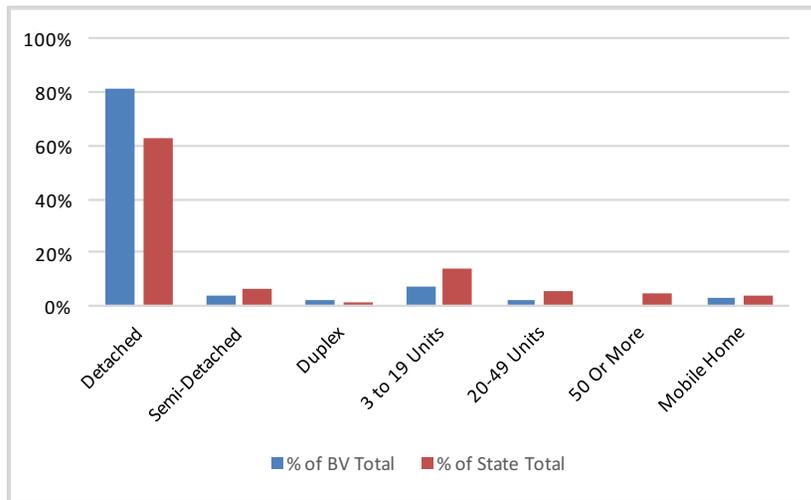
Table 2: Housing Disparities between Town and State

The Town’s MHI is 40 percent less than of the State yet the median home price in the Town is within 23 percent of the State median. This discrepancy has a dramatic impact on housing affordability in the Town. If the disparity between the MHV and the MHI were the same percentage, then housing affordability would be relatively the same. However, since the gap between Buena Vista’s MHI and the State’s is significantly higher than the gap in home values, a much smaller percentage of households in Buena Vista are able to afford a home at the median value than is the case in the State. This means that residents with an annual income similar to the MHI of the Town will struggle to find an affordable home. This significantly impacts the Town’s ability to grow and attract new and younger families.

Configuration of Housing Stock

According to Census’ ACS 5-year estimates, of the Town’s total housing stock of 1,239 units, 82 percent is detached units. A detached unit is a free-standing residential building that is

usually owned, not rented. Across the State, detached homes make up 63 percent of total inventory. Multifamily housing makes up 33 percent of the State’s total housing stock, but only 16 percent of the housing stock in Buena Vista. The new development of attached townhomes at South Main and California Street will increase the ratio of detached housing units.



Source: U.S. Census

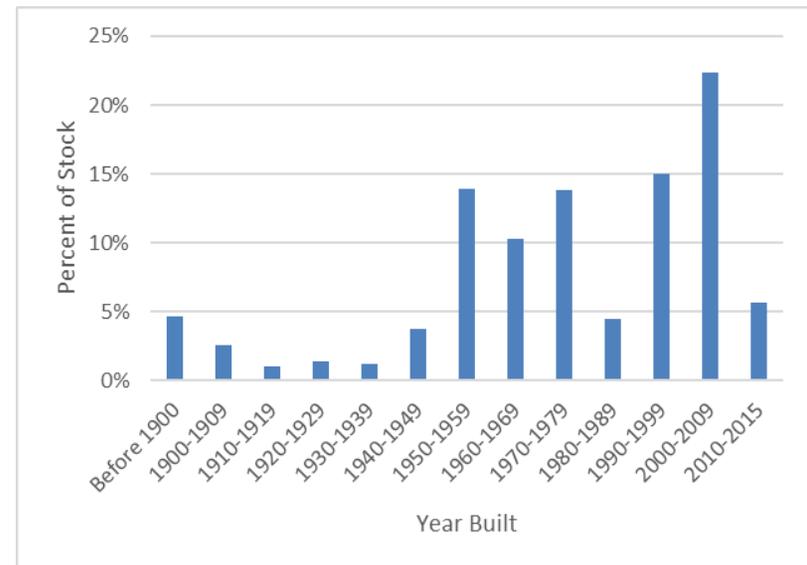
Figure 30: Housing Stock Configuration

28 percent of the State’s total housing units are multi-housing developments (apartment complexes, townhomes, condominiums) that have 3 units or more. In Buena Vista, only 15.5 percent of all housing is multi-family. There are no developments in the Town that offer 50 or more units.

Age of Housing Stock

In combination with the U.S. Census, data from the Chaffee County assessor was analyzed to get a better picture of the housing status. According to the data collected from the county assessor, the largest segment of homes in Buena Vista (approximately 22 percent) were built between 2000 and 2009.

While the last bar in Figure 31 only represents half of the current decade, there has been an obvious slowdown in the number of homes built. In the context of positive net migration and the slow growth of building activities, it is likely that there will not be enough housing units to supply the increasing demand for housing.

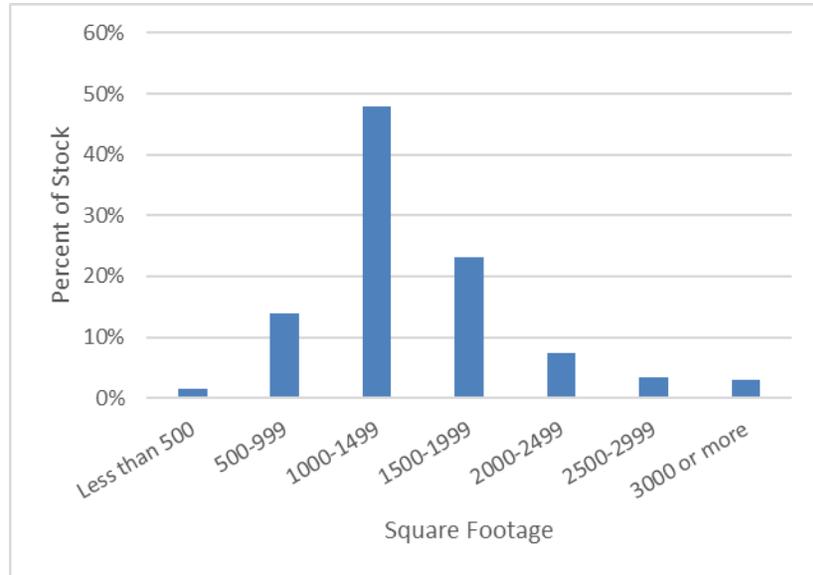


Source: Chaffee County Assessor’s Office

Figure 31: Age of Housing Stock

Size of Housing Units

The largest section of homes in Buena Vista are between 1,000 and 1,499 SF (see Figure 32). The average size of a residence in Buena Vista is 1,472 SF.



Source: Chaffee County Assessor’s Office

Figure 32: Size of Housing Units (by Sq. Ft.)

Affordability

A common measure to determine home affordability is the ratio of monthly mortgage to monthly income. A mortgage that is 28 percent or less of monthly income is typically considered affordable. While this metric is very relevant for an individual consumer, it is less reliable as a way to assess the medium-term affordability of an entire market because of fluctuations in

interest rates. Low interest rates create a distortion in the perception of affordability, but if interest rates were to rise, that same home would no longer be affordable.

Consequently, the most accurate way to assess the medium-term affordability of homes in a market is to divide the home price by the consumer’s annual income. A ratio of 2.5 or lower is considered affordable.

Using the median wage of \$42,405, the Median Affordable Home (MAH) in Buena Vista would cost \$106,013. Based on the Census housing data, only 7.9 percent of all housing in the Town is below the MAH. By comparison, in the State as a whole, 20 percent of homes are under the MAH.

Housing Affordability Matrix	Buena Vista	Colorado
Median Housing Value	\$ 202,000	\$ 247,800
Median Income	\$ 42,405	\$ 59,448
Median Affordable Housing (MAH)	\$ 106,013	\$ 148,620
% of Housing Stock Below MAH	7.9%	20.0%
Houses w/o Mortgage	30.2%	26.7%
Median Affordable Rent (MAR)	\$ 989	\$ 1,387
% of Rents Below MAR	75.9%	75.9%
Total Affordable Housing Stock	28.8%	34.9%

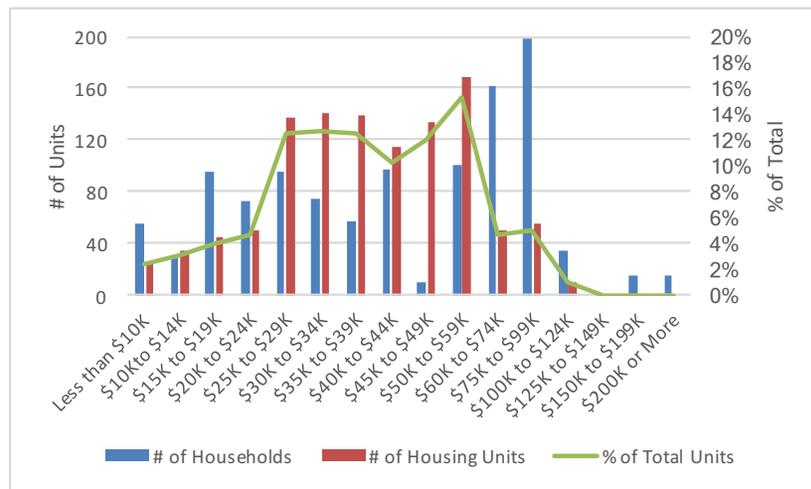
Source: U.S. Census

Table 3: Housing Affordability Matrix

The other important factor when evaluating affordability is rental rates. Using the aforementioned metric, monthly rental payments that are 28 percent or less than monthly income

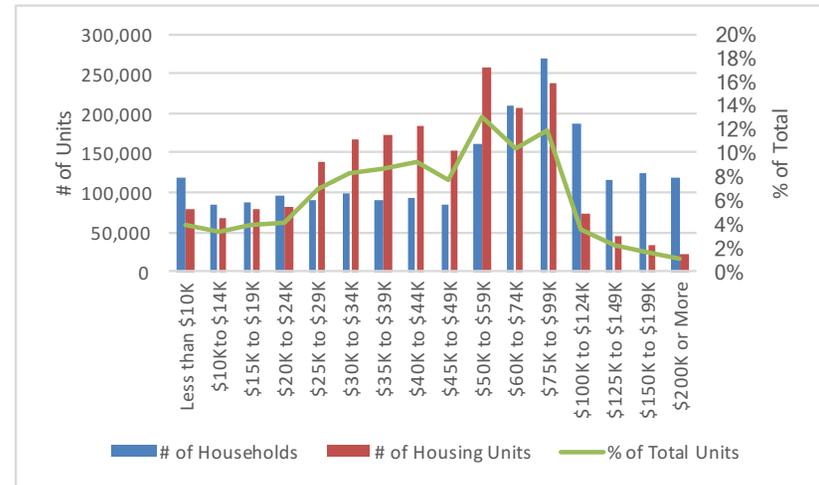
would be considered affordable. Given the median income of \$42,405, the median monthly income is \$3,533 and 28 percent of that income is \$989. The median rental rate in the Town is \$787. Fully 75.9 percent of rents are below the Median Affordable Rent (MAR) of \$989 and would be considered affordable.

The analysis presented in Figure 20 compares the number of households in each income bracket to the number of housing units (both for rent and owned) that are within the range of affordability for those incomes. The same analysis for the State is presented in Figure 34.



Source: US Census Bureau

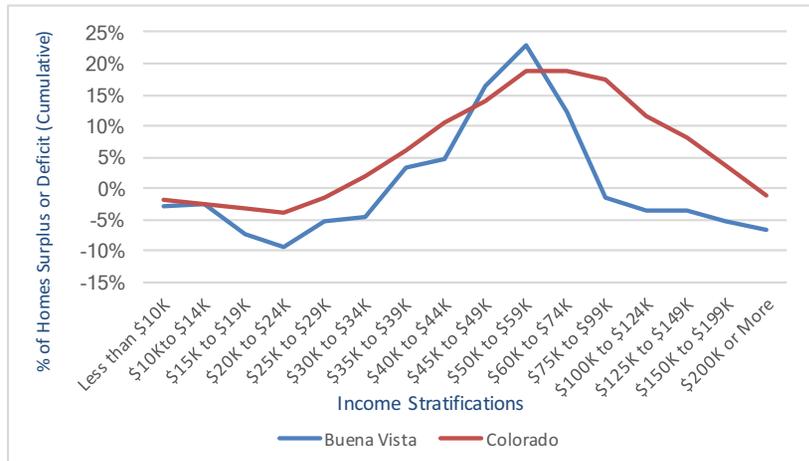
Figure 33: Buena Vista Housing Affordability Analysis



Source: US Census Bureau

Figure 34: Colorado Housing Affordability Analysis

It is expected that there would be over-consumption of housing relative to incomes in the higher income brackets because of the wealth effect. As households accrue equity in their homes, they are likely to transfer that equity into a more expensive home—while maintaining an affordable payment. The wealth effect is shown in Figure 35. At both the State level and in Buena Vista, there is a shortage of homes relative to households with corresponding incomes until incomes of \$30K per year are reached at the State and \$40K in BV. In both the State and Town, the surplus of homes over the number of households with corresponding annual incomes peaks at \$60K. Thereafter, however, the State’s surplus remains for the next four income levels while BV’s surplus disappears within two income levels.



Source: US Census

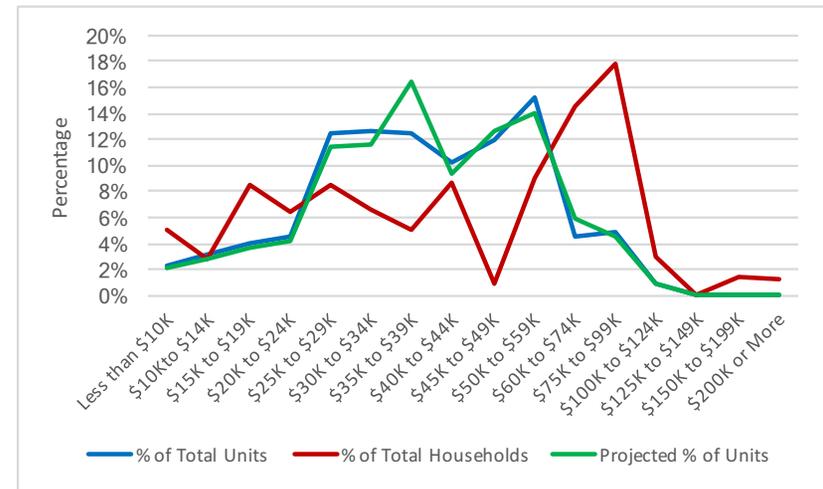
Figure 35: Cumulative Housing Availability by Income

This analysis indicated that there is an undersupply of housing at both extremes of the income distribution. There are significant gaps between the number of households and the housing available for households under \$25K in annual income in the Town. In aggregate, the shortfall is 99 units. In most situations, housing for these income brackets is supplied by affordable multi-family apartments, but there is an acute undersupply of multi-family housing in Buena Vista. The state has a similar imbalance but not nearly to the extent it exists in the Town, reinforcing the severity of the situation.

There is also a shortage of housing for higher-income households. While higher-income households tend to spend a lower percentage of their income on housing and thus under-consume compared to lower-income households, the effect is more pronounced in Buena Vista. For the 426 households with

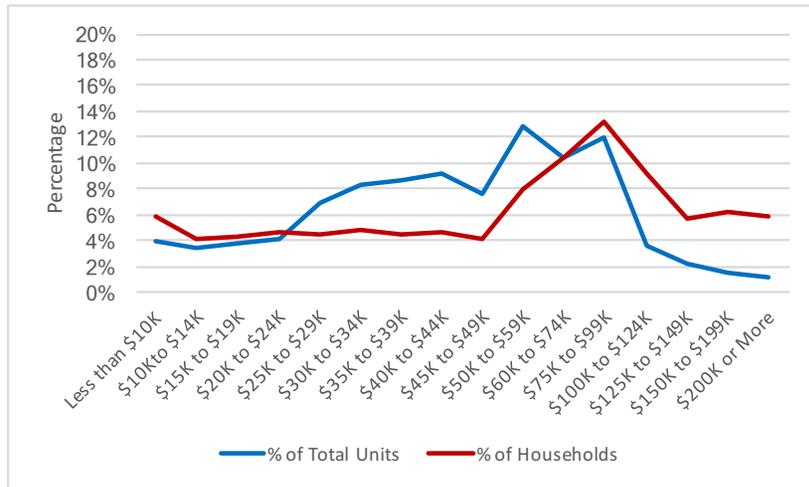
annual income above \$60K, there are only 117 houses of corresponding value.

The oversupply of housing for the middle-income households at the expense of affordable housing options for the extremes of the income distribution is graphically represented in Figure 36 and Figure 37. Note that the percentage of affordable housing units in each income bracket follows much more closely the percentage of corresponding households in the State than in Buena Vista.



Source: US Census Bureau

Figure 36: Buena Vista Ratios of Housing Units to Households by Income



Source: US Census Bureau

Figure 37: Colorado Ratios of Housing Units to Households by Income

Much attention has been paid to the critical shortage of affordable housing in the Town, but the analysis indicates that the shortage is present at both extremes of the income distribution. Having more high-income housing would free up middle-income housing and / or allow for greater in-migration. An increased supply of housing for middle incomes would put downward pressure on pricing and make those homes more affordable for lower income households. Additionally, more multi-family housing is needed in the Town.

Current Housing Availability in Buena Vista

According to data available on Zillow, there are 35 properties that are currently for sale within the Town’s boundaries. These

include 14 homes, 12 apartments, 2 condos and 8 undeveloped lots. The median price for the available houses is \$371,950 with a median price of \$221 per SF. The median price for an average lot in a residential neighborhood featuring between 7,000 and 9,500 SF is \$42,400 with a median price of \$5 per SF. According to Zillow, only one property is currently available for rent in the Town boundaries. Although this is a small sample and may not accurately reflect the median home price for all homes in the Town, it does hint at the difficulty that new residents may face as they consider moving to the Town and buying a new home.

Supply of Housing

In the United States, there is a 1.15:1 ratio of housing units to households. The surplus represents homes, apartments or condos that are for sale or rent, uninhabitable, held in estate, second homes or vacation rentals. In the US, 3.1percent of homes are vacation rentals³. In Colorado, the ratio of housing units to households is 1.13:1 but in Buena Vista it is 1.105:1. There are 51 homes that are listed on VRBO.com and AirBnB.com as vacation rentals in the Town. In order for Buena Vista to have the same spare ratio as the United States (excluding vacation rentals) an additional 68 housing units would need to be added to the inventory.

The Farm is a new 90-unit housing development that broke ground on March 23rd. The development will have housing units that are in the affordable range (under \$200K) and mid-range (\$250K to \$350K). South Main is planning to build several units per year and there are other homes planned by other

³ <https://www.census.gov/hhes/www/housing/census/historic/vacation.html>

homebuilders. The affordable housing project being contemplated by the Town would further add to the available supply.

If there is no pent-up demand for housing from outside of the Town, the developments that are currently planned are sufficient to satisfy existing demand within three years and bring the spare ratio up to the national average. If there is significant pent-up, latent demand for net in-migration, then more housing may be necessary. The graphical representation of the impact of the new housing units is shown by the green line in Figure 36.

Building Permits

A good way to gauge building activity is to see the number of building permits issued over time. Buena Vista has seen some variance in the number of building permits issued each year, but there seems to be an increase in building activity from 2010 to 2016. Residential building activity has been increasing every year since 2012. Commercial building activity, although, has not been as consistent and tends to fluctuate between periods of activity and inactivity (see Figure 38).



Source: Chaffee County Planning Department,

Figure 38: Building Permits Issued in Buena Vista (2010-2016)

5 | Local Economic Model

Better City has developed a local economic model that identifies the key flows of labor, capital, and goods and services within a county based on data from Colorado’s Department of Local Affairs and the Bureau of Economic Analysis. (The data for the model is only available at a county level.) The flows, and quantities (for those factors for which data is available) are shown in Figure 39. Local residents (D) provide labor (F) to local industries (H, I) and receive wages (E) in return. In addition to those who live and work in Chaffee County, some labor commutes into (K) or out of (B) the County in exchange for wages that flow out of (L) or into (C) the County respectively. Local industry can be separated into two groups: Direct Basic industries (H) that export goods and services outside of the County, and Non-Basic Industries (I) that primarily provide goods and services to local residents. Basic industry exports are the key source of outside revenue (J) for the local economy. Such revenue is necessary for the local economy to be able to import goods and services that are not produced inside the County. Finally, transfers of capital (A) into the economy include government transfers such as Social Security and investment income. Transfers out of the economy include savings, contributions for government, social insurance, and taxes.

There are several key findings that stand out from this analysis. The first is the ratio of basic jobs. Economies that are export oriented are typically healthier and create more jobs over the long run than economies whose main source of jobs is creating services for their own residents.

In Chaffee County, 72% of all jobs are basic – producing products or services that are consumed outside of the County. This is a very healthy ratio.

Another significant observation is the number of workers who commute into the County for work relative to those who leave. There are 398 workers who come from neighboring counties into Chaffee County to work while only 144 commute from Chaffee to other counties. This again reinforces the strength of the County’s economy because it needs to import workers to fill its labor requirements.

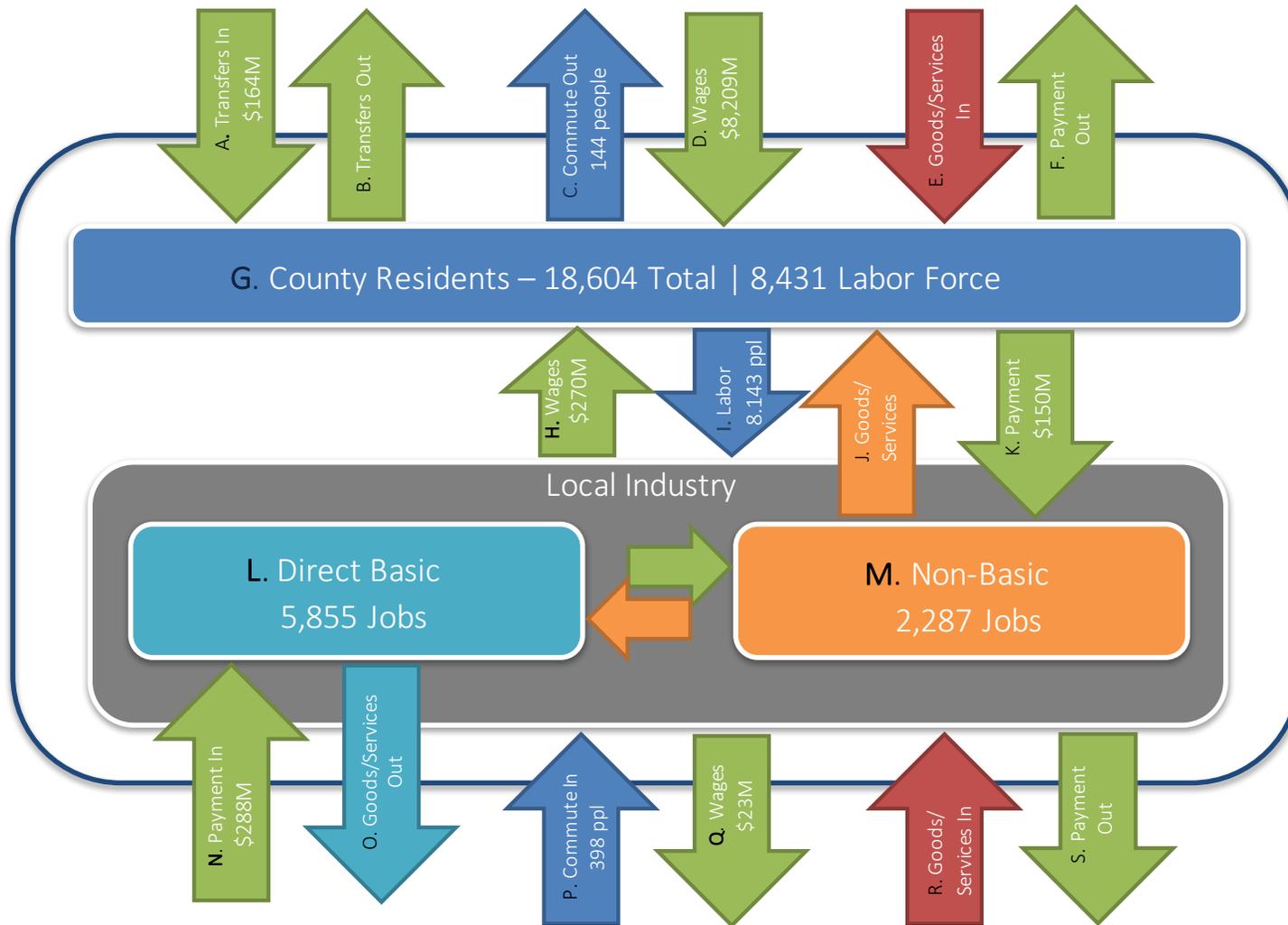


Figure 39: Local Economic Model

Mt. Princeton

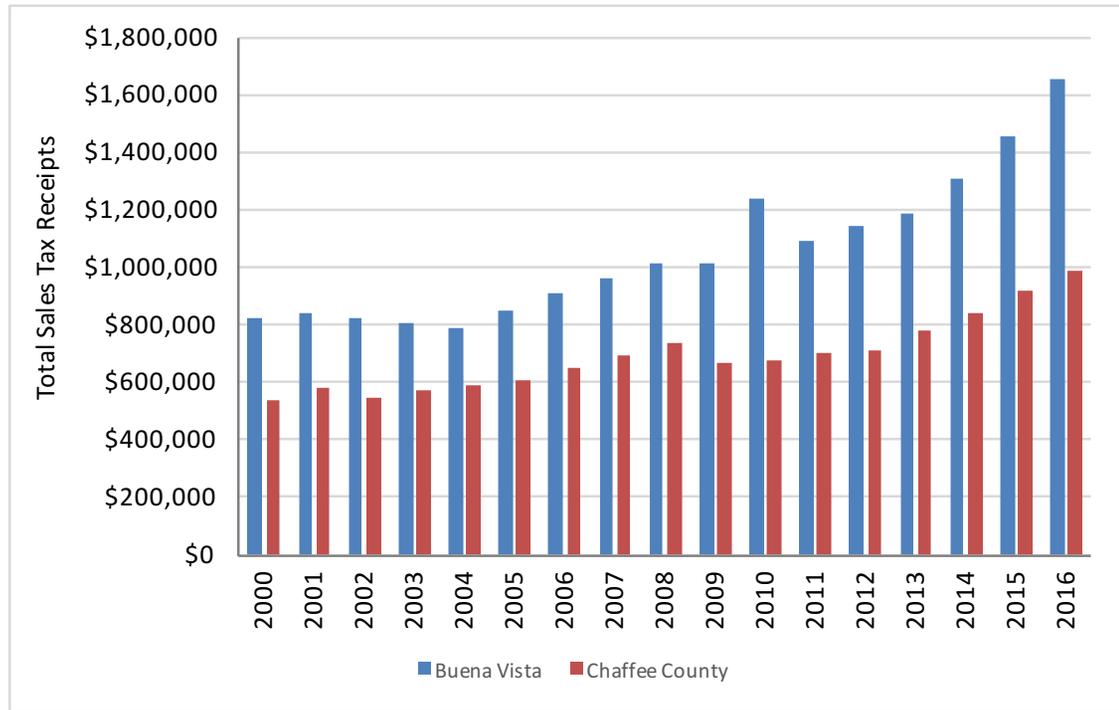


6 | Sales Tax History

Nominal Sales Tax

Given the touristic and recreational nature of the Town, an analysis of sales tax history was performed to evaluate if the Town is over or under performing in regard to its ability to capture this type of economic activity.

Figure 40 displays the sales tax history for both the Town and the County. Sales tax for the Town experienced a slight decline between 2001 and 2004. Activity picked up in 2005 and growth tapered off at the start of the Financial Crisis of 2008. Sales tax spiked in 2010 due to an increase in the sales tax from 2.0 percent to 2.5 percent. Towns like Buena Vista that rely on tourism and outdoor recreation usually suffer when the Nation’s economy experiences major downturns. When money is tight, consumers think less about rafting down the Arkansas River and more about saving. However, sales tax in Buena Vista held steady throughout the Great Recession.



Source: Town of Buena Vista

Figure 40: Sales Tax History 2000-2015

Sales tax for both the Town and the County have been increasing since 2011 with record-breaking years in 2014, 2015, and 2016 in terms of nominal sales tax revenue. However, when adjusted for inflation, using 2000 as the base year, real sales tax (inflation adjusted sales tax) has finally returned to a level proportionate to the amount of sales tax generated in 2000.

In nominal terms, the increase in the Town’s sales tax rates has created approximately \$1.8 million in additional sales tax revenue since 2010. Had the Town not increased the sales tax rate, real, inflation-adjusted sales tax revenue would not have exceeded the

2000 base until 2016. The need for an increased sales tax rate is an additional indicator that the Town has struggled to keep up with inflation, and that retailers’ revenue growth has barely kept pace with inflation (relative to the year 2000).

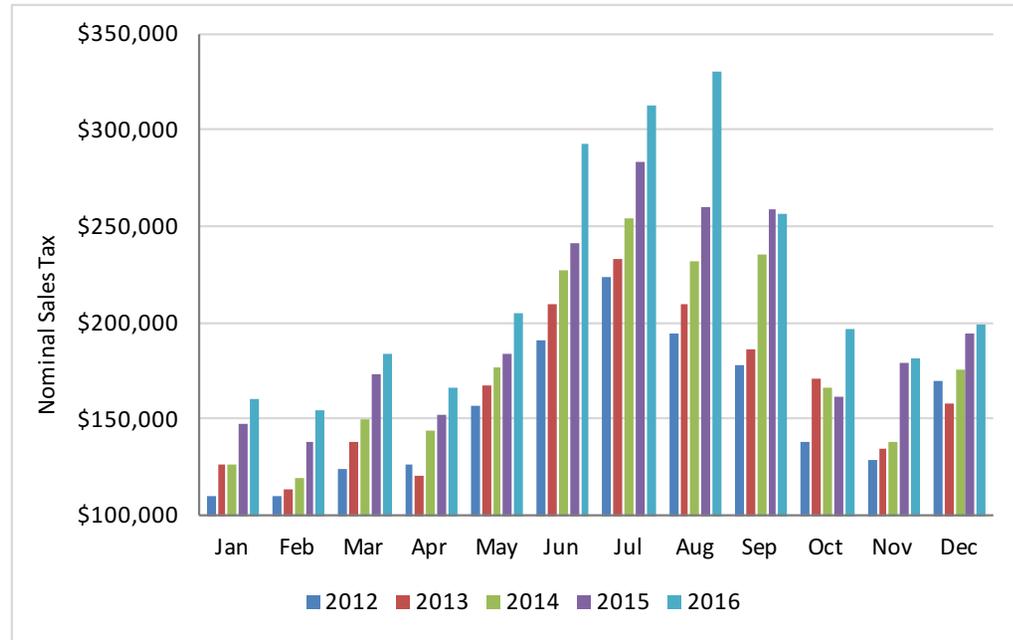
Seasonality

One of the primary concerns raised during the stakeholder interviews was the seasonality of the local recreation market. Multiple community stakeholders expressed their desire to create year-round tourism.

Figure 41 displays the nominal sales tax broken down by both months and years. This chart confirms the fact that the Town experiences dramatic seasonality between the winter and summer months. Obviously, the summer months of June, July, and August have consistently experienced the most economic activity.

Another observation is the recently-discussed surge in sales tax receipts during 2016. Not only did total nominal sales tax revenue reach a record breaking high in 2016 but the monthly

sales tax during that same year hit record-breaking highs. The most dramatic jump in monthly sales tax revenue from year to year occurred in August of 2016. Sales tax for the month of August shot up by nearly 27 percent between 2015 and 2016.



Source: Town of Buena Vista

Figure 41: Nominal Sales Tax Seasonality 2000-2016

It became apparent throughout the interviews with community stakeholders that the Town’s tourism and outdoor recreation industries are doing very well. It seems that the Town’s offerings in these industries is a major attribute that defines the Town and its identify among other “mountain towns.” Anecdotal evidence would suggest that the majority of the recent uptick in sales tax revenue may be attributed to increased activity in these industries. However, further data analysis is necessary in order to confidently arrive at this conclusion.

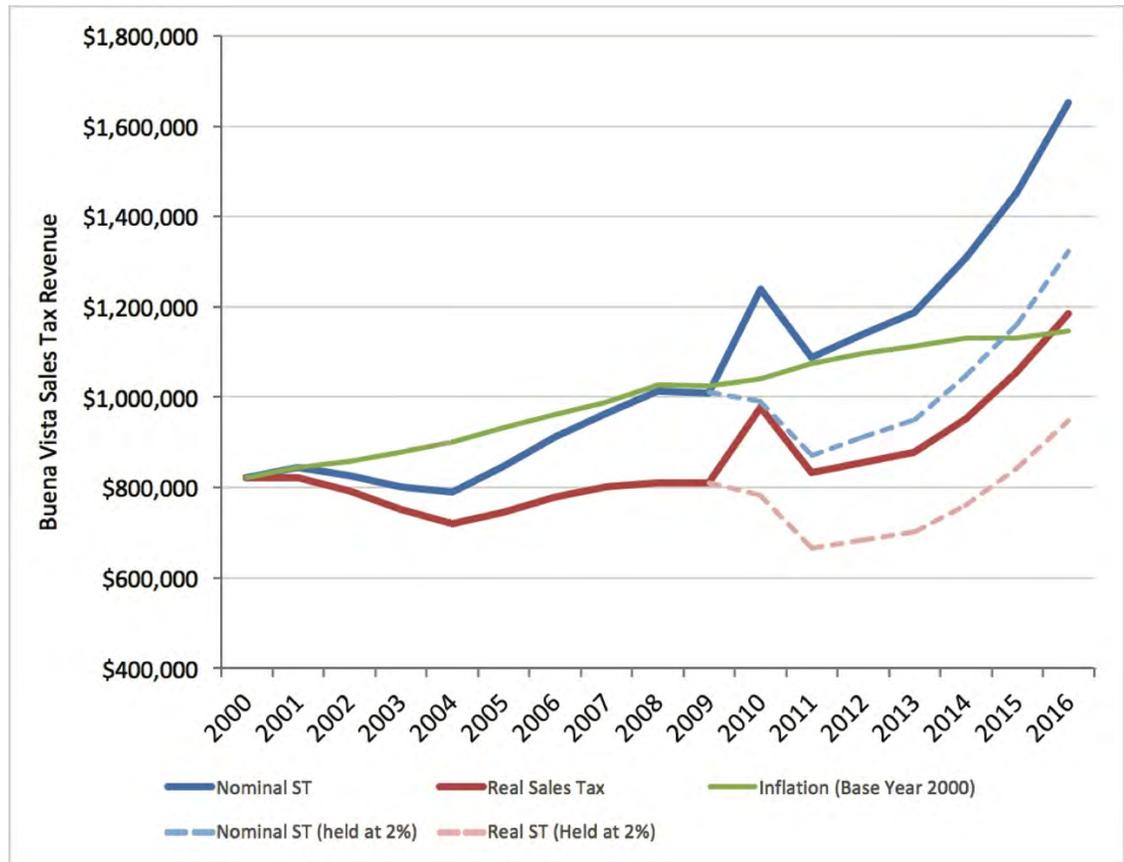
Real Sales Tax History & Trends

Figure 42 displays the difference between nominal sales tax, real sales tax and the inflation line (relative to the year 2000). The U.S. consumer price index was used to adjust for inflation. The inflation line uses 2000 as the base year and represents the inflation-adjusted sales tax equivalent for each successive year. For example, the sales tax received in 2000 totaled \$821,999, is equal to \$1,145,678 in the year 2016. This increase is reflected in the positive slope of the green inflation line.

Real sales tax (inflation adjusted) in 2016 totaled \$1,185,711. From 2000 to 2013, the increases in sales tax receipts failed to keep pace with inflation and remained below the 2000 level – with the exception of in 2010. The significant increase in real sales tax receipts from 2013 through 2016, however, have closed the gap and as of 2016 the increase in total real sales tax receipts this millennium has outpaced the rate of inflation.

The increases in real sales tax receipts in the past three years indicates that the

Town’s retail economy is growing. The dotted lines represent what the nominal and real sales tax amounts would have looked like if the sales tax rate had remained constant at 2%. The last change in the sales tax rate for the Town occurred in 2010 when the rate increased from 2.0 to 2.5 percent.

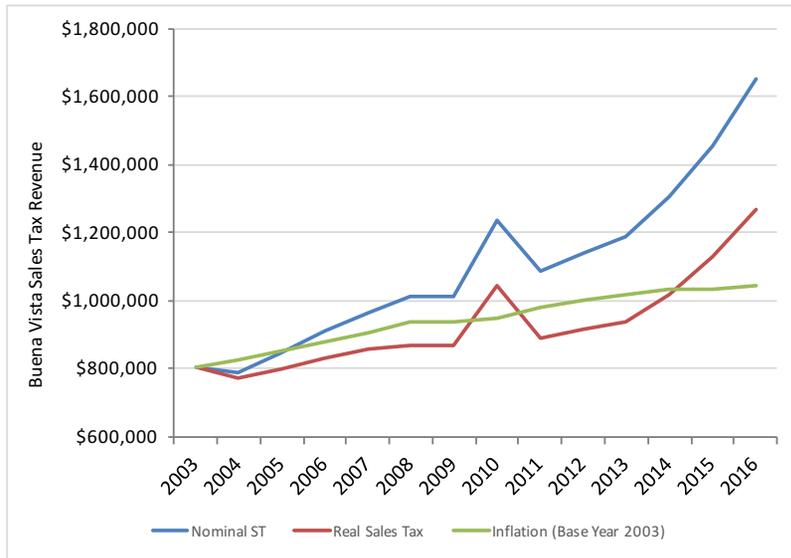


Source: Town of Buena Vista, BLS

Figure 42: Nominal and Real Sales Tax Comparison

BV and Colorado Real Sales Tax Comparison

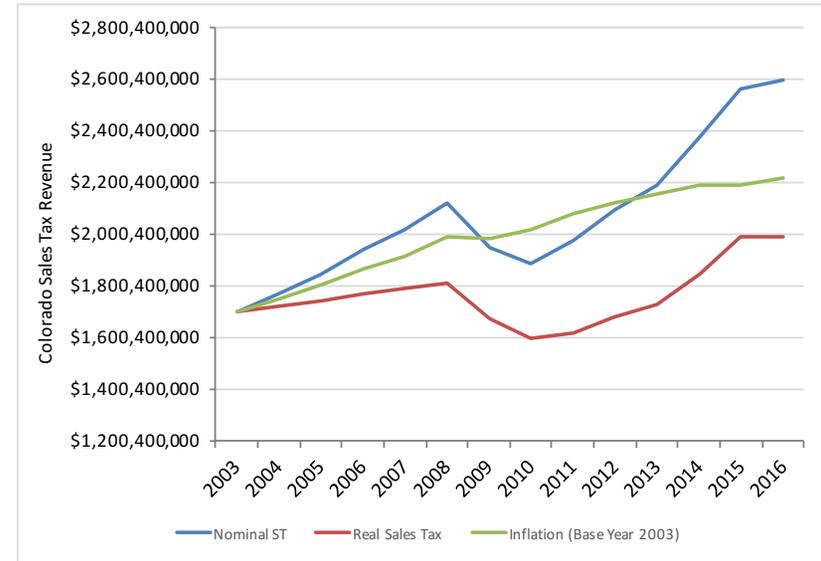
Figure 43 shows both the nominal and real sales tax, and inflation (base year 2003) for the Town.



Source: Town of Buena Vista, BLS

Figure 43: Buena Vista Sales Tax History (Base Year 2003)

When compared with the State’s growth trends in sales tax revenue, the Town has outperformed the State with respect to its ability to keep up with inflation. Since State revenue data is not available for years 2000, 2001 and 2002, a base year 2003 was used to compare the Town and the State with respect to their ability to keep up with inflation. Figure 44 shows the wide gap between the inflation line (relative to 2003) and real sales tax revenue while Figure 43 shows the Town’s sales tax revenue surpassing the inflation line in mid 2014.



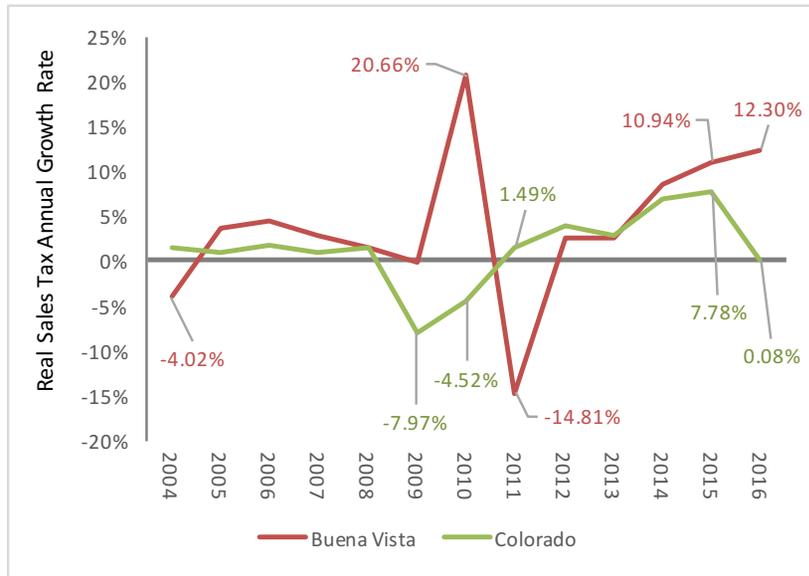
Source: Colorado DOR 2017

Figure 44: Colorado Sales Tax History (Base Year 2003)

These diagrams also show the difference in the sales tax growth rate of recent years. While the State’s real sales tax revenue has “leveled out” in the past year, the town’s sales tax has experienced a near record high sales tax revenue growth rate.

Real Sales Tax Growth Rate

Figure 45 displays the annual growth rates for both the Town and State. As previously stated, while the State’s recent sales tax growth rate has recently reached 0 percent, the Town’s sales tax growth rate is experiencing relatively strong years in sales tax with a recent annual growth rate of 12.3 percent in 2016.



Source: Town of Buena Vista, BLS & Colorado DOR

Figure 45: Real Sales Tax Annual Growth Rate Comparison (Base Year 2003)

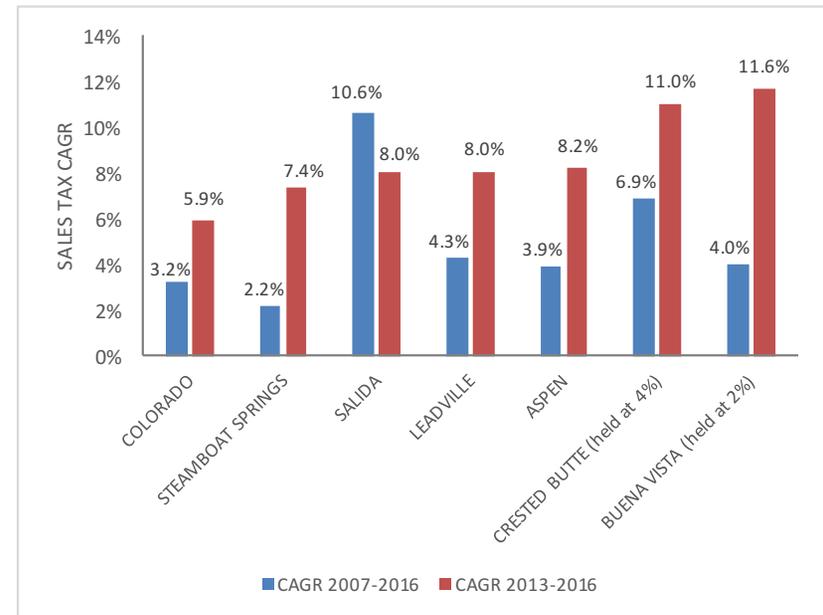
The year with the fastest growth rate was in 2010, which was immediately followed by a sharp decline in 2011. This is due to the increase in the sales tax rate.

Between 2004 and 2016, the compounded annual growth rate (CAGR) of the Town’s real sales tax revenue was 3.58 percent, compared to the State with a CAGR of 1.22 percent. According to this data, the Town has outpaced the State’s growth between 2004 and 2016 with respect to real sales tax revenue by 2.36 percent annually. This is significant for a Town of this size. How significant?

Sales Tax Revenue in Colorado Mountain Towns

Sales tax revenue from Towns that exhibit a strong touristic and recreational nature were obtained to provide additional insight as to how fast Buena Vista’s sales tax revenue has been increasing.

Figure 46 displays the CAGR of sales tax revenue for various mountain towns, and the State for two different time periods (2007-2016, 2013-2016) to show both long term and recent growth.



Source: Individual City & State Finance Departments

Figure 46: Mountain Town Sales Tax CAGR Comparison

Since Buena Vista and Crested Butte both increased their sales tax rate over the period 2007-2016, these two Towns were adjusted to reflect their CAGRs at a constant sales tax rate. The Town of Buena Vista was held at 2 percent and Crested Butte was held at 4 percent since these were the prior, lower rates used before the increase took place. Even being held at a constant rate, these two Towns still realized high CAGRs for both time periods, but especially during the recent years (2013-2016).

Between 2007 and 2016, the Town’s sales tax revenue grew at a compounded annual rate of 7 percent. However, this is including the change in the tax rate that occurred in 2010. Holding the Town’s sales tax rate constant at 2 percent, the CAGR for the period was 4 percent. Salida has experienced significant growth in their sales tax revenue, exhibiting a CAGR of 10.6 percent over the same period.

The red bars displayed in Figure 46 represent the CAGR for 2013 – 2016. During this recent period, the Town realized the highest growth in CAGR of any of the communities analyzed at 11.6 percent, almost double the rate of the State’s growth. One indication that the Town is strengthening in its ability to attract tourists and outdoor enthusiasts is this increase in sales tax over the past four years.

Table 4 shows the differences among these various cities/towns with respect to the volume of their sales tax revenue, rates and their recent growth.

	2016 Sales Tax Revenue	2015-2016 Growth Rate	2016 Sales Tax Rates
BUENA VISTA	\$ 1,652,607	13.7%	2.5% (2.5 % County)
STEAMBOAT SPRINGS	\$ 23,380,341	7.2%	4% (1% County)
ASPEN	\$ 14,983,426	6.7%	2.4% (3.1% County)
SALIDA	\$ 5,261,737	8.3%	3% (2.5% County)
LEADVILLE	\$ 1,181,510	-11.6%	0% (4% County)
CRESTED BUTTE	\$ 3,705,097	16.9%	4.5% (1% County)
COLORADO	\$ 2,596,355,335	1.3%	2.9% State

Source: Individual City & State Finance Departments

Table 4: Mountain Town Sales Tax Revenues & Rates

Although the volume of the Town’s sales tax revenue is significantly lower than some of these mountain towns, this recent uptick in sales tax revenue is a strong indicator that the Town is growing in economic activity and popularity. This upward trend is expected to continue as more tourists and outdoor enthusiasts recognize the Town as a unique place to visit, dine, shop and recreate.

Population Growth vs. Sales Tax Growth

The Town’s population has grown at a CAGR of 1.25 percent and its sales tax revenue has grown at a CAGR of 4 percent (holding sales tax rate constant) between 2007 and 2016.

There has been significant growth in sales tax revenue in the City of Salida. CAGR for Salida’s population was .78 percent between 2007 and 2016, compared to its CAGR in sales tax revenue of 10.6 percent. Salida’s sales tax revenue has grown at 13 times the rate of its population growth.

On a State level, Colorado’s sales tax revenue has grown at a compounded annual rate of 3 percent, growing at almost twice the rate of its population growth rate (1.6 percent) over this

period. The town’s sales tax revenue has been increasing at three times the pace of its population growth.

These findings confirm that the Town is growing at a relatively fast rate with respect to its sales tax revenue, which often reflects growth in tourism.

Tourism Location Quotient Analysis

An economic development master plan should incorporate smart growth that builds upon the Town’s current strengths and brand/identity. Community stakeholders see the Town as a destination for tourists and outdoor enthusiasts that enjoy river rafting, kayaking, hiking and mountain biking. Dining, live music, relaxing at the hot springs, and shopping, are also part of Buena Vista’s growing culture. All of these elements are related to the Town’s tourism industry. Since there are multiple tourist destinations throughout Colorado with which the town will compete for tourist activity, it is important to understand how the Town compares to other mountain towns that exhibit a reputation for tourism and outdoor recreation.

The American Community Survey (ACS), an ongoing statistical survey performed by the U.S. Census Bureau, classifies these types of businesses as “arts, entertainment, and recreation, and accommodation and food services.” Understanding the density of tourism-related employment in the Town, relative to tourism employment in the State will help provide insight as to the Town’s perceived identity as a tourist town.

Location Quotient (LQ) is a method of quantifying the concentration of an industry cluster in an area compared to the

State average. For this analysis, this consists of finding the local number of workers in the tourism industry, compared to the total number of workers in the Town. This local proportion is then divided by the state proportion.

LQ’s are calculated as follows:

Location Quotient (LQ) =

$$\frac{\text{Local Proportion}}{\text{State Proportion}}$$

Local Proportion =

$$\frac{\text{\# of Workers in Tourism Industry in Buena Vista}}{\text{Total \# of Workers in Buena Vista}}$$

State Proportion =

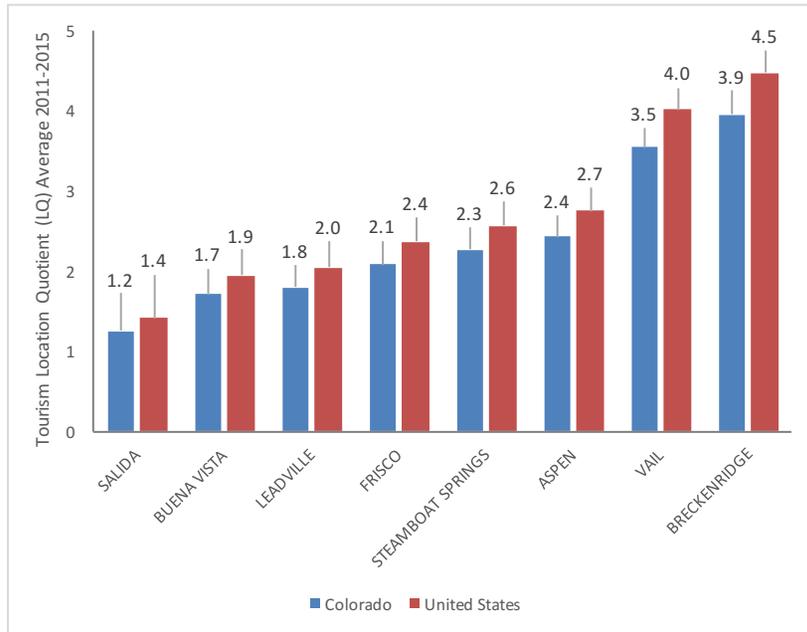
$$\frac{\text{\# of Workers in Colorado’s Tourism Industry}}{\text{Total \# of Workers in Colorado}}$$

National (United States) Proportion =

$$\frac{\text{\# of Workers in the Nation’s Tourism Industry}}{\text{Total \# of Workers in the Nation}}$$

Figure 47 displays the average LQ’s for the time period 2011-2015 for the Town of Buena Vista and other mountains towns that are well known for their tourism and outdoor recreation offerings. These LQ’s are compared on both a State and national level to provide insight as to how the proportional size of Buena

Vista’s tourism industry compares to a highly competitive recreational environment, Colorado (recreational paradise) and the Nation (diverse assortment of various industries).



Source: ACS 5-Year Estimates

Figure 47: Tourism LQ's of Mountain Towns

On a State level, the Town of Buena Vista has a LQ of 1.7, and 1.9 on a national level. This can be interpreted by saying that tourism-related jobs are 1.7 times more concentrated in the Town than the State average, and 1.9 times more concentrated in the Town than the national average. Well known mountain towns such as Aspen, Vail and Breckenridge exhibit nearly 3 to 4 times the State and national averages. The fact that the LQ’s for all of these mountain towns are higher on the national level

simply confirms that Colorado exhibits a relatively higher density of tourism-related jobs than most states throughout the Nation.

We can also conclude from this analysis that Vail and Breckenridge exhibit more than two times the concentration of workers in the tourism industry than Buena Vista.

Conclusion

Stakeholders from the community have expressed their desire to become a unique destination with a vibrant and creative culture. Many have also expressed that they don’t want to become a standard mountain town such as Aspen, Vail or Breckenridge. According to this analysis, Buena Vista already differs from these mountain towns with respect to its concentration of tourism jobs - its economy is driven less by tourism than other Colorado mountain towns. Buena Vista has higher concentration of jobs in the tourism industry compared to the state average but lags far behind mountain towns such as Aspen, Vail and Breckenridge.

The growth in sales tax receipts in excess of population growth over the past three years, however, indicates that Buena Vista is growing in importance as a tourism destination. As the Town becomes known as a place for kayaking, rafting, hiking, fishing, dining, enjoying a cup of coffee, and listening to live music, and its growth is outpacing that of every other mountain resort considered.

Collegiate Peaks



7 | Industry Cluster Analysis

Location Quotient

Methodology

Employment Location Quotient (LQ) is a method of quantifying the concentration of an industry cluster in an area compared to the State average. Industry data is only available at a County level, so all of the industry analysis (Location Quotient, Shift-Share and Industry Cluster Analysis) are reflective of Chaffee County data.

LQ's are calculated as shown below.

Location Quotient (LQ) =

$$\frac{\text{Local Proportion}}{\text{State Proportion}}$$

Local Proportion =

$$\frac{\text{Wages paid in Industry X in County}}{\text{Wages paid in County}}$$

State Proportion =

$$\frac{\text{Wages paid in Industry X in State}}{\text{Wages Paid in State}}$$

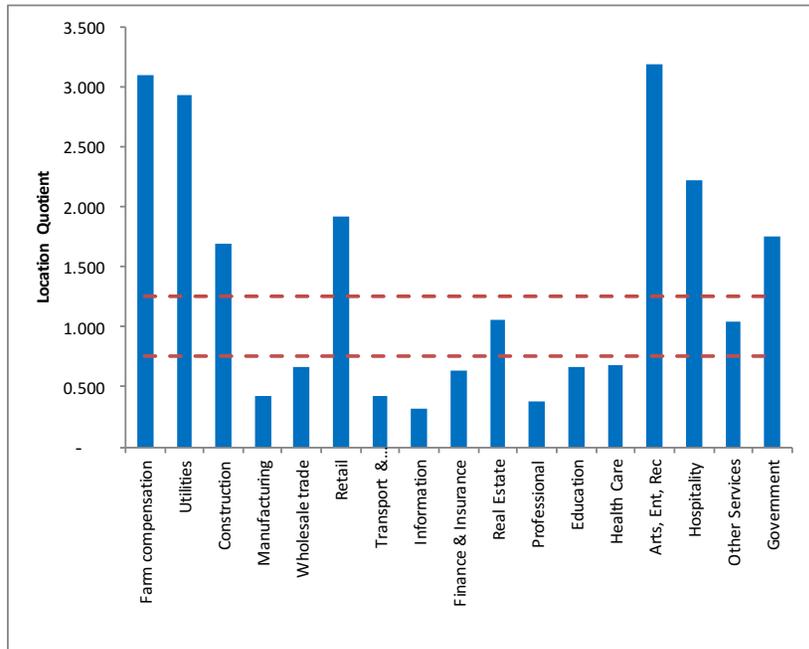
For example, in 2015 workers in Chaffee County received total

wages of \$330M and workers in the Arts, Entertainment and Recreation industry sector received wages of \$13.9M, resulting in a local proportion of 4.2 percent.

For the same period, all Colorado workers received \$174.9B in wages, of which \$2.3B was paid to workers in the Arts, Entertainment and Recreation clusters for a state proportion of 1.3 percent. The LQ is derived by dividing the 4.2 percent local proportion by the 1.3 percent state proportion, resulting in a Location Quotient of 3.18. This indicates that the concentration of Arts, Entertainment and Recreations jobs in the County is approximately 318 percent greater than the state as a whole.

An LQ of 1.0 would mean that the local concentration of an industry is identical to the statewide concentration. Industries with high LQ's (above 1.25) are typically export-oriented industries that are beneficial to a local economy because they bring outside money into the region. High LQ industries may also indicate a higher-than-average demand in an area. Industries that have both high LQ's and high job numbers typically form a region's economic base. Such industries not only provide jobs directly, but also have a multiplier effect, creating jobs in other dependent industries like retail trade and food services. Industries that are unable to support local demand typically have an LQ below 0.75.

The location quotients for industries in Chaffee County is displayed in Figure 48.



Source: Bureau of Economic Analysis

Figure 48: Location Quotient for Chaffee County

Analysis

Chaffee County is remarkable because it has such large variances from the state averages. Of the 17 industry clusters, only two are within 25 percent of the state’s ratio. Chaffee County clearly has a unique economy.

The disproportionate share of incomes in the Arts, Entertainment & Recreation, Retail and Hospitality sectors

reinforces the reliance of the local economy on tourism. The magnitude of the location quotient in these three sectors—with an average LQ is 2.44—is remarkable given that tourism is one of the most important industries in Colorado, accounting for 11 percent of the state’s jobs.⁴ In summary, Chaffee County derives more than double the proportion of wages from tourism-related clusters than the state, which is heavily dependent on tourism jobs.

Farm compensation has an LQ above 3, meaning that three times as many wages are earned from agriculture in the County compared to the state average. Most of the farming in the County happens further down the valley and has a less direct impact on Buena Vista.

The strength of the government sector (LQ of 1.7) is not surprising with the presence of the prison. Of note is the weakness of the information, manufacturing, and professional sectors. These sectors typically have higher wages and are primary employers of college degree holders. These three sectors have an average LQ of just .37 and the dearth of wages paid reinforces the concern voiced by many that there are few suitable employment opportunities for the Town’s young adults once they graduate from college.

Over time, Chaffee County’s economy needs to mature and become more diverse. A healthier economy would have wages spread across industry sectors that more closely mirror the state

⁴ <http://www.cobizmag.com/Articles/The-economist-Whats-the-most-important-industry-in-Colorado/>

averages. Growth in the key “white collar” / professional industry clusters will be especially important for giving youth professional employment opportunities and enabling the Town’s young people to return after receiving their education.

Shift Share Analysis

Methodology

Shift share analysis is a method of dissecting job growth into its component parts to better detect the factors contributing to growth. The following three components are identified through this analysis:

State Share

State Share is the portion of wage growth that can be attributed to overall economic growth that has occurred from 2010-2015 in Chaffee County. It is calculated by multiplying the wages paid in the local area at the beginning of the time period by the statewide growth rate. The calculation produces the level of wages that are expected to be gained (or lost) if Chaffee County experienced the same overall growth rate as the State.

Industry Share

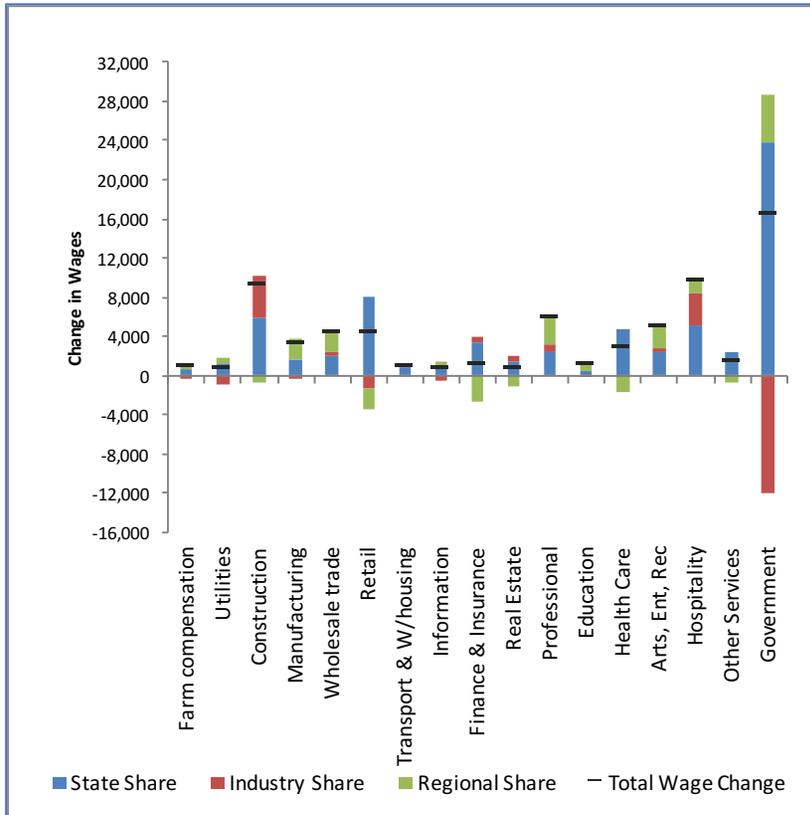
Industry Share represents the portion of an industry’s wage growth in an area due to that industry’s statewide expansion or contraction. It is calculated by multiplying the wages in the local area at the beginning of the time period by the statewide growth rate for the specific industry, and subtracting state share.

Local (Regional) Share

Local Share is the most important component of wage growth for economic development. It highlights the change in employment that is due to a county’s competitive advantages in a particular industry. It is calculated by subtracting industry share and state share from the total change in wages in each local industry.

Analysis

Figure 49 depicts the shift share for the County from 2010 to 2015.



Source: Bureau of Economic Analysis (BEA)

Figure 49: Shift Share Analysis

There are several salient points. The disproportionate share of the Government wages is clearly evident and while the industry as a whole is declining, it has grown in Chaffee County. Typically, it is unhealthy to be over-reliant on Government employment because the industry is not export oriented.

The four industry sectors with the highest regional growth (excluding the government cluster) are Manufacturing, Wholesale, Professional, and Arts, Entertainment, and Recreation. Particularly encouraging is the growth in Manufacturing and Professional wages. As noted in the location quotient analysis, these are two highly desirable industry clusters and are both under-represented in Chaffee County. Their strong regional growth rates indicate that there is growth in these industries and that the economy is diversifying and adding jobs. Clearly there are local factors that favor these two sectors and future efforts should be targeted to strengthen these industries.

Industry Cluster Matrix Analysis

Methodology

Shift share and location quotient measures can be combined into a matrix analysis to provide a more comprehensive view of the local economy. The analysis plots industries in a two-by-two matrix with the natural logarithm of location quotient on the x-axis and job growth as represented by regional shift on the y-axis. The size of each industry bubble in the matrix represents the total amount of wages paid in the industry within the County. Analysis can be performed using other measures for job growth and industry concentration; however, regional shift and the natural logarithm of the location quotient provide advantages over other variables as shown in Table 5.

Other Variables	Better City Variant
Y-Axis: Industry Job Growth Rate	Y-Axis: Regional Shift as calculated using Shift Share Analysis. Advantage: This method shows the growth that is due to inherent strengths in the region, excluding growth due to statewide and industry trends.
X-Axis: Location Quotient	X-Axis: Natural Logarithm of Location Quotient Advantage: Large outliers can cause apparent clustering of other industries. This variable depicts the differences between LQs, but on a comparable scale. With this measure, an industry with a concentration equal to the state average would have a value of 0 rather than 1.

Table 5: Derivation of Industry Cluster

In this analysis, industries will fall into one of four quadrants, as shown in Figure 50.

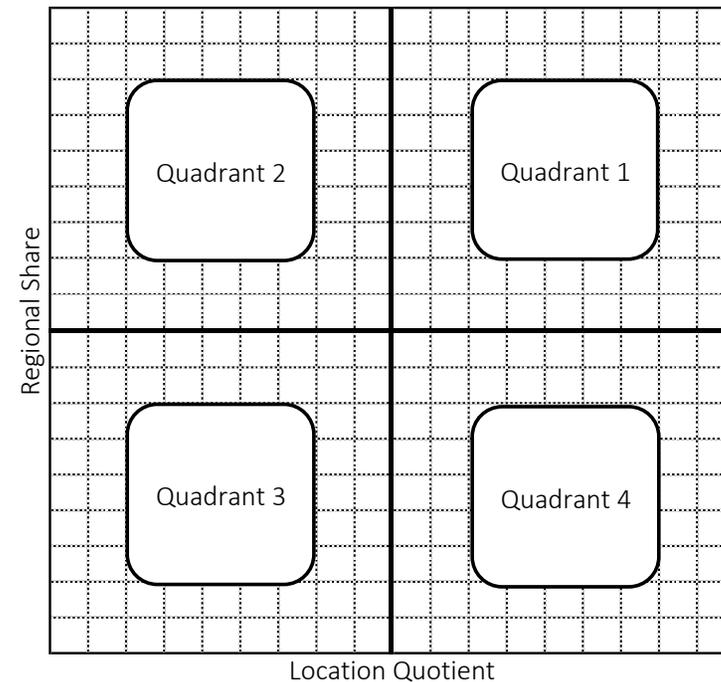


Figure 50: Cluster Analysis Quadrants

Quadrant One: Industries in this quadrant are concentrated in the region and are growing due to regional advantages. Large industries in this quadrant distinguish the regional economy as

they increase workforce demand. Small industries in this quadrant are possibly emerging exporters that should be developed.

Quadrant Two: Industries in this quadrant are growing over time, but are still less concentrated than the state average. Depending on the industry, they may settle at the state average or continue to grow and move into Quadrant One.

Quadrant Three: Industries in this region are less concentrated than state averages and are losing ground. Such industries may face significant competitive disadvantages in the area.

Quadrant Four: Industries in this quadrant are declining, but are still more concentrated than the state average. If a large industry is in this quadrant, the region is often losing its export base. The County should plan and invest accordingly.

Analysis

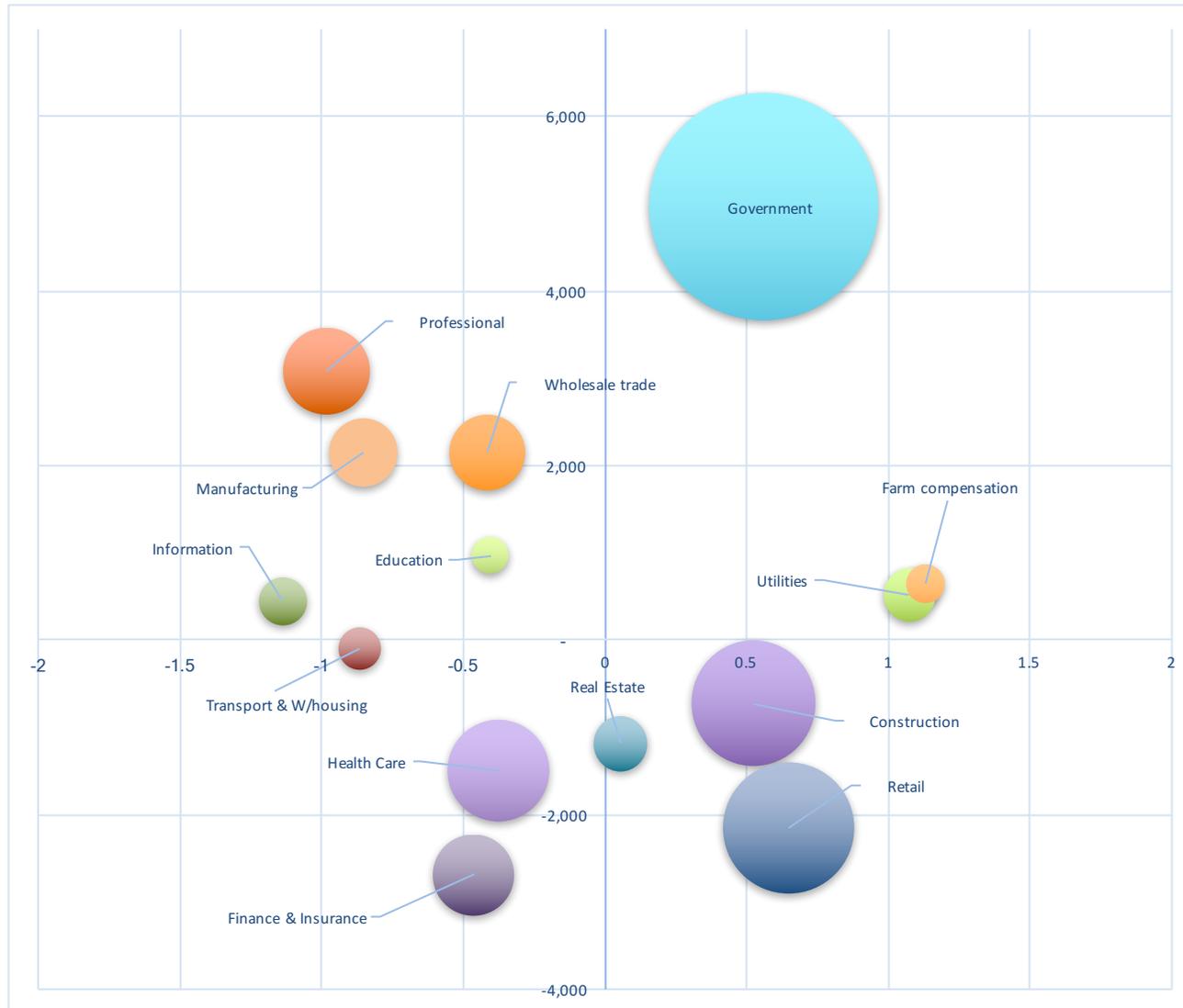
Chaffee County's Cluster Analysis, depicted in Figure 51, again highlights the disproportionate influence of the government sector. Unfortunately, not only is the Government sector by far the largest sources of wages but it also has had the most growth and has a strong location quotient. While a strong and growing Government industry cluster is not a problem *per se*, it can become problematic if other export-oriented industries have difficulty finding employees because of the growth in Government employment. With a low unemployment rate in the County, such a crowding-out effect is possible. During the stakeholder interview, it was noted by many business owners that finding and retaining qualified workers is a serious concern.

The survey question asking community stakeholders to rank the quality of the workforce on a scale of 1 to 10 (high to low) resulted in a weighted average response of 5.37—by far the lowest ratings of any factors they were asked to rank. If the Government sector continues to grow in the absence of significant population growth, it would take from the available labor pool for other, more important export industries.

The only other industries in quadrant 1 were Utilities and Agriculture. These two industries do not capture significant mindshare and were not highlighted during the stakeholder interviews. While their location quotients are quite high, both industries have relatively smaller levels of wages and have experienced only moderate growth.

The industries that seem to hold the greatest promise are those in quadrant 2: Professional, Wholesale, Manufacturing, Education, and Information. Each of these industries typically have higher than average wages and employ many professional and “white collar” workers. All of these industry sectors have experienced moderate to significant growth over the past five years and though their location quotient is below the state average, they are moving in the right direction.

The growth in these industries is encouraging because it demonstrates the potential for Buena Vista to diversify its economy and expand industry clusters that have professional positions. Supporting existing business in these focus industry clusters, creating a business climate that attracts new enterprises, will be a key driver of future economic success.



Source: Bureau of Economic Analysis (BEA)

Figure 51: Industry Cluster Analysis 2010 - 2015

8 | Stakeholder Interviews

A number of interviews with key community stakeholders were conducted to develop a qualitative understanding of the local economy. Key economic strengths, challenges, and opportunities were identified from these conversations through a series of survey questions that were posed to each interviewee.

Ranking of Community Characteristics

Twenty-seven (27) Interviewees were asked to rate various key aspects of the community. Given the broad array of backgrounds and responsibilities that each of the interviewees hold in the community, the following survey summary is helpful in providing a glimpse into the community’s views of these key aspects of the Town. Interviewees were asked to rate the following community on a scale between 1 and 10 (1=low, 10=high):

- Ease of doing business in the Town
- Quality of the schools
- Character of the community
- Quality of life
- Quality of the workforce

The responses are summarized in Table 6. The table displays the number of responses for each ranking and their associated question. The table also displays the weighted average based on the responses of all 27 interviewees.

Survey Question	RANKING										Weighted Average
	1	2	3	4	5	6	7	8	9	10	
Ease of doing business in the Town	0	1	1	2	2	4	5	8	3	1	6.8
Quality of the schools*	0	0	0	1	5	6	3	5	4	0	6.8
Character of the community	0	0	0	0	0	2	4	7	12	2	8.3
Quality of life	0	0	0	0	0	0	1	4	8	14	9.3
Quality of workforce	1	2	2	3	5	4	7	3	0	0	5.4

Source: Buena Vista Stakeholder Interview Survey

Table 6: Stakeholder Interview Survey Response Summary

There are several very interesting findings from the survey. The most salient is that people love living in the town. A weighted average rating of 9.3 on the quality of life is remarkable and reflects the unmitigated enthusiasm of Buena Vista’s residents toward their community. Stakeholders also think the community has great character (8.3).

The rating for “Ease of doing business in the town” at 6.8 is quite positive. If a community is going to have a consistent look and feel, it must have high building standards. There will always exist a natural tension between the business community and the public entities that are tasked with creating and enforcing standards. The fact that 8 was the highest frequency rating means that the Town is probably striking a good balance between community and business interests.

The responses on the quality of the schools are compromised by the fact that many in the community view the quality of education that is provided as being quite high but the quality of the physical buildings to be low. The rating of 6.8, therefore, should not be construed to reflect broad discontent with the quality of education as much as a recognition that improvements need to be made, particularly with the quality of the facilities.

Finally, the quality of the workforce was a universal concern. Businesses have great difficulty in finding and retaining quality employees. Many respondents were eager to point out that they are satisfied with the employees they have but have severe challenges in filling positions. The scarcity of available workers represents a significant impediment to future economic growth.

Word Cloud

In addition to the survey questions, interviewees were asked about what they perceived as the strengths, weaknesses, and opportunities of the community. The following figure is a word cloud that summarizes the topics that arose throughout these discussions. The size of each word in the word cloud indicates its frequency, or importance. For example, the challenge of seasonal employment arose 18 times during the discussions. For this reason, “seasonality” is represented in a large font size within the word cloud. Seasonality was the most frequent topic of discussion, followed by “housing,” the importance of Buena Vista’s “Main Street” and strengths and opportunities revolving around “recreation,” “tourism,” and light “manufacturing.”

Frequency of Topics

A total of 133 topics were identified throughout these interviews with local stakeholders. Multiple topics are closely related such as sports, recreation, tourism, and ATVs/OHVs. All of the identified topics are represented in the word cloud displayed on page 62. Some topics arose more frequently than others. The top 10 topics, based on their frequency, are displayed in Table 7.

RATING	TOPICS	FREQUENCY
1	Seasonality	18
2	Housing	17
3	Main Street	16
4	Recreation	15
4	Tourism	15
4	Manufacturing	15
5	Vision	12
5	Growth	12
6	Change	11
7	Airport	10
7	Marketing	10
7	ebusiness	10
7	Workforce	10
7	Demographics	10
7	Affordable Housing	10
8	Funding	9
8	Local Businesses	9
9	Community	8
9	TopoGEN	8
9	Broadband	8
9	Families	8
9	Business Incubator	8
10	Schools	7
10	New Development	7
10	Education	7
10	Transportation	7

Table 7: Stakeholder Interviews Topics of Discussion - Frequency Table

Additional Survey Questions

In addition to the five community characteristics that the stakeholders were asked to rate, six additional survey questions were posed to each interviewee. These questions included:

1. *What do you like most about your community?*
2. *What is the biggest challenge the community faces?*
3. *What about the community’s future are you most excited about?*
4. *What is one thing would you like to change about the community (magic wand)?*
5. *What is the community’s biggest strength as a place to do business?*
6. *What can the community do to better support business?*

All 27 interviewees responded to these seven questions and their answers are displayed in the following word clouds:

1. *What do you like most about your community?*



Figure 53: Survey Question 1 Word Cloud

As can be seen in the Table 8, the most common response from these stakeholders in regards to what they like most about the Town is its “Small Town feel” and “People”. Taken together, the responses that center around the people and the culture of the Town represent 73 percent of the responses. It is clear that Buena Vista’s people and its unique small-town sense of community is among its best attributes.

TOPIC	FREQUENCY
SmallTownFeel	12
People	7
OutdoorRecreation	4
Proximity	1
BusinessUnity	1
SmallBusinesses	1

Table 8: Survey Question 1 Topics Frequency

2. What is the biggest challenge the community faces?



Figure 54: Survey Question 3 Word Cloud

Affordable housing was the most commonly cited challenge. Other major topics included the community’s willingness to change, maintaining its identity while still growing and expanding, being unified in its goals, and improving communication. Many respondents mentioned that they don’t want the Town to become a major ski town like Vail or Aspen. They want to maintain the small town feel while simultaneously improving the economy and creating job opportunities for their

children. Those whose responses were associated with “Unity,” also expressed the need to unify the various parts of Town.

TOPIC	FREQUENCY
Affordable Housing	8
Fear of Change	5
Identity	4
Lack of Communication	2
Lack of Unity	2
Limited Tax Base	1
Direction	1
Dependency On People	1
Retail Leakage	1
Jobs	1
Medical Services	1
Marketing	1
Foot Traffic	1
Smart Growth	1
Seasonality	1
Water Rights	1
School Plan	1

Table 9: Survey Question 2 Topics Frequency

3. What about the community's future are you most excited about?



Figure 55: Survey Question 4 Word Cloud

Interviewees are most excited about new residents who are coming into the community and the increased economic activity. There is also excitement about improvements in the quality of life—from trails and walkability to the prospects of a new grocery store. The community wants a stable economy that builds on its existing culture and identity. Most of the interviewees are excited about change and future growth because they understand that this mindset is necessary to create a vibrant and stable economy that can withstand the changes in demographics, market trends, and seasonal recreational opportunities. New and affordable housing is also

something that stakeholders are excited about. The idea of smart growth arose multiple times throughout these interviews. Specifically, stakeholders want to see responsible growth that compliments the existing atmosphere and identity of the Town.

TOPIC	FREQUENCY
Growth	8
New Residents	7
Affordable Housing	2
Identity	2
SouthMain	2
Trails	2
QualityofLife	2
OutdoorRecreation	1
Walkability	1
Entrepreneurs	1
GroceryStore	1
MedicalServices	1

Table 10: Survey Question 4 Topics Frequency

4. What one thing would you like to change about the community (magic wand)?



Figure 56: Survey Question 5 Word Cloud

While there is broad agreement about what is great about the community, the ideas about what to improve are much more diverse. The need for unity among the different business districts and residents regardless of tenure was a common theme among many interviewees. There is a sense among many that, while there is a strong sense of community among town residents, there are growing geographical fissures in the business community along the lines of South Main, Main Street, Highway 24, Antero Circle, etc.

Another common topic was a desire to see further enhancements, including better coordination with the Chamber of Commerce and connectivity with South Main.

The absence of consensus areas for improvement would indicate that there aren't prominent issues that are driving widespread discontent or concern. Not having strong drivers of dissatisfaction is a net positive but will also make it more of a challenge to coalesce support around initiatives.

TOPIC	FREQUENCY
Unity	4
MainStreets	3
HelpTheYouth	2
Housing	2
HelpBusinesses	2
SmartGrowth	2
UnifiedGoals	1
PublicSupport	1
PublicTransit	1
Marketing	1
Change	1
NewJobs	1
PublicArt	1
RecCenter	1
SchoolGrowth	1
Events	1

Table 11: Survey Question 5 Topics Frequency

5. What is the community’s biggest strength as a place to do business?



Figure 57: Survey Question 6 Word Cloud

When asked what the community’s biggest strengths as a place to do business are, five of the interviewees responded that the community has a strong “shop local” mentality. The community makes intentional purchases from each other to keep retail dollars in the Town a priority. They like the fact that there are no major commercial big-box stores in Town. Main street is unique, with local ownership associated to individual shops and stores. Tourism dollars and the sense of business unity were also identified as the strengths.

The Town’s natural environment is another strength. Specifically, interviewees feel that the Town sells itself due to its natural environment, which includes peaks, rivers, trails, and associated recreational opportunities. The Town’s “open for business” attitude was also seen as a strength. While some

interviewees expressed that the local government could work on making it easier for businesses, stakeholders expressed that the Town has an “open for business” attitude.

TOPIC	FREQUENCY
Shop Local	5
Business Unity	5
Tourism	4
Open for Business	3
Environment	4
Proximity	1
Potential	1
Quality of Life	1

Table 12: Survey Question 6 Topics Frequency

6. What can the community do to better support business?



Figure 58: Survey Question 7 Word Cloud

While the determination to shop local is considered a community strength, it was also identified by many stakeholders as an area to improve upon. This is easy to understand. Local businesses and residents rely on each other and seasonal tourism to maintain profitability. Marketing was also identified

as an area where there could be improvement. Specifically, stakeholders expressed that the community should “talk up the Town” or do more to actively promote the Town and its businesses. Also, stakeholders feel that the Chamber of Commerce could engage in more marketing initiatives to increase awareness of the Town, its businesses, and recreational opportunities.

Government processes, including business permitting, were identified as an opportunity as well.

TOPIC	FREQUENCY
Shop Local	7
Marketing	5
Government	4
Unity	4
Support for HWY 24	1
Wayfinding	1

Figure 59: Survey Question 7 Topics Frequency

Town of Buena Vista

Economic Development Master Plan

Phase 2 Report



1 | Executive Summary

“Buena Vista is one of the last mountain towns that is still attainable.”

*Dave Blazer
Buena Vista Business Owner*

Buena Vista is full of great potential and endless possibilities but the Town will find lasting success and meaningful progress as it understands its foundational principles and seeks economic development in accordance with those guiding precepts. The purpose of the Phase 2 Report of the Economic Development Master Plan is to answer the question, “Which direction should we go?”

The report builds on the Phase 1 Report which answered the question, “Who are we?” For the Phase 1 Report, the Town’s economic and demographic data were analyzed, prior studies reviewed and dozens of interviews with community stakeholders conducted. From those sources, a comprehensive analysis of the Town was formed.

The Phase 2 Report builds on the findings from Phase 1 and includes input received from a Community Forum held on April 24, 2017 and a meeting with the Economic Vitality Board on April 25, 2017. The report establishes the guiding principles that should guide future economic development, provides a Strengths, Weaknesses, Opportunities and Threats (SWOT) analysis and then identified Primary Opportunity Areas.

Guiding Principles

The 2015 Comprehensive Plan and 2015 Community Trails Plan were referenced to determine what had already been identified as community priorities. Most of the observations from the stakeholder interviews, the community forum and the EVAB Board meeting paralleled the findings from the earlier studies. This outcome is to be expected as the Comprehensive Plan in particular involved extensive community outreach and polling. The six principles from the Comprehensive Plan have therefore been reiterated here as Economic Development Guiding Principles. Narrative has been added that explains how these principles relate to economic development and how they should guide future development decisions.

SWOT Analysis

The final section of this report shows the responses from the community and the EVAB board as they were asked to participate in a SWOT analysis using real-time on-line polling. The community input was valuable and together with the insights gleaned from the Phase 1 report informed the SWOT analysis that is presented herein. The SWOT analysis section is not intended to be a comprehensive listing of every element of the community that could be considered a strength or weakness but rather a curated list of those items that are the most critical.

Primary Opportunity Areas

Building on the understanding of where the community wants to go from the Guiding Principles and filtering the broad range of all potential opportunities based on the SWOT analysis, the

following were identified as potential industries for development:

- Biotech
- Remote / Location Neutral Workers
- Geothermal
- Tourism
- Drone / UAS
- Light Manufacturing – Manufactured Homes
- Housing

In addition to those industries, the following recommendations were made:

- Empower EVAB Board
- Community Coffees
- Emphasize Live Music
- 'Business Friendly' Analysis
- Child Care

Buena Vista



2 | Guiding Principles

"I like sustainable, intelligent growth."

Jay Boyd
Economic Vitality Board

Communities lose their identities and sacrifice their character when they permit growth and development in a vacuum of guidance and strategic direction. In order to have principle-based development, there must be agreed-upon tenets that guide all decisions. The articulation of the Town's priorities and overarching objectives must precede the strategic recommendations because these principles inform and guide the strategies. This section identifies and explains the practical application of those principles that are most critical in guiding Buena Vista's economic development.

Residents of Buena Vista love their town. They appreciate the quality of life that it affords and want to maintain all the attributes that make the Town such a fantastic place to live while also improving economic prosperity. The overarching economic objective is to maintain the Town's identity while also achieving intelligent, deliberate growth.

The meta-principle, therefore, that informs all others is articulated in the 2015 Comprehensive Plan –

*"We want to increase long-term prosperity for Buena Vista citizens in a manner that encourages sustainability, **smart***

growth, diversification, capitalizes on our strengths, and improves quality of life." [emphasis added]

The Town is making tremendous strides, does not need to succumb to the temptation to pursue growth for the sake of growth and can afford to be selective. A corollary to Smart, Deliberate Growth comes from the field of ancient medicine.

First, Do No Harm

In the ancient text - Epidemics, Book I of the Hippocratic School, aspiring physicians were instructed, "Practice two things in your dealings with disease: either help or do not harm the patient." The phrase has been condensed in contemporary literature to "First, do no harm."

Buena Vista is such an outstanding community and is on such an impressive trajectory that a primary guiding principle must be to ensure that nothing interferes with the Town's glide path – first, do no harm. Any changes or development must be accretive to the overall culture, standard of living, appearance and economic well-being of the Town.

In 2015, Buena Vista engaged in a very thorough public process that included community meetings, focus groups, open houses, surveys, steering committees and public charrettes. This process culminated in the 2015 Comprehensive Plan.

The Comprehensive Plan articulates six principles that make up the Collective Vision Statement. These principles reflect the considered will of the community and must guide economic development. The principles are repeated below with

explanations of how they inform this Economic Development Master Plan.

General Community Character

We envision the town as a clean, safe, quiet, and secure community that is a desirable place to live, work, and play – an altogether good place to raise our children.

Buena Vista has an enviable culture and a remarkable quality of life. Preserving the essence of the community is much more important than enhancing economic prosperity or any other consideration. All economic decisions should be viewed through the lens of how they will impact the community's character. Smart, deliberate growth will enhance the quality of life while also preserving all that is best about the Town.

Buena Vista has a robust 'coffee culture' where residents love to get together, share news and greet neighbors. This spirit of community – manifest in the many coffee shops that are bustling with locals at all times of the day, is a key reason for the Town's cohesiveness and esprit de corps.

Strengthening cultural institutions will also be a key part of maintaining the Town's character. Public art and especially emphasizing and growing the live music scene will be important in maintaining the Town's unique identity and cool culture.

Another component of the community's character is the wealth of capable and intelligent individuals who chose to live in Buena Vista. Keeping the Town an attractive and welcoming place for

high-ability individuals will be a key to perpetuating Buena Vista's unique and vibrant culture.

Community Spirit

Our collective community consists of friendly, well-informed people who feel they can make a difference, have an impact in determining their future and their quality of life, and enjoy their freedom of expression.

The Town's community spirit manifests itself in its sense of neighborhood and caring for one another but also in its community spirit and the determination of so many to become involved and help make a difference. So many communities fight apathy and long for more community engagement while one of Buena Vista's biggest challenges is in coordinating the efforts of so many who are working diligently.

Consolidating coordination of the various community efforts and initiatives under the EVAB Board would be an important step in channeling the community spirit and ensuring that everyone is 'rowing in the same direction'.

Community Appearance

The town we envision has a defined sense of place as expressed in its history and architecture.

The renaissance of Main Street is a great rural success story. The vision and passion demonstrated by the architects of the revitalization are exemplary and exceptional. The efforts must be ongoing and every year more buildings must be renovated. Furthermore, any new buildings must be compatible with the

targeted aesthetics. Voluntary design standards should be designed for areas outside of Main Street – principally Highway 24, that provide a template and palette for businesses to follow as they do façade upgrades.

Finally, the revitalization of Main Street must spark a determination in home owners to take pride in their homes. An emphasis on making every corner of Buena Vista’s built environment match the beauty of the surrounding natural environment will create positive peer pressure on residents.

Community Services

The town of our vision has high-quality education, and medical and emergency response services, as well as quality, efficient, and well maintained parks and public buildings. The town’s public servants exhibit an excellent level of public service, including approachability, honesty and helpfulness. Our town government and community leaders demonstrate accountability, consistency and visibility. We engage in a high level of cooperation with surrounding governmental and nongovernmental entities.

The Town has created a culture of openness and customer service. Concerns about the burdens placed on businesses by regulations and policies could be valid or unfounded. It is important to have objective, third party analysis conducted to establish benchmarks and either address deficiencies or communicate to concerned parties that objective performance standards are being met.

The Town does an excellent job maintaining its public assets and does a great job getting maximal productivity from its resources. As the community’s economic prospects improve, there will be opportunities to upgrade facilities.

Expedited implementation of the 2015 Community Trails Plan is a community development imperative and would have a profound impact on the quality of life of Town residents. The Barbara Whipple Trail system on the east side of the Arkansas River is spectacular and a key differentiator for the Town. Creating a system of feeder trails and access points to those trails from the Town would bring the enjoyment of those trails to a much larger portion of the population. Urban trails are a highly-utilized community asset that provides disproportionate large community benefit compared to their costs.

Environment

We desire a community where urban, rural and agricultural land uses can coexist in a well-planned pattern. Land use decisions are made with thoughtfulness and an eye toward sustainability. We want a healthy community with clean air and water.

New businesses must not inflict damage to the Town’s environment and must employ best sustainability practices. An extreme example would be a plant that belches clouds of smoke into the air or fouls the Arkansas River - it may bring many high-paying jobs but would be incongruous with the values of the Town and would ultimately harm one of its greatest assets, its natural environment.

Furthermore businesses, innovations and solutions should be sought that strengthen the sustainability of the community. Leveraging the potential of the area's geothermal resources, for example, would be an excellent way for the community to decrease its carbon footprint while potential lowering a key cost of doing business – electricity.

Economy

We envision a community in which all citizens enjoy financial prosperity and can find an affordable place to live. The town has a bustling downtown community core with abundant and diverse retail establishments. We continually strive for economic diversity within the community. Our town government is economically stable and viable.

At present, there is an acute shortage of affordable housing for workers at both ends of the wage scale. While the current housing situation is more of a tactical concern and can be addressed in the short term, it presages a challenge that could become chronic and endemic to the Town. There are many examples of mountain communities that have experienced such growth in home values that local, working-class families can no longer afford to live in the area. It is, therefore, imperative to ensure a consistent supply of affordable housing that keeps prices in check and prevents the speculative investment that can make the real estate market an irrational frenzy.

Diversifying the economy from its reliance on tourism and retail and the prison will be a key driver of the Town's future economic success. Because the objective is not to see large growth in the

population but rather an increase in the number of high-paying, professional employment opportunities, care must be exercised to ensure that the recruitment focus is only on jobs that would be accretive to the Town's median incomes and quality of employment. Employers who bring in lower-paid / lower-skilled jobs would just exacerbate an already tight labor market for that spectrum of the workforce and would add population without contributing to the quality of life. Businesses and industries should be recruited deliberately and strategically.

Helping existing businesses survive and thrive must also be a key imperative. Creating greater traffic and demand during the off season allows businesses to leverage existing assets and employees to garner higher returns.

East Main Street



2 | Guiding Principles

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Diversifying the economy from its reliance on tourism and retail and the prison will be a key driver of the Town's future economic success. Because the objective is not to see large growth in the population but rather an increase in the number of high-paying, professional employment opportunities, care must be exercised to ensure that the recruitment focus is only on jobs that would be accretive to the Town's median incomes and quality of employment. Employers who bring in lower-paid / lower-skilled jobs would just exacerbate an already tight labor market for that spectrum of the workforce and would add population without contributing to the quality of life. Businesses and industries should be recruited deliberately and strategically.

Helping existing businesses survive and thrive must also be a key imperative. Creating greater traffic and demand during the off season allows businesses to leverage existing assets and employees to garner higher returns.

East Main Street



3 | SWOT Analysis

“This is an intentional place to live. People live in BV because they love it and are willing to make it work despite the challenges.”

*Trey Shelton
Planning and Zoning Commission Chair*

A Strengths, Weaknesses, Opportunities and Threats (SWOT) analysis reviews and characterizes a community’s characteristics. This exercise facilitates understanding of a community’s native assets, those factors which could impede progress and provides ideas about future direction. The SWOT analysis reflects a synthesis of information gleaned from the stakeholder interviews, demographic, financial and business research, community forums and meeting with the EVAB Board. To facilitate more focused analysis, separate SWOT matrices were completed for each of the three facets of economic development, namely community development, economic development and workforce development. This is not intended to be a comprehensive list of everything about the Town that could be characterized as a strength, weakness, opportunity or threat but rather is a prioritized, filtered compilation of those things that are most significant. Some of those items cited by the community were not included in the final lists not because they lacked merit but simply because an inclusion of every suggestion would dilute the focus on those items of the greatest significance and practicability.

Economic Development

“Economic Development” refers to everything that deals with industry, jobs and workers and includes tourism, public incentives, entrepreneurial infrastructure and human capital. Buena Vista’s attributes relative to Economic Development are listed below:

STRENGTHS

- Robust tourism (exposure for the Town)
- Strong retail (contrary to national trends)
- Easy to attract workers
- Great place for location-neutral workers
- Geothermal assets
- Good and improving broadband
- Low wages
- Export of artisan products (spirits & coffee)

OPPORTUNITIES

- Bio Tech (TopoGEN Incubator)
- Drone Industry
 - Conferences
 - Manufacturing
- Location-neutral workers
- Geothermal energy / heat production
- Strengthen entrepreneurial culture
- Business sabbatical destination
- Outdoor recreation manufacturing
- Regional manufacturing
- Research and development
- Recruit or create STEM / Tech jobs
- Protect and promote federal land
- Assisted living facilities
- Expand FEDEX distribution hub
- Incentives for local businesses creating jobs
- More sports tournaments (less knows sports)
- Increase linkages with Mt. Princeton
- Curated winter recreation packages
- Increase minimum wage
- Analyze ‘Business Friendliness’ of Town

WEAKNESSES

- Housing shortages
- Workforce shortages
- Quality of workforce
- Long-term limitations on available water
- High utility rates
- Seasonality
- Perception that it is hard to business with the City

The matrix of the opportunities is presented below with the same metrics: the size of the bubble represents the magnitude of the potential impact, the horizontal axis reflects the community interest or synergy and the vertical axis estimates the ease of implementation (higher numbers reflect easier-to-implement initiatives).

- THREATS**
- Drought
 - Uneven geographical participation in growth could strain sense of community unity and cooperation
 - Constraints on growth due to water rights



Observations

The two initiatives that stand out as the best prospects are the Bio Tech incubator that TopoGEN is developing and increase linkages to Mt. Princeton. The TopoGEN incubator has been under development for some time and is progressing well. The Chaffee County Economic Development Corporation has been working actively with TopoGEN to help structure and find financing for the project. Recently, Chaffee County EDC helped TopoGEN apply for an EDA grant to bring further capital to the project. This initiative has enormous potential to bring up-and-coming firms in the rapidly-expanding biotech sector to Buena Vista. These would be high-paying, professional jobs that would improve the County's median income and provide great jobs for BV's best and brightest.

From anecdotal reports, the economic linkages between the Mt. Princeton resort and the Town have improved over time and many visitors to the resort come to Buena Vista to enjoy what it has to offer. The challenge is that Salida is roughly equidistant from the resort as is Buena Vista so it is critical that there be specific draws that are effectively communicated in order draw these visitors. While tourism is not a target industry, improving the percentage of Mt. Princeton visitors who visit and spend money in the Town should not be inordinately expensive and could help with the slower seasons.

The 2015 Comprehensive Plan highlighted the perception that it is difficult to do business with the Town and that the regulations are "onerous". In some sense, the Town would not be doing its job as a regulator and to ensure the safety and welfare of its residents if it were not enforcing restrictions that

some saw as onerous. On the other hand, permitting and licensing processes that are lengthy and impose burdens can be impediments for business growth and can throw sand in the gears of commerce. It is advisable to commission an independent, third-party assessment of the Town's activities to assess whether they are "Business Friendly". This assessment can lead to changes which will improve the business climate and / or provide impartial validation of the Town's processes and policies.

The creation of incentives for local businesses to create jobs is an intriguing opportunity. Local business owners have put forward the idea that the best use of public resources and economic development efforts may be in providing the existing businesses with incentives for every job they create. One idea would be to create a housing voucher that would be provided to the employer to be distributed to an employee who is filling a new position. The housing voucher would be for a defined time-period and would help the workers be able to afford local accommodations without the business owner having to increase salaries. It is a concept that needs to be developed further but could be a cutting-edge approach to helping local businesses to grow.

The curated winter recreation package is a concept that could have benefit for businesses in the Town that struggle through the slow winter months. There are plenty of great winter activities in Buena Vista (fat tire biking, snowshoeing, cross country skiing, swimming at Mt. Princeton and skiing at SkiCooper or another resort. If a package was created that provided tourists with an easy way to stay in Buena Vista and

enjoy all of these activities without having to make the individual arrangements, it could be a potentially lucrative market for the town.

Support of the drone industry and local-neutral workers are two other opportunities that could have positive returns for the community. These are two high-growth industries for which Buena Vista has natural strategic advantages. Buena Vista has a tremendous quality of life, a pool of bright and capable workers and an airport permitted and well-suited for drone operations and could be an excellent location for a company in the drone industry. The quality of life gives the Town undeniable appeal as a base for location-neutral workers though the distance to a major commercial airport is a challenge.

Taking advantage of the area's geothermal resources is a large, complicated undertaking that would entail years of studies and research and hundreds of millions of dollars of investments. The project is not on the community's collective radar and very few in stakeholder interviews mentioned the area's geothermal resources and it was not discussed in the community forum. Despite the lack of community awareness and interest, however, the project has significant potential to change the cost of doing business, reduce the cost of living in the Town and burnish the Town's sustainability credentials.

Finally, there is consistent and strong community support for the concept of supporting local entrepreneurs. Of the 250 businesses in the greater Buena Vista area, nearly 88% have 11 employees or fewer. If only 20% of these employers were to

add an employee the increase of 50 jobs would represent a substantial increase in economic prospects for the Town. Unfortunately, achieving these gains is not as simple as the math might indicate. Most of the small businesses that were interviewed are struggling and are far from being able to add headcount. The tools that are available at a macro level to help businesses in such disparate industries and with such different challenges are rather limited.

Workforce Development

“Workforce Development” considers all the factors that affect the size, quality and skills of the workforce. Buena Vista’s attributes relative to Workforce Development are listed below:

STRENGTHS

- High quality of life
 - Easy to recruit workers
- High number of intelligent, capable individuals
- Colorado Mountain College
 - Leadership of Rachel Pokrandt

OPPORTUNITIES

- Trade / technical school
 - Construction trades
 - Programming degrees
- Student housing
- Recruit former seasonal workers to return – bring their businesses
- Utilize smart and capable workforce
- Recruit professional job opportunities
- Combine outdoor recreation with a trades school
- Improved daycare offerings

WEAKNESSES

- Soft skills deficits among workers
- Not enough people entering the trades
- Transient workforce (seasonal)
- Wages rising for low-skill workers because of insufficient supply
- Affordable housing – especially for low-skilled workers during the summer
- 32% of workforce with bachelor’s degree or higher (38% in Colorado)
- Few jobs opportunities requiring degrees
- Few revenue opportunities for the college

THREATS

- CMC closure / downsizing
- Wage pressures

The matrix of the opportunities for workforce development is presented below with the metrics: the size of the bubble representing the magnitude of the potential impact, the horizontal axis reflects the community interest or synergy and the vertical axis estimating the ease of implementation (higher numbers reflect easier-to-implement initiatives).



Observations

The long-term economic vitality of Buena Vista will rely more on its ability to attract skilled and intelligent workers than anything else. Attracting and retaining human capital that creates and strengthens businesses and communities is key to building a thriving community in the knowledge economy. Much of the emphasis of the community development opportunities center around strengthening Buena Vista's positioning as a community of choice for talented workers. Creating jobs for such workers (STEM and professional opportunities), therefore become key imperatives.

Many of the opportunities under Workforce Development aren't standalone projects but would be part of economic development initiatives. For example, utilizing the Town's smart and capable workforce is just a platitude until paired with a specific target industry like biotech or drone research. It is interesting to note the inverse relationship between the feasibility of the opportunity and its interest in the community. In other words, those opportunities that are of most interest to the community are also those that are most challenging to implement.

The recruitment of former seasonal employees who have worked in Buena Vista is a concept that has certain merit and potential. Many of the most capable entrepreneurs and successful community leaders originally came to the Town as river guides or other similar seasonal employment and then took advantage when the opportunity to return to Buena Vista presented itself. There may be many former river guides who

would relish the opportunity to return and who could bring valuable skills and resources to the Town.

The paucity of daycare options was cited by many as a key impediment to workforce participation for some parents. Removing or mitigating this challenge would allow more parents to enter the workforce and improve the returns on their labor participation.

The concept of constructing student housing for a trade or technical school that is available for seasonal workers during the summer month has good support in the community. The availability of housing for seasonal workers addresses a key social challenge while also making it easier for companies that employ seasonal workers to recruit

Community Development

“Live Deliberately.”

Jacob Mueller
Business Owner

“Community Development” contemplates all aspects of community life that contribute to quality of life and define its character. Some of the components of Community Development include:

- Housing
- Amenities
 - Entertainment
 - Retail
 - Community
 - Restaurants
- Social Services
- Schools / Education

Buena Vista’s attributes relative to Community Development are listed below:

STRENGTHS

- Community spirit
- Community resilience
- Main Street revitalization
- Great outdoor recreation assets / lifestyle
- 'Coffee Culture' – community gathering
- Community support of local businesses / 'intentional' purchasing
- Strong sense of identity - No national retailers or big box
- Live music scene
- Very active community (1200 involved in rec programs!)
- Good Public Schools
- Colorado Mountain College
- Preservation of historic assets
- Mt. Princeton Resort

OPPORTUNITIES

- Empower EVAB – make it the coordinating Board
- Increase coordination / communication among entities, organizations and businesses
- Begin 'community coffee'
- Enhance the trail system - make connections to downtown and housing
- Affordable housing for workforce
- Address housing shortage for seasonal workers
- Trade / technical school
- Revitalize Chamber of Commerce
- Create an annual vacation rental permitting fee to help cover costs of affordable housing.
- Create a gateway to Main Street along Highway 24
- Increase urban camping
- Increase the amount of public art
- Emphasize live music
- Recreation Center
- Have a community gathering space – amphitheater, performing arts center, community center, etc.
- Post-construction Highway 24 beautification
- Make Charles Street off Hwy 24 into parking
- Enhance wayfinding and branding
- Improve public schools' physical infrastructure
- Improve urban planning
- Improve community aesthetics
- Transportation system improvements

WEAKNESSES

- Few subcontractors = High building costs
- Building codes are perceived as onerous to small developers
- Divergent views on growth and development / the future of the community
- Resistance to change
- Grocery store is inadequate and has too little parking
- Inadequate / insufficient daycare
- Community events need a refresh
- Cost of living is high relative to income
- Few amenities and indoor recreation activities (though disproportionately more than merited for the size of the Town)

THREATS

- Multiple groups working to solve same problems – creates frustration and inefficiency
- Taking a year to update zoning ordinances
- Tap fees that are a deterrent to construction
- ‘Too many consultants’ – sufficient intellectual capacity within the Town that just needs to be unleashed
 - Focus on execution

Following is a matrix of community development opportunities – consolidated and filtered for those that are judged to have the greatest potential for community impact. Each opportunity was evaluated and ranked according to its potential for positive impact, the relative ease and feasibility of implementation and the amount of community support or interest in the concept. The size of the bubble represents the potential positive impact - an opportunity that is judged to have significant potential impact would be represented by a bubble that is larger than one that would have relatively smaller impact. The horizontal axis measures the amount of community interest or synergy – determined through the interviews and public meetings and assessment of the Town’s assets. The vertical axis provides an estimate of the inverse of the complexity of a project. The

higher the score, the lower the complexity and the more feasible it is to implement.

Opportunities that are positioned in the upper right quadrant are those that are both feasible to implement and have high community support / interest. Just because a recommendation is difficult does not mean that it shouldn’t be implemented. It is often advisable to pursue some projects that can be quicker to implement while also moving forward with those with the largest bubbles – that are estimated to have the greatest impact, but that will require greater time and effort to implement.



Observations

Not surprisingly, there were more recommendations for community development than for the other two areas combined. Community assets are those things that most affect residents' quality of life and impact daily living. It is natural for a community to want to see improvements in these areas. The preponderance of the feedback and comments from the community parallel the findings of the 2015 Comprehensive Plan. That plan's eight sections - The Community Vision, Community Changes and Projections, Developing the Economy, Housing, Transportation, Parks Recreation Open Space and Trails, Environment and History and Heritage – highlight a great number of the challenges and opportunities that face Buena Vista and cast a broad vision for the Town with 136 Action Items. It would be redundant and is not the purpose of this Economic Development Master Plan to revisit the findings of that report. Rather, the purpose of this Plan is to consider the broad range of issues and focus on those which will have the most immediate and significant potential for positive impact on Buena Vista's economy.

Consequently, though all the opportunities that were identified in the public forum and EVAB Board Meeting were valid and insightful only a subset will be discussed in detail. To focus on those recommendations that would have the greatest community impact and are most realistic, the top ideas have been consolidated and prioritized.

According to the matrix, the three opportunities that have the greatest immediate potential are "Empowering the EVAB Board", initiating 'Community Coffee' events, "Housing" and

"Emphasizing Live Music". The opportunities that have high community support and high potential impact but would be more difficult to implement are "Improve Urban Planning", "Increase Community Coordination", "Public / Business / Schools Coordination" and "Enhance Trails".

Among these opportunities, four are directly related to coordinating and communicating among disparate factions and organizations in the community. The absence of such coordination and collaboration was cited repeatedly in interviews and in the public forums as a significant impediment to the community's progress. The opportunities presented represent different approaches to bridge the gaps. Having one body responsible for coordinating all of the disparate efforts and ensuring that all organizations and individuals are 'paddling in the same direction' would be a change that could have tremendous impact. Empowering the Economic Vitality Board (EVAB) and placing other community Boards and initiatives (Wayfinding, Historic Preservation, Recreation, etc.) under its leadership would ensure that disparate organizations are not pursuing conflicting objectives. The EVAB Board would also be responsible for communicating and coordinating with other community organizations including the Chaffee County Economic Development Corporation, the School District, the Tourism Board and the Chamber of Commerce. The Chaffee County Economic Development Corporation has tremendous expertise and resources and being able to have tighter collaboration with them and leveraging their experience and connections will have far-reaching benefits for the Town.

Having a single conduit for communication and coordination would also empower the Town Trustees – giving them one source for consolidated information and enabling them to give strategic direction through just one point of contact. The EVAB Board would become, in essence, the umbrella organization that coordinates with all others.

The Community Coffee concept is borrowed from Lake County where they host weekly ‘Coffees’ where community stakeholders come together to share what their organizations are doing and making requests. This weekly forum has been extremely effective in keeping everyone informed of what is happening in the community, reducing duplication of efforts and garnering community support for key initiatives.

Empowering the EVAB Board and initiating Community Coffee events (presumably organized by the EVAB Board) would address most issues around communication and coordination in the Town. Both opportunities could be implemented quickly with little to no expense and could have significant long-term impact.

The prominence of the Housing opportunity cannot be a surprise. The lack of affordable housing for low-earning workers was cited in virtually every interview and was the topic of greatest discussion in the community forums. The 2015 Comprehensive Plan dedicates one section to the housing section and the shortage of affordable housing has grown more acute since then. Everyone in the community understands the importance of making progress in increasing the stock of available affordable housing and the profound impacts that will

have on keeping Buena Vista affordable and desirable as a community for working families.

There are some opportunities that have had been the topics of significant discussion in the community but that don’t rank well in this matrix. Not ranking highly is not a reflection on the merits of the opportunity. There are two things to note:

1. In many cases the difficulty in implementation doesn’t appear to justify focusing on these opportunities at the expense of others that could have similar or larger impacts but require less heavy lifting. In some instances, the projects face significant public opposition that render them unlikely in the short term until community dynamics change.
2. These rankings are ultimately driven by economic development. All analysis was performed through the lens of how it would affect the community’s economy in the long-term. There may be social, educational, civic or other criteria which would justify moving forward on a project that is not necessarily merited based solely on economic development reasoning.

The Recreation Center / Community Center is a concept that is often discussed and has significant interest in the community. While in many instances such public facilities bring significant community benefit and improve the standard of living, the case for such a facility in Buena Vista right now is not as compelling. First, these types of community facilities must be of sufficient scale and quality to drive repeat usage or if underbuilt become expensive white elephants. The community recently rejected a bond proposal from the school district and seems to have little

interest in taking on additional tax burdens. Second, the community needs to collectively determine the top priorities for capital projects and address them sequentially. If addressing the school facilities is the top priority, then this needs to be addressed before proposing other projects. Third, the community already has most of what would be offered in a rec center or community center. Peak Fitness offers an impressive range of fitness equipment and classes. The community center has meeting space. The building is outdated and not optimal but is functional. Finally, the schools have been generous in allowing the community to use their facilities for community recreation. The only amenity that is missing is a swimming pool. At this point, with the size of the community and the economic situation, the costs of a new facility does not seem merited. Consideration of such a facility should be postponed for a few years.

The Gateway Project at the intersection of Highway 24 and Main Street is a critical project that will help create a more visible entry point into Main Street. It is likely that many in the 12,000 vehicles per day that travel along Highway 24 pass by Main Street without realizing the historic downtown area exists. A gateway that alerts travelers to the significance of Main Street would be helpful in driving more visitors and tourists to the area. The Town has a Gateway Project under development and this project should enjoy the full support of the community.

Main Street



PHOTO: BETTER CITY

4 | Primary Opportunity Areas

Based on the list of potential opportunities, there are many possible directions the Town could take to spur economic development. The key is to focus on those opportunities that have the highest potential impact, are most realistic, can be implemented and have the highest community interest.

While the SWOT process identifies the community's salient attributes, the bubble chart analysis is a way to quantify and display visually the relative strengths of the opportunities. Each opportunity was assigned a score from one to twenty relative to the magnitude of its potential impact, the feasibility of implementation and the interest and synergy it had with the community. These values were assigned based on the research conducted of the community paired with experience in implementation.

From the 48 opportunities identified in the SWOT analysis, the list was analyzed, consolidated and distilled down to those that are the most important for Buena Vista at this time. The opportunities comprise both industries that can be targeted to attract jobs and investments and other actions that can be undertaken to facilitate economic growth.

Target Industries

The following industries have been identified as having the greatest potential for success in Buena Vista – listed in order of priority:

- Biotech
- Finance Professionals

- Geothermal
- Drone Industry
- Enhance Tourism
 - Curated Winter Tours
 - Increased Collaboration with Mt. Princeton
- Light Manufacturing / Modular Construction
- Housing

Biotech Industry

The biotech industry has grown rapidly from its humble beginnings in the 1970s to the global powerhouse it is today. In 2015, over 2300 biotech companies in the United States generated \$107.7B in revenue.⁵ In the United States alone, from 2006 to 2015, \$109B dollars of equity flowed into the industry through venture capital, initial public offerings (IPOs), and follow-on public offerings (FOPOs).⁶ Bioscience firms in the US employed 1.66M people in 2015 and paid average wages of \$94,543 in 2014.⁷

While the global industry giants and high-value IPO's garner much of the attention, almost 90% of biotech companies are small and medium-sized enterprises.⁸ It is the strength of these small biotech firms that holds the most promise for Buena Vista.

Colorado has a strong bioscience industry presence with 1,700 bioscience companies and 27,900 employees in the field. In 2013, bioscience exports totaled \$2.2B.⁹

There are six factors that influence the location decision of a small biotech firm. The criteria are presented below in **Figure 1**.

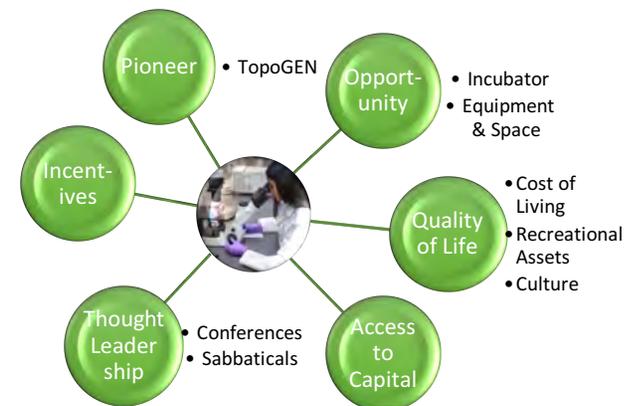


Figure 60: Biotech Location Criteria

Pioneer. Most firms tend to be risk averse when selecting a location and don't want to be 'the first penguin in the water'. If there is already an established presence, another firm that has been the 'pioneer' and proven the viability of the location, it is much less risky for other firms to follow. When TopoGEN relocated from central Florida to Buena Vista in 2015, its bold first step opened the door to other biotech firms. TopoGEN has proven that it is possible to thrive in a remote mountain town and according to its founder, Mark Muller, many of his colleagues in the industry are intrigued by the prospect of being able to conduct their work in Buena Vista.

⁵ <https://www.statista.com/topics/1634/biotechnology-industry/>

⁶ https://www.bio.org/sites/default/files/BIO_Emerging_Therapeutic_Company_Report_2006_2015_Final.pdf

⁷ <https://www.bio.org/press-release/national-bioscience-report-shows-industry-creating-jobs-and-driving-innovation>

⁸ <http://www.nature.com/nbt/journal/v24/n6/full/nbt0606-643.html>

⁹ <http://choosecolorado.com/key-industries/bioscience/>

Quality of Life. Biotech firms tend to be clustered along both coasts. While there are certain advantages to living in these areas there are also the downsides of congestion, traffic, high housing costs and the cost of labor. Buena Vista offers a quality of life that cannot be replicated in large coastal cities and for those who value outdoor recreation, community and quietude it is an ideal location.

Opportunity. Most biotech companies begin very small and operate on a shoestring budget while proving their technologies and products. The biotech incubator being developed by TopoGEN will create an ideal platform from which new ventures can develop their products and be successful. The incubator will have space available for small operations at very affordable rates and the leases will include access to shared equipment so that the companies don't have to come up with the capital to acquire their own equipment.

These financial benefits afforded by the incubator together with mentoring from TopoGEN's management team is a significant strategic advantage for startup firms and provides them with a unique and compelling opportunity.

Access to Capital. Startup firms rely on investors to provide initial financing and to fund their commercialization. One advantage of locating in highly-populated industry centers is the ready access to venture capital. While it is not a requirement to be physically proximate to financing, the evidence suggests it does matter. For example, in 1990, 22% of venture-backed startups were in the San Francisco Bay area while by 2015 that

percentage had grown to 45%. Clearly location is a factor in obtaining financing.

For biotech firms locating to Buena Vista, the lack of access to capital could be an obstacle. This potential challenge could be ameliorated by recruiting professionals from the finance industry to the Town (see the next section) as well as including efforts to leverage existing industry financing networks as part of the mission of the planned business incubator.

Thought Leadership. Another way to create inertia around a location and to establish it as a viable industry hub is to gain recognition as a place of thought leadership. There are examples of other mountain communities that have established a reputation as a place for thought leadership in a specific discipline. Two examples are Jackson Hole, Wyoming which is noted as a retreat for economists and Davos, Switzerland which is known as the site for global thought innovation and leadership development. In both cases, the town's credentials were established by virtue of academic or intellectual conferences that are held there.

The Economist explains how the formerly staid Federal Reserve Bank of Kansas City's "Economic Symposium" became the premiere economic event in the world. "In 1982, the conference moved to Jackson Hole (which is in the Kansas City district) and persuaded Paul Volcker, then chairman of the Fed and an avid fly-fisherman, to attend. In a textbook case of network effects, Volcker's regular attendance attracted other

policymakers and made the event an unequalled gathering for big economic hitters.”¹⁰

By hosting symposia and conferences on biotech targeted to the avant-garde of the industry, Buena Vista could acquire the bona fides of being a hub for innovation. Just as Jackson Hole became the undisputed mecca for economists because of its fly fishing, Buena Vista could lure industry luminaries with its scenic trails, majestic peaks and healing hot springs.

Other possible actions include providing space and accommodation for visiting researchers and academics to conduct research or take sabbaticals, and recruiting / incentivizing research institutions and universities to open satellite facilities in the Town. Invitations to the namesakes of the Collegiate Peaks should be extended.

Incentives. Because of its impressive growth rates and high median wages, biotech is considered one of the most desirable industries in the modern economy. Nearly every state has identified biotech as a core target industry to position itself as the perfect location for its firms. The competition for biotech companies is fierce and states and municipalities often compete with generous incentive packages to lure new firms to their cities.

¹⁰ <http://www.economist.com/blogs/economist-explains/2014/08/economist-explains-12>

¹¹ <http://www.frbsf.org/economic-research/publications/economic-letter/2014/december/biotechnology-biotech-economic-growth/>

The Federal Bank of San Francisco noted in a 2014 study that, “As of 2010, 11 states provided some type of incentive for biotech firms, and the generosity of these plans appears to be growing. In addition, over the past two decades, tax credits offered by states for general research and development (R&D) have become increasingly important. As of 2010, 34 states provided a broad-based tax credit on R&D.”¹¹

The competition among these states for the best talent was not in vain. The San Francisco Fed study determined that, “both biotech-specific subsidies and general R&D tax credits in a given state significantly increase the number of biotech star scientists residing there. The adoption of biotech subsidies raises the number of star scientists in a state by 15% relative to that state’s pre-adoption number of stars. We find a similar effect from the adoption of R&D credits. These findings are important because of the role star scientists play on the local development and survival of U.S. biotech clusters.”¹² In other words, state and local governments are making significant efforts and investments to attract star biotech talent and these investments are yielding results in growing their biotech sector which, in turn, “by increasing employment in biotech, incentives appear to indirectly boost employment in local services, like construction and retail, whose demand reflects the strength of the local economy.”¹³

¹² Ibid.

¹³ Ibid.

In order to match the competition, Buena Vista will not be able to rely on its mountains alone but must work in advance with the State, County and Chaffee County Economic Development Corporation to have ready a suite of incentives to offer to target firms.

Conclusion. Firms from the same industry tend to congregate in certain areas because of the value that flows from sharing of ideas and the access to human capital. The Federal Reserve Bank of San Francisco notes that the term “agglomeration economies ... refers to the local economic value generated by having many businesses and industries close to each other that are engaged in complementary activities.”¹⁴

A cycle develops where a few firms locate in an area, so industry talent flows to where the jobs are and other firms follow so they can poach talent from the existing firms. As the firms grow, more talent comes into the area to fill the demand for human capital and the cycle perpetuates.

With TopoGEN already in Town, adding a few more biotech businesses would create a sufficient gravitational force to begin a growth cycle for the industry in Buena Vista. There will be significant effort and investment required to ‘prime the pump’ and effectuate the positioning of Buena Vista as a hub for biotech but the magnitude of the opportunity could easily justify the investment.

The opportunity for Buena Vista to carve out a niche as the mountain hub of biotech is significant and compelling. TopoGEN’s incubator will be a key anchor for achieving this designation and that project must have strong public support. The applications for EDA and NIH grants should be accompanied by letters of support from the Town and other local civic institutions like the Chamber of Commerce and Colorado Mountain College. The granting agencies must know that the Town views their funding as ‘mission critical’ to the Town’s long-term economic success and that the incubator has the full support of the Town.

Other initiatives could bolster the Town’s positioning including sponsoring conferences, providing space and incentives for research sabbaticals and recruiting research institutions to open satellite campuses or facilities. Finally, the Town must be prepared, along with other institutions and government agencies, with a suite of incentives to offer these firms to locate in Buena Vista.

Local Advocate / Champion. After the Economic Development Master Plan has been completed the hard work begins. The community will then need to roll up its sleeves and begin the long, arduous process of implementation begins. In order for the Town to remain focused and maintain the determination to work through the process, there should be local advocates who champion the project and keep the community focused on its completion.

¹⁴ <http://www.frbsf.org/economic-research/publications/economic-letter/2014/december/biotechnology-biotech-economic-growth/>

Local ownership is key because then the project is not seen as merely a recommendation from an outside third party but an issue of vital community interest. For the biotech industry, the obvious choice for the local advocate / champions would be Mark and Soren Muller.

Dr. Mark Muller has a Ph.D. in Molecular Virology from the University of British Columbia and has done post-doctoral cancer research at the University of Wisconsin-Madison. He was a professor of molecular genetics at The Ohio State University for 24 years before taking his talents to Florida to become a professor at the University of Central Florida. Dr. Muller is a pioneer and a renowned expert in the molecular biology of cancer cells and founded his company – TopoGEN, as a leading biotech company in that field. As a recognized expert in the field, Dr. Muller is uniquely positioned to advocate for the biotech industry in Buena Vista.

Soren Muller joined TopoGEN in 2001 and has been responsible for sales, marketing, advertising, financial controls, and the company's value chain. Soren and Dr. Muller have created the concept behind the Biotech incubator and have been working with the Chaffee County Economic Development Corporation and Colorado Mountain College to get grant funding and secure funding for the venture.

Bioscience has been designated as a key industry by the Colorado Office of Economic Development and International Trade. Having this designation means that enterprises in this

field are eligible for special state incentives and support because they have been targeted for strategic growth in the state.¹⁵ The local advocates can leverage the support from the State to multiply their effectiveness.

¹⁵ <http://choosecolorado.com/key-industries/bioscience/>

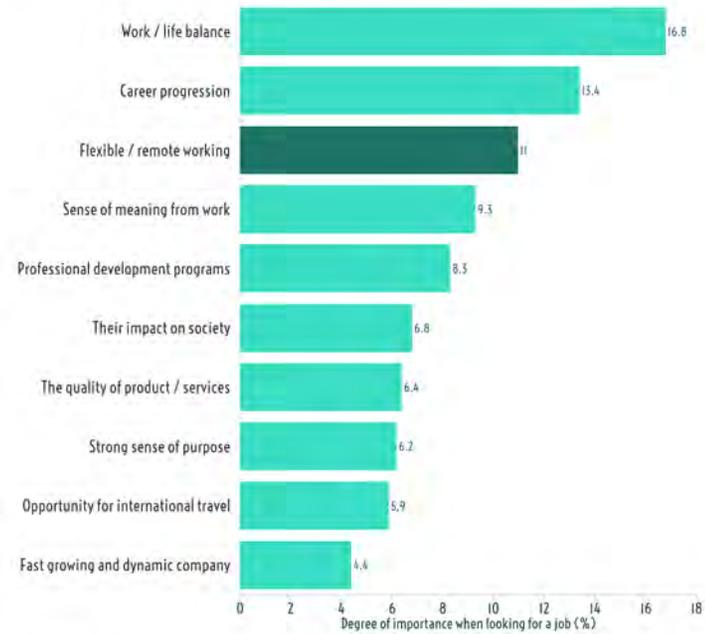
Professional Remote / Location-neutral Workers

There is a growing trend towards workers being able to do their work remote from the home office and are, therefore, able to live anywhere. The emergence of this new class of location-neutral workers, often referred to as ‘golden collar’ workers represents a great opportunity for rural communities to recruit individual workers.

The way work is done is changing rapidly. Jeff Corbin, CEO of theEMPLOYEEapp told Business News Daily, "There is an expectation that individuals should have the ability and freedom to work remotely and not be confined to an office setting or desk."¹⁶

Work of the future will be more about what is accomplished rather than where it happens. This is especially true for Millennials, 68% of who, according to AfterCollege, look at the ability to work remotely as a key benefit from employers.¹⁷ A survey by Deloitte found that for Millennials being able to work remotely was the third most important attribute when evaluating a position (See **Figure 61.**)

Most desired career incentives for millennials (2016)



Source: Deloitte

Figure 61: Importance of Remote Work for Millennials

Recent data indicates that in the United States, location neutral and telecommuting workers (teleworkers) have increased from 1.8M in 2005 to nearly 3.7M in 2015. Today one in eleven workers works remotely – away from their company’s offices.¹⁸ Nicholas Bloom, a professor of economics from Stanford, noted

¹⁶ www.businessnewsdaily.com/8156-future-of-remote-work.html#sthash.Y7o7MbuE.dpuf

¹⁷ remote.co/10-stats-about-remote-work/

¹⁸ Gallup.com, “In U.S. Telecommuting for Work Climbs to 37%, August 19, 2015

that “In the United States, the proportion of employees who primarily work from home has more than tripled over the past 30 years, from 0.75% in 1980 to 2.4% in 2010.”¹⁹

The trend towards remote working is likely to accelerate. In a recent survey of business leaders at the Global Leadership Summit, 34% said that 50% of their workforce will be working remotely by 2020.²⁰

According to Kate Lister, the following are the attributes of a typical telecommuter:

- 50+ years old, college educated, salaried, non-union
- A disproportionate share in the following industries (descending from the most to the fewest):
 - Military
 - Computer and Mathematical
 - Arts, Design, Entertainment, Sports, and Media Occupations
 - Farming, Fishing, and Forestry
 - Life, Physical, and Social Science Occupations
 - Legal Occupations
 - Community and Social Service Occupations
 - Architecture and Engineering Occupations
 - Business and Financial
- Work for a larger company²¹

There are five primary considerations when remote workers evaluate a location for remote working:

- Cost of living
- Housing
- Proximity to a major airport
- Quality of Life
- Business Support



Figure 62: Remote Working Location Criteria

Cost of Living. One benefit that remote workers can take advantage of is salary arbitrage where they are paid according to the pay-scale of the company’s home office while living in a location with a much lower cost of living. The spread between

¹⁹ <https://people.stanford.edu/nbloom/sites/default/files/wfh.pdf>

²⁰ www.fastcompany.com/3034286/the-future-of-work/will-half-of-people-be-working-remotely-by-2020

²¹ Kate Lister, globalworkplaceanalytics.com

compensation and cost of living can result in significant standard of living benefits for the remote worker.

Obtaining accurate data for the cost of living in rural communities is reliably unreliable. The best that can be done is to average the most popular online source that compares the cost of living in Buena Vista to the national average as has been done in **Table 13**.

Areavibes.com	100%
Sperling's Best Places	121%
City-Data.com	87%
Average:	103%

Table 13: Cost of Living

The variances in the estimates of cost of living are significant enough that it would be difficult to make any conclusive assessments. With housing prices increasing, higher than average utility rates and costs of services typically higher in a mountain town, it is likely that the cost of living in Buena Vista isn't significantly lower, if not slightly higher than the national average. Being close to the national average means that the Town is significantly cheaper than most major metropolitan areas so it would have a cost advantage for workers relocating from those areas.

Housing. Buena Vista's housing situation is afforded detailed treatment later in the report. As it relates to location-neutral

²² <http://www.city-data.com/city/Buena-Vista-Colorado.html>,
http://www.bestplaces.net/cost_of_living/city/colorado/buena_vista,
<http://www.areavibes.com/buena+vista-co/cost-of-living/>

workers, the primary considerations are how housing in Buena Vista compares to other markets. The median age of housing in Buena Vista is 37 years (i.e. built in 1980) while in the United States the median home was built seven years later (around 1987). The housing stock in Buena Vista is, on average, slightly older than the national average.

The median home value in Buena Vista from the 2015 ACS Census survey was \$202,000 while it was 178,600 for the entire country. While homes in Buena Vista are older and more expensive than the national average, compared to many of the country's coastal cities, the Town's housing is quite affordable. In many high-growth or high-demand coastal cities, median prices are much higher than in Buena Vista – see **Table 14** which displays median home values for select cities in high demand areas across the country.

City	Median Home Value
Boston, MA	\$ 393,600
San Francisco, CA	\$ 799,600
Chevy Chase, MD	\$ 884,100
San Diego, CA	\$ 463,300
Manhattan, NY	\$ 848,700
Huntington Beach, CA	\$ 642,900

Source: US Census, QuickFacts

Table 14: Median Housing Values in Select Coastal Cities

Professionals leaving those high-priced housing markets could upgrade to a much larger home in a much more beautiful setting for a fraction of the price of their current accommodations.

The comparison to other mountain communities in Colorado is displayed in **Table 15**. The values of housing follow a readily discernible pattern of corresponding to the level of development and amenities that the community offers. Communities with high-end ski resorts and extensive dining, retail and entertainment options command higher housing values than communities where such assets are less developed.

City	Median Home Value
Lake Co, CO	\$ 168,500
Buena Vista, CO	\$ 202,000
Salida, CO	\$ 248,400
Avon, CO	\$ 332,400
Steamboat Springs, CO	\$ 456,000
Summit Co, CO	\$ 478,800
Vail, CO	\$ 534,400

Source: US Census, QuickFacts

Table 15: Median Housing Values in Colorado Towns

The much-discussed housing shortage notwithstanding, Buena Vista’s housing affordability is consistent with other mountain communities in Colorado when adjusted for their level of amenities. Compared to many of the communities that have been primary economic drivers in the knowledge economy, the Town’s housing is relatively affordable.

Proximity to a Major Airport. As the 6th busiest airport in the United States by passenger boardings, Denver International Airport (DEN) certainly meets the criteria of a major airport.²³ 187 destinations are serviced out of Denver including 20 international cities meaning that flights from DEN go directly to almost anywhere in the United States.

The drive from Buena Vista takes from 2 hours and 40 minutes in ideal conditions to well over 3 hours in times of traffic or adverse weather. The distance from the airport virtually eliminates Buena Vista as a potential destination for someone who needs to fly frequently for their work. Occasional or infrequent travelers may be willing to endure long commutes to the airport.

Quality of Life. In the quality of life metric, Buena Vista rates very well. For someone seeking a slower pace of life in a place with a great sense of community and ample outdoor recreation opportunities, Buena Vista would be an ideal location.

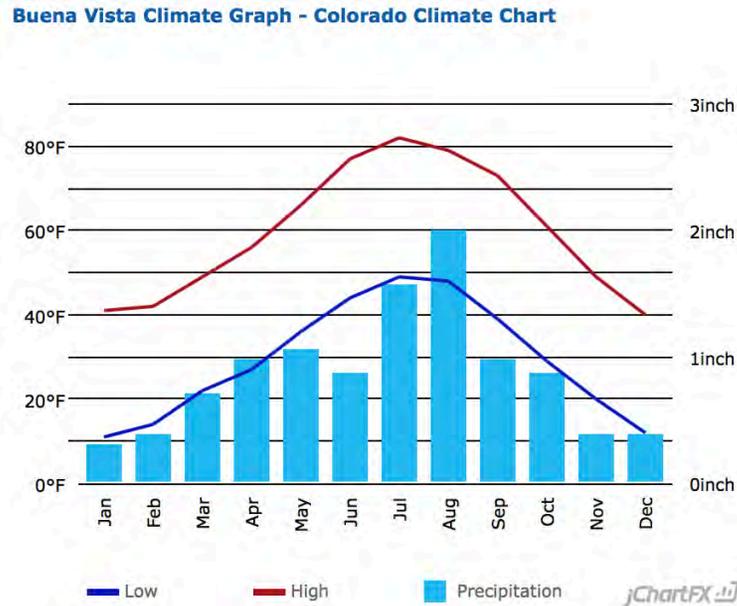
While evaluating the quality of life of a community varies by individual and is subject to individual tastes, there are several universal factors that tend to influence how a community is perceived. These factors are weather, crime, education and amenities.

Weather. While 57% of Americans prefer a warm climate 29% prefer it cold with 12% undecided or ambivalent.²⁴ For the 57% who prefer warm weather, Buena Vista’s chilly winters may be

²³ Wikipedia – “List of the Busiest Airports in the United States”

²⁴ www.pewsocialtrends.org/2009/03/18/most-like-it-hot/

a deterrent, but for those who hate hot summers, the Town’s cool summers and low humidity may be ideal (see **Figure 63**).



Source: USClimateData.com

Figure 63: Buena Vista Climate Graph

The fact that the Town’s weather is a detractor to 57% of the population, limits the pool of potential remote workers who would be interested in relocating.

Crime. The prevalence of crimes in a community tends to be evaluated more as a threshold criteria than as a continuum. Thus, if two communities are well below the national average for criminal activity but one is 20% safer, there is not likely to be a material difference in the impact on perceptions of safety as it

relates to quality of life because both meet the threshold requirements.

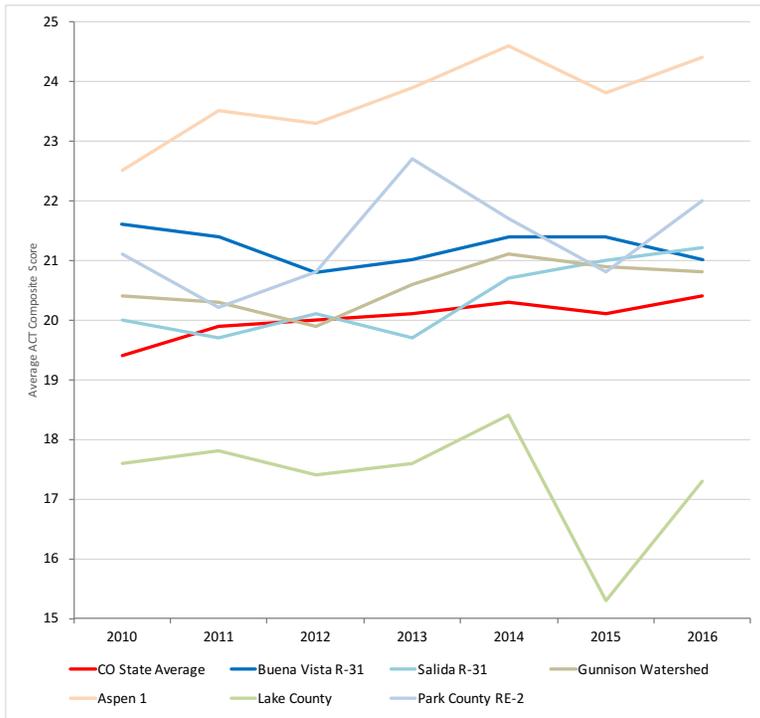
While Buena Vista had as many violent crimes in 2016 as in the previous seven years, taking the long-term view, crime rates are extremely low in the Town. The average annual violent crime rate over the past 10 years has been 37.07 per 10,000 residents compared to a national average of 227.9. For property crimes, the gap is even larger – 52.73 in Buena Vista vs. 273.3 for the U.S. By any measure, Buena Vista is a very safe community.

Education. The quality of education is one of the most vital criteria for workers with children or who anticipate having children. Typically, education is viewed as falling into one of three categories: 1) Excellent: a net attractor, 2) Adequate: neither a detractor nor attractor, and 3) Deficient: a net detractor. While the lines may be drawn at different intervals for different parents depending upon their standards, the groupings are widely valid.

Typically, standardized test scores would form the basis for evaluating school performance but due to the large and disproportionate number of Buena Vista parents who withdraw their students from testing and the “0” score that results, the state proficiency test are not a good benchmark of student achievement.

The ACT scores of Buena Vista students provide a standardized benchmark against which the District can be compared to the state. Among the districts sampled, Buena Vista is competitive with the exception of the Aspen District. Buena Vista students

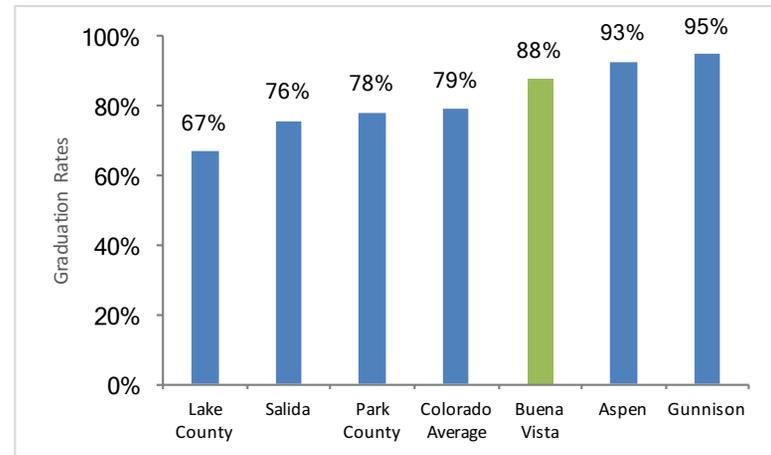
have consistently performed better than the state average – see **Figure 64**.



Source: Colorado Department of Education

Figure 64: ACT Composite Score Comparisons

Another key metric of student progress and achievement is graduation rates. Nearly 10% more Buena Vista students graduate than the state average and its graduate rates are among the best in the sample group (See **Figure 65**).



Source: Colorado Department of Education

Figure 65: Graduation Rates Comparisons

Amenities. While personal preferences dictate the weighting put on the availability of different amenities when evaluating a community, there are certain categories that are nearly universal – retail, restaurants, recreation and entertainment.

Retail can be divided into those necessities for every-day living and the discretionary shopping that adds the spice to the shopping experience. Buena Vista’s retail occupies both ends of the spectrum. ShopKo, City Market and The Lettucehead Food Company offer dry goods and groceries, there are three hardware stores and two pharmacies. Community feedback on the City Market is universally negative – citing its lack of fresh produce, inadequate parking, high prices and its overall state of disrepair. ShopKo elicited few responses while the feedback on the Lettucehead was generally positive. Feedback on the other stores is neutral to positive. In general, the community feedback

indicated that the retail environment for necessities and staples is meeting expectations with the exception of groceries.

For discretionary purchases, Buena Vista has a healthy number of truly innovative retailers with unique products including original artwork and artisan goods. The products, however, are largely targeted towards recreation and tourists. There are few retailers that offer products for daily use and wear. When a focus group of high school students were asked what items they purchase in Town the universal response was “nothing”. They indicated that they buy their clothing and other needs either online (Amazon) or in Denver.

In a sense, Buena Vista is already positioned for the new reality of retail. As online purchasing continues to increase as a share of total sales – doubling in the last six years (see **Figure 6**) - brick and mortar retail establishments are reeling. Sears, Kmart, Payless Shoes, Nordstrom, Macy’s and Walmart are just a few of the major retail brands who have recently announced store closures or even bankruptcy.

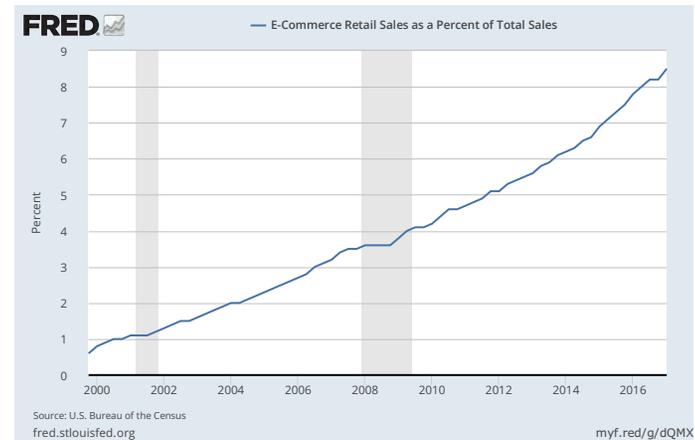


Figure 66: Internet Sales as a Percentage of Total Sales

If the current trend continues, there will be far fewer retail establishments in the future with niche / artisan retailers, convenience and grocery sectors being among the formats able to survive the digital shopping onslaught. Buena Vista’s retail offerings may actually prove to be resilient and perfect positioned for the retail environment of the new economy.

Following is a partial listing of the restaurants in Buena Vista with their genre (in no particular order):

- Asian Palate – SE Asian (Thai, Filipino)
- House Rock Kitchen – American / sandwiches
- Evergreen Café – Breakfast and Lunch
- The Bearded Lady – Fresh, local food (truck)
- Biggies – Sandwiches
- The Lariat – American
- El Paraiso – Mexican
- Eddyline – Pizza / American
- Rooster’s Crow Café – Breakfast & Lunch

- Jade Garden Chinese Restaurant – Chinese
- Jan’s Restaurant – Traditional
- Los Girasoles – Mexican
- Quincy’s – Steakhouse
- K’s Dairy Delight – Burgers
- The Tatooned Dog – Burgers
- Branding Iron – Grill
- Midland Station – Breakfast & Lunch
- Brown Dog Café – Café
- Simple Eatery – Fresh café
- Pancho’s - Mexican

San Francisco has the most restaurant density in the country at 39.3 per 10,000 households. Buena Vista density, by contrast, would translate to 169.4 restaurants if it had 10,000 households (and the list of restaurants is not comprehensive). For a Town of its size, Buena Vista has a surprising number of restaurants that provide an impressive variety of cuisine. Most remarkable is the quality of the food. Many restaurants offer innovative dishes of excellent quality. Especially for a Town of its size, Buena Vista definitely punches above its weight in the number and quality of its restaurants.

A recent study in Europe indicated that, “Leisure, the time people have outside their productive activities (either paid or unpaid) and how they can and choose to spend it, has a significant impact on their subjective notion of well-being, their happiness and their life satisfaction.”²⁵ Traditional

²⁵ Quality of life and leisure activities: How do leisure activities contribute to subjective well-being?, Brajsa-Zganec, A., Merkas, M. and Sverko, I. (2011), Social Indicators Research, 102(1), 81-91

entertainment amenities (bowling alleys, first-run movie theaters, live sporting events, music venues, live theater, ice skating rinks, laser tag, arcades, etc.) are not present in Buena Vista. There is a strong live-music culture in the Town, however, and it is possible to hear live music at different venues on many nights. Overall, the limited number of entertainment amenities, though not unexpected for a Town of Buena Vista’s size, would be a net detractor.

Buena Vista’s recreational offerings are impressive for a community of its size. Peak Fitness is a full-service gym that offers cardio equipment, free and machine weights, fitness classes and personalized training. It is a very impressive facility that will be expanding and adding an indoor climbing wall. Buena Vista has the recreational assets and amenities that are common to mountain communities including mountain biking, cross country skiing, hiking, fishing, hunting, ATV trails, etc. In addition, the stretch of the Arkansas River that runs through Buena Vista is widely acknowledged to be one of the premiere kayaking locations in the world. As proof, the 2017 Team USA Kayaking Freestyle Team Trials will be held in Buena Vista.

Buena Vista is renowned for the abundance and quality of its outdoor recreational assets. These assets provide outdoor with a wealth of recreational opportunities and could constitute a key motivation for locating to the Town.

Business Support. A key question to be answered in a decision about relocating is how the location facilitates or supports doing business. In the 21st century, perhaps the most critical element of infrastructure isn't sewer or water (though these remain essential) but what is called the "4th utility" - broadband internet connection. Buena Vista has recently commissioned a study to analyze its broadband connectivity and recommend improvements to its service. At present, most of the Town enjoys download speeds in excess of 15Mbps and there are internet design and programming firms that are able to conduct business without problems except for the occasional disruption in service. According to Business.com, speeds of 10Mbps are generally sufficient for most businesses.²⁶ At present the broadband service for the core of downtown is more than adequate for virtually all business applications but having redundancy would provide greater security and assurance.

While some remote workers value the independence and isolation their work situation affords, other desire more social interaction and understand the importance of networking. Having opportunities to connect with other professionals – especially those in your industry, can be richly rewarding and professionally profitable. In his book *Triumph of the City*, Harvard Economist Edward Glaeser notes, "To thrive, cities must attract smart people and enable them to work collaboratively." This collaboration is critical to developing creative synergies that enable workers' productivity to exceed their individual abilities. Having a concentration of intelligent

people with wide areas of expertise that are able to engage and interact can create a vibrant innovation hub.

There are a few things that help create a fertile environment that fosters such collaboration. A sense of community is pre-eminent. Buena Vista's strong coffee culture – where the coffee shops are always bustling and full of people engaging and sharing ideas is a great indicator of a community that has a culture that fosters collaboration. The physical space to collaborate is also important. Besides the Town's many coffee shops, there is a co-working space – the Watershed. Co-working spaces are custom created for working professionals who want space to spend part or all of their work time in a work environment with other professionals. Co-working space has increased by 400% in the past two years²⁷ – a testament to its growing utility and popularity. While the space at the Watershed is somewhat limited – four total desks, its existence provides the platform that can be expanded upon.

Overall, Buena Vista has a great business and entrepreneurial climate and can provide a supportive environment for remote workers.

Target Profiles. Buena Vista has already established itself as an attractive and viable home base for location neutral workers and hosts many golden collar workers. The benefits to the community of expanding the numbers of remote workers is that it brings high-capacity, creative people that can create a culture of innovation and progress.

²⁶ <https://www.business.com/articles/lightning-fast-determine-how-much-internet-speed-your-business-really-needs/>

²⁷ <http://www.coworksalida.com/about.html>

According to Mr. Glaeser, “the bottom-up nature of urban innovation suggests that the best economic development strategy may be to attract smart people and get out of their way.” The civic, cultural and economic benefits of bringing bright and engaged people to a community are incalculable.

The best way to attract remote workers is to target a specific industry segment and work to create a compelling case for workers in that industry. Once a critical mass of workers locates to the community, their presence creates a gravitational pull for others in the industry and a trend develops.

A way to determine which types of professionals would be most likely to locate to Buena Vista and create a plan to attract them is through psychographic segmentation / marketing. “Psychographic segmentation is dividing your market based upon consumer personality traits, values, attitudes, interests, and lifestyles. Segmentation will allow you to better develop and market your products because there will be a more precise match between the product and each segment's needs and wants.”²⁸

A local marketing expert, Jacob Mueller, has created three psychographic profiles that lend insight into the specific pain points and attractants for people in different demographic categories and in different lines of work. Expanding Jacob’s work to consider more industries and demographic profiles could help hone the message and focus the marketing outreach.

²⁸ <http://study.com/academy/lesson/psychographic-segmentation-in-marketing-definition-examples-quiz.html>

Looking at specific case studies is also an excellent way to work backwards and create a psychographic profile from an actual person who has relocated to the area. There are subjects who can be profiled that represent potential target industries and could represent broader possibilities. An example of such a case study is John Braddock who is profiled below.

John Braddock. After graduating with an MBA from Baruch College in New York, John Braddock began a career in business and finance that culminated in Mr. Braddock holding senior positions with some of the world’s most respected investment banking firms. After the traumatic events of 9/11, Mr. Braddock began to reconsider the quality of his life and the impacts of living in NYC. In 2006, he relocated to Texas and continued to work in investment banking – founding his own firm. Chaffee County caught his eye while driving from his second home in Taos, New Mexico to Boulder. After several trips, he determined to relocate to Salida and has never looked back.

Mr. Braddock noted that aside from the personal benefits of the move to an alpine town - exceptional quality of life, the clean environment, the ability to exercise and the great people, relocating has also benefitted his business. He observed that since his move to Chaffee County, “I’ve cut my business overhead by a whopping 70%, increased my international client base, kept the same level of compensation and, best of all, obtained a work-life balance I didn’t think was possible.”

There are challenges with moving to an area where there is not an established finance industry cluster. There is a different level of sophistication among the business community that manifests itself in understanding of finance, capital markets, codes of conduct, ethical guidelines, corporate policies, financial disciplines, etc. Most of the businesses are also cottage industries that don't require financing or would not be candidates for financial markets. As a result, it is more challenging to do business and look for clients in the local area in a rural setting compared to a large metropolis. It is also harder to develop and maintain relationships with other bankers, lawyers, etc. when physically isolated from peers in these fields. These informal networks and relationships are critical to finding opportunities and putting together deals.

There are tremendous benefits to having Mr. Braddock in the County. Aside from contributing to the economy through personal spending and hiring administrative staff, local CPA's etc., he also benefits local businesses by looking at local deals and providing advice to small businesses. Through his mentoring and providing advice, having this world-class talent in the County provides far-reaching benefits.

There are others who have moved into the area who have similar backgrounds and experience. Mr. Braddock believes that there are others who would love to do what he has done – that there is a large appetite among many in his field to leave the pressure and pace of city living in exchange for a higher quality of life. Many of his colleagues, upon hearing of his move to

Colorado, expressed admiration for the move and jealousy at his quality of life.

Conclusion. The appeal of Buena Vista as a destination for location-neutral / remote workers is well established. There are many who have already come to the Town to work and strong indications that many others would like to come. There are significant benefits to the community of bringing talented and capable people into the Town. The key to recruiting remote workers to the community is in creating a marketing / outreach program that educates others about the benefits of life in Buena Vista and a program that assists and facilitates the transition.

Focusing on one industry sector would make the marketing and outreach efforts more focused and targeted. The financial services sector has been designated by the Colorado Office of Economic Development and International Trade as a key industry.²⁹ The State is focused on recruiting employers in the financial services sector to the state and has been proactive in recruiting workers in the industry. Collaborating with the State to target remote workers / entrepreneurs in the finance sector, like Mr. Braddock, would enable the Town to leverage the State's resources and bring greater scale to its efforts.

Local Advocate / Champion. As a successful high-tech executive who has figured out how to live in Buena Vista, Phillip Puckett would be an excellent champion for the remote worker initiative.

²⁹ <http://choosecolorado.com/key-industries/financial-services/>

Geothermal

The area around Buena Vista has some of the most intense and active geothermal activity in the state. It is estimated that there is water at 300 degrees Fahrenheit below the surface.³⁰ \$1.5m has already been spent to research the geothermal field and determine its commercial applications and a grant for \$600K is hoped for to conduct further testing.³¹

According to the Geothermal Energy Association, “Heat has been radiating from the center of the Earth for some 4.5 billion years. At 6437.4 km (4,000 miles) deep, the center of the Earth hovers around the same temperatures as the sun's surface, 9932°F (5,500°C) (Figure 1). Scientists estimate that 42 million megawatts (MW) of power flow from the Earth’s interior, primarily by conduction.”³² Geothermal resources have several potential applications. To a large degree, the temperature of a geothermal fluid determines the type of applications that can be considered with the resource. For example, direct heating and cooling can be performed with relatively warm water (60-80°F), whereas food processing and industrial applications require geothermal fluid in the 150-200°F range. Electricity generation can technically be achieved with geothermal fluid at a temperature of 185°F, however most active power plant developers won’t consider a site unless reservoir temperatures exceed 250°F. In 2013, geothermal electrical generating capacity reached 3,442MW in the United States.

³⁰ Colorado Geological Survey

³¹ Telephone conference with Fred Henderson, Ph.D. – Mt. Princeton Geothermal

Water from geothermal springs can provide hot water to heat buildings organized into heating districts. The capital costs of drilling, pumping and piping the heated water and retrofitting the building’s heating system is offset by the cost savings of an inexpensive source of heating for buildings. Such heating districts are not uncommon in areas with geothermal energy and have provided operational savings to participating businesses. In Klamath, Oregon, the heat from geothermal wells even melts snow off of the sidewalks.³³ A heating district would not be expected to be a source of significant employment but the primary benefit would be in reducing the operating costs of businesses – giving them an operational advantage.

Hot water from geothermal wells can also provide cost-efficient heat for greenhouses and aquaponics operations. Other commercial uses of geothermal heat include vegetable drying, pulp processing, and value-added food processing. Aside from the financial benefits of direct usage of the geothermal heat, many companies with sustainability objectives value the marketing and public relations benefits of using geothermal heat sources.

Heat generated from geothermal sources can be put through reverse heat exchangers to generate electricity. Recent innovations using Organic Rankine Cycle (ORC) technology have resulted in plants that use standard HVAC chiller equipment in reverse to generate electricity. Using off-the-shelf equipment significantly reduces capital equipment costs and has resulted in

³² <http://www.geo-energy.org/Basics.aspx>

³³ http://www.oregonlive.com/business/index.ssf/2009/06/klamath_falls_theres_no.html

great improvements in efficiency. A plant in Chena, Alaska using ORC technology is producing geothermal energy at a cost of \$.06 per kwh.³⁴

Economic Benefits. Residential electrical rates in Buena Vista are \$.124 per kwh, which is more expensive than most surrounding mountain communities – see **Figure 67**. The high rates present a compelling market potential to provide clean, renewable, geothermal energy that will result in lower monthly bills for Town residents. Furthermore, lower electricity costs could help attract businesses and location neutral workers.

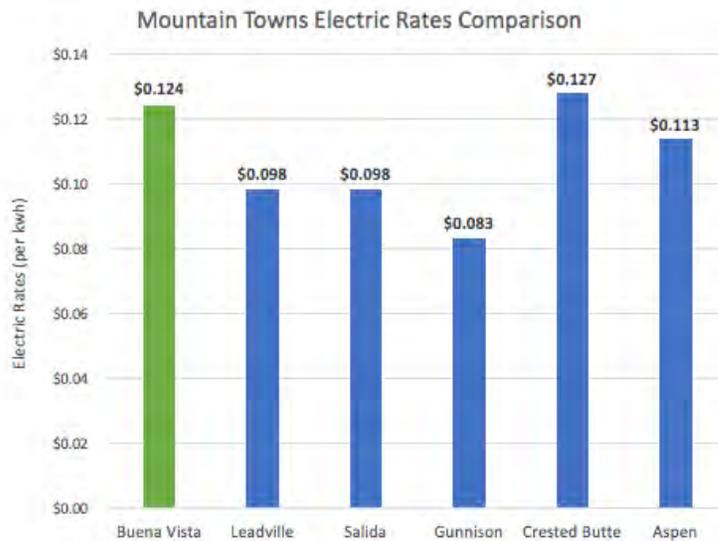


Figure 67: Electrical Rates Comparisons

³⁴ Power Production from a Moderate-Temperature Geothermal Resource, Joost J. Brasz, Bruce P. Biederman, Gwen Holdmann. GRC Annual Meeting, 2005, Reno, NV

The Geothermal Energy Association estimates that 1.7 permanent jobs are created for every 1 megawatt of capacity installed.³⁵ A 10 MW plant could, therefore, result in 17 new, high-paying jobs.

Environmental Benefits. A coal-fired plant generates 2,200 pounds of CO₂ and 18.75 pounds of sulfur dioxide per megawatt hour generated while a binary geothermal plant produces zero emissions (See **Table 4**).

[lbs/MWh]	Dry Steam	Flash	Binary	Natural Gas	Coal
CO ₂	59.82	396.3	-	861.1	2200
CH ₄	0.0000	0.0000	-	0.0168	0.2523
PM _{2.5}	-	-	-	0.1100	0.5900
PM ₁₀	-	-	-	0.1200	0.7200
SO ₂	0.0002	0.3500	-	0.0043	18.75
N ₂ O	0.0000	0.0000	-	0.0017	0.0367

Source: Climate Registry 2012, EIA 2013e, EPA 2009, EPA 2011, NRC 2010

Table 16: Pollution Emission by Type of Power Plant

Geothermal is a truly renewable resource and the environmental impact of diverting even one megawatt of energy production from coal is significant. Having zero-emission electricity is a socially-impactful way for Buena Vista to brandish its credentials as an eco-friendly, sustainable community.

Conclusion. The presence of geothermal activity within close proximity to the Town presents an opportunity to leverage this natural asset and use it to create economic and environmental benefits. Lower utility costs for industries and residents and the image benefits of being powered by sustainable, renewable

³⁵ http://geo-energy.org/geo_basics_employment.aspx

energy could be significant drivers of economic development. It is recommended that the Town put the full weight of its influence behind efforts to move forward with studies and other steps that will move the utilization of this valuable resource forward. Parochial (NIMBY) concerns should be subordinated to the greater good achieved by bringing online this clean source of renewable energy.

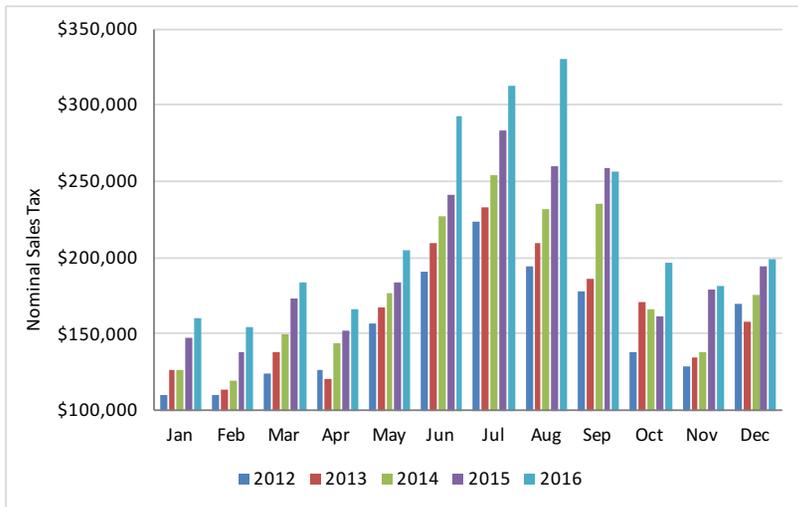
Local Advocate / Champion. Dr. Fred Henderson and John Held of Mt. Princeton Geothermal have dedicated considerable time and resources into studying and laying the groundwork for utilizing the area’s geothermal resources. Dr. Henderson and Mr. Held would be knowledgeable and passionate advocates for geothermal in Buena Vista.

The Colorado Office of Economic Development and International Trade has designated Energy and Natural Resources as a key industry.³⁶ While the focus of the State’s sustainable energy initiatives center around solar and wind, working with the Colorado Geology Survey, which has extensive knowledge of the State’s resources and potential, will enable the Town to leverage the State’s expertise and interest in renewable energy.

³⁶ <http://choosecolorado.com/key-industries/energy-natural-resources/>

Tourism

Tourism tends to be viewed through the lens of its extremes. Many stakeholders indicated that tourism is at full capacity and does not represent an opportunity for economic development because of the number of visitors that strain the Town’s resources during the peak summer months. The following graph (Figure 68) showing the sales tax seasonality validates the variance in seasonal sales and the peak during the summer months.

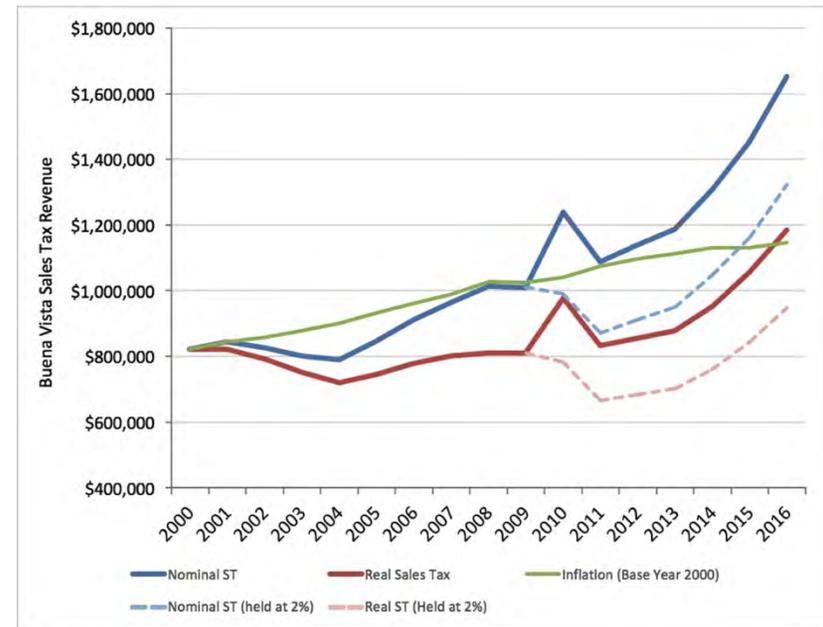


Source: Town of Buena Vista

Figure 68: Sales Tax Seasonality

Sales tax collections more than double from the slowest winter months to the peak of the tourism season in July and August. The reciprocal observation, however, is that from October to

May the assets and business infrastructure that is in place to accommodate the peak summer season is underutilized. The other trend to note is the sharp increase in sales tax that has occurred over the last three years. The change in sales tax receipts from 2000 is displayed in Figure 69. The net receipts, adjusted for inflation is represented by the red line and the dashed red line holds the receipts constant from the change in the sales tax rate in 2010. From 2013 through 2016, there has been a significant increase – averaging 11% per year. This increase indicates that after years of declining retail and restaurant sales (in real terms), the lure of Buena Vista as a tourist destination has taken hold and there is accelerating demand.

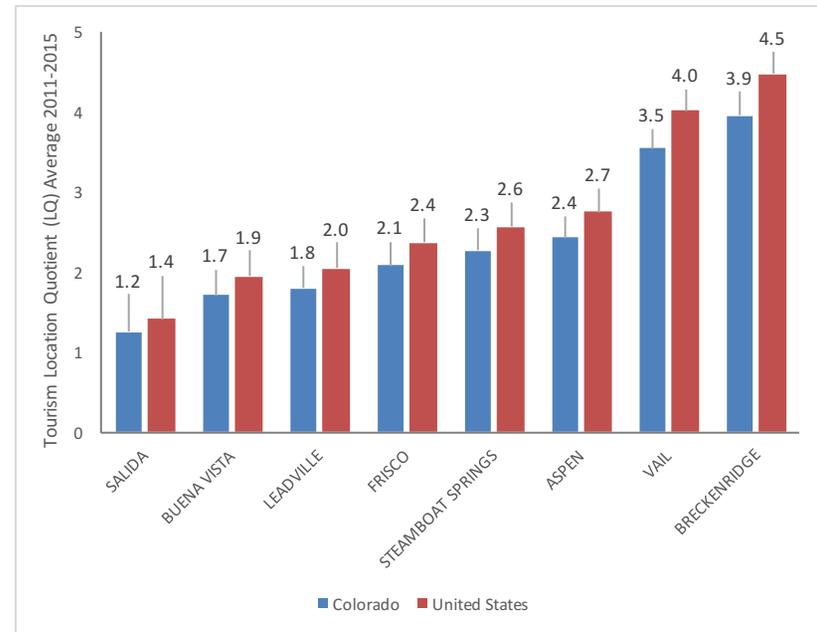


Source: Town of Buena Vista / Bureau of Labor Statistics

Figure 69: Historical Sale Tax Receipts

If tourism were increased during the off-peak season, it would require insignificant additional business investment to generate incremental revenue and profitability to a wide range of tourist-supporting businesses in the Town.

There is evidence that Buena Vista still has significant upside as a vacation destination. The location quotient of tourist-related industries of various mountain resort communities in Colorado is depicted in **Figure 70**. (For a comprehensive discussion of tourist location quotients, see page 49 of the Phase 1 Report.) The data suggests that the ratio of tourism industries in Buena Vista is from 25% to 229% less than in other communities that have strong tourist identities.



Source: ACS 5-Year Estimates

Figure 70: Tourism Location Quotients of Resort Towns

While tourism is not typically a good target industry for economic development because of its lower wages, in the case of Buena Vista, the objective isn't necessarily to create new businesses or even to increase employment but rather to help make existing businesses more profitable. Because the infrastructure is already in place and Buena Vista is already well-established as a tourist destination, with reallocation of existing resources and some extra focus and effort, there could be a benefit for local businesses. In other words, while increasing tourism in the off seasons is not strategically important, it requires much less effort and investment than other initiatives

and has the potential to provide a nice boost for the community's economy.

There are two specific recommendations that have the potential to increase winter and off-season tourism in Buena Vista – Curated Winter Packages and Increasing Linkages with the Mt. Princeton Resort.

Curated Winter Packages.

Buena Vista has good tourist infrastructure (restaurants, retail, hospitality, etc.) in place. The challenge is that this infrastructure is only efficiently utilized for the time period from Memorial Day to Labor Day. The balance of the year sees far lower tourist traffic and businesses struggle and assets go under-utilized.

Having more tourist demand during the slower seasons would enable the Town and its businesses to leverage their assets and increase returns without any additional investment. While Buena Vista is widely renowned as a summer vacation destination – with much of the focus being the Arkansas River, its appeal as a winter destination is far less known. Creating a curated winter tour package would advertise all of the different activities that are available in Buena Vista and make it convenient for a tourist to enjoy a wide variety of winter activities without having to spend hours planning the vacation.

A Buena Vista Winter Tour Package could include:

- Fat bike trail rides
- Cross Country skiing
- Snow shoeing

- Remote skiing
- ATV / snowmobile riding
- Craft brewery / distillery / craft coffee tours
- Swimming / hot tubbing at Mt. Princeton
- Skiing at SkiCooper or another resort

For people growing tired of ski resort vacations or families who have been priced out of the market, such a varied and affordable vacation would be very appealing. Working with local vendors to put the packages together, and coordinating the pricing, scheduling and transportation is a tremendous undertaking. Once everything is set up, then the package must be marketed, orders taken and the visits coordinated.

There is a significant amount of work to be done and some investment but the prospects of short-term success are not certain. There would be latency in creating the type of word-of-mouth / social media advocacy that would make the winter tour packages successful. It would be very difficult for a private business to take on such a risky venture with the prospect of low returns for many years. This is an example of a market failure when the returns to private enterprise are insufficient to provide a service that is in the public interest. In such cases, public intervention is required to establish the market.

If the prospects of long-term increases in off-season tourist activity are deemed to be worth the investment, hotel tax and chamber marketing funds could be combined to create the infrastructure to administer the program.

Increase Linkages with Mt. Princeton

Mt. Princeton is a tremendous community asset – bringing thousands of visitors to the area every year. While the resort is self-contained and guests could comfortably spend their entire time eating, sleeping, recreating and relaxing all within the confines of the resort, many guests wish for some variety in their stays. Resort staff indicates that there has been an increase in the number of guests at the resort who venture out to visit local communities. With the resort being nearly equidistant between Salida and Buena Vista, however, the Town is splitting this economic benefit.

With its unique retailers, art establishment, craft brewery and coffee shops and its live music scene, Buena Vista has much to offer guests of Mt. Princeton. The key is in communicating to the guests what is available in the Town. Creating package deals, tour buses or co-marketing the Town with the resort could lead to greater visitation from the resorts guests. This is another way to better utilize existing tourism infrastructure and increase the Town's prosperity. The pattern is well-established in Colorado with many ski resorts enjoying fruitful, symbiotic relationships with nearby towns. The interaction and co-marketing of the resorts and towns creates mutual benefits.

As with the curated winter tour packages, there would be significant coordination and effort required to work with Mt. Princeton to determine how to collaboratively market to their guests to enhance their vacation experience. Different options like shuttle buses and recreation packages should be evaluated.

Conclusion. Summer tourism has been a vital lynchpin of Buena Vista's economy for years and since 2013 has shown remarkable growth. Buena Vista is becoming increasingly popular as a summer tourism destination and every year more people are becoming aware of all it has to offer. Winter tourism is also increasing rapidly but is less than half of the level of the summer months. It is recommended that the current utilization of Buena Vista's room tax be evaluated along with other business promotion and marketing efforts. If feasible, these resources could be combined to initiate an effort to create curated winter tour packages and to collaborate with Mt. Princeton on co-marketing initiatives.

Local Advocate / Champion. Buena Vista has the benefit of having a globally-recognized expert in outdoor industry marketing in its midst. After working in management for Patagonia, Dan Robertson relocated to Buena Vista where he runs Outdoor Business Pros, which provides marketing and business consulting for the outdoor industry. Mr. Robertson's work has taken him all over the world, including recent trips to Africa. Mr. Robertson would be an excellent advocate for increasing off-season tourism in Buena Vista because of his marketing and operations background and his understanding of the outdoor industry.

Drone / UAS Industry

According to Bloomberg, the global drone (unmanned aerial systems or UAS) industry is projected to grow 32% per year over the next decade and reach \$30B in annual revenues.³⁷ Goldman Sachs projects \$100B in total market opportunity by 2020.³⁸ By either estimate, the drone industry is poised for explosive growth. New applications for the technology are constantly being discovered with cost savings often in excess of 75% over legacy practices. Some of the areas where significant UAS activity is predicted are:

- Recreation (including racing)
- First-person View
- Aerial photography and Videography
- Infrastructure Inspections
- Surveying and Mapping
- Swarm Intelligence
- Science and Research
- Search and Rescue
- Security and Surveillance
- Precision Agriculture
- Cargo Systems
- Construction
- Mining & Aggregates³⁹

Buena Vista is a good location for UAS testing and training because it has a good airport with little air traffic that would be disrupted by drone flights. Chaffee County has a has been

³⁷ <https://www.bloomberg.com/gadfly/articles/2017-01-13/the-drone-industry-crashes-to-earth>

granted two Certificates of Authorization for research and testing of UAS. The County is being recognized as a leader in the field of drones and has hosted conferences on the topic. The Chaffee County Economic Development Corporation has been a primary driver behind the County's focus on this industry.

The opportunity is for the County to become a hub of research, testing, training and possibly even development. There a possibility to make drone testing and development companies co-tenants in the biotech incubator – thus leveraging the existing infrastructure and proximity to the airport.

Opportunities in recreation are compelling and utilizing drone videography to document kayaking/rafting clients on their river runs would provide opportunities for capturing memorable experiences.

Conclusion. The drone industry is just beginning to 'take flight' and will experience incredible growth over the coming years. Supporting initiatives to bring UAS-related industries to Buena Vista is a path toward bringing vibrant, new economy industry to the area.

³⁸ <http://www.goldmansachs.com/our-thinking/technology-driving-innovation/drones/>

³⁹ <http://dronenodes.com/commercial-drone-applications/#tab-con-7>

Light Manufacturing – Modular Homes

The current housing market and the costs of construction have created a market opportunity in construction of modular or pre-fabricated homes and other structures. The Farm housing development is utilizing sections that are fabricated out of the state and shipped to the development site to be anchored and assembled. There is a similar trend in hotel construction where individual rooms are manufactured as stand-alone units and then assembled at the construction site.

Global Industry Analysts notes that “Prefabrication is gaining renewed interest in modern day constructions due to the worldwide focus on sustainability as demonstrated by ‘offsite’ and ‘green prefab’ movements. Today, manufactured homes are one of the most sought after forms of affordable housing, with cost savings realized through the streamlined production process rather than government subsidies.”⁴⁰

The prefabricated home industry has annual revenues in excess of \$8B in the United States and has grown at 5.2% annually over the past five years.⁴¹ The \$8B represents less than 10% market share of the overall home building market and the growth rate is almost half of the 9.7% increase of the overall market. Thus while total revenues are growing, the market share of prefabricated homes is decreasing annually. Nationwide, the industry is under pressure from lower construction costs and is facing stiff pricing pressure.

The pre-fabrication model relies on efficiency gains from manufacturing techniques and economies of scale and construction not being subject to the vagaries of weather. On-site construction times are greatly reduced. Shipping the finished sections raises transportation costs but by less than the overall production cost savings.

There are high barriers to entry into the industry as a production facility, cranes, tools and equipment must all be secured. There is significant complexity in the design of the buildings to accommodate individual adaptations and developer preferences along with building codes of each municipality into which the units are shipped.

Aside from the population growth of the State, one of the primary causes of the housing shortage in Colorado is the scarcity of skilled trades persons. While manufacturing homes at a central location and eliminating transit times between sites increases the efficiency of workers, the manufacturer would still need to attract and retain workers in a very competitive labor market. This would pose an especially significant challenge in Buena Vista because there are very few with trade skills who reside in the area so most of the workers would need to be recruited from outside of the area. With such high demand for workers in the construction trades and correspondingly high wages, in order to attract workers away from the Front Range or other locations higher wages would need to be offered. Controlling labor costs is one of the primary success factors of manufactured homes as it is one of the most significant cost

⁴⁰ <http://www.strategy.com/pressMCP-1066.asp>

⁴¹ IBIS World Industry Reports

drivers. Typically, manufactured home producers practice wage arbitrage by locating in areas where the lower cost of labor more than offsets the cost of transportation. Buena Vista would appear to have neither the advantage of low labor costs nor low shipping costs by virtue of proximity to major markets.

Conclusion. There is a potential market for modular homes and hotels in Colorado – in particular as an answer to the statewide housing shortage. A home manufacturer in Buena Vista could answer this demand and create jobs. The area faces significant challenges as it is remote from material suppliers and has a very shallow local skilled labor pool from which to draw. Buena Vista has very few manufacturing enterprises so the expertise to run the operation would need to be largely imported.

Housing

The shortage of affordable housing has been discussed and documented ad nauseam. From analysis documented in the Phase 1 Report, it is evident that there is inadequate housing supply at more levels of the market than just the low end.

The advent of The Farm housing development with its variety of pricing points will have a significant impact on the housing situation. Orders are currently being taken for homes to be built with models ranging from \$190K to almost \$400K. Any pent-up, residual demand in the market can be filled with a completed home within six months.

There are other steps that can be taken to make the housing market more efficient and increase capacity. A more efficient market will lead to a reduction in the cost of construction and a corresponding drop in the prices of homes.

Some steps to consider include:

- Accommodating Accessory Dwelling Units (ADUs)
- Revisit Land Use Code to allow for greater density for affordable housing
- Speed permitting process
- Revisit fees for affordable housing
- Encourage mixed-use developments

Most of these steps are within the purview of the Town. Encouraging ADUs, for example, could be accomplished with a review of policies and regulations that govern new ADU construction and then creating a stream-lined procedure.

As part of the process of updating the Town's building codes, there should be a specific review of those codes that pertain to the preceding topics that affect the ease and profitability of building affordable, higher-density housing.

Other Initiatives

“We need a cohesive strategy that aligns the different organizations and reduces parallel efforts and conversations.”

*Kory Katsimpalis
Chaffee County Economic Development Corporation*

Empower EVAB Board

As a community, Buena Vista is a remarkable case study of doing things right. The Town is a great example of a community where its residents are passionate, engaged and dedicated to making a difference. Ironically, that same community spirit is at the heart of one of the biggest challenges the community faces – disparate individuals and organizations pursuing incongruent objectives. Having one organization that coordinates the efforts of the various civic boards and creates a one-stop clearinghouse for information and direction would be enormously helpful in making sure that all civic efforts are aligned and synergistic.

Increasing the interaction between and leveraging the capabilities of the Chaffee County Economic Development Corporation would be one of the primary benefits of having a strengthened EVAB Board.

Community Coffee

Another way to bring alignment and increase reciprocal support is to host weekly ‘Community Coffee’ events where different organizations can communicate about their events and efforts

and make requests of the community. This idea is borrowed from Lake County where these weekly gatherings have become a bedrock of the community’s efforts to work together.

Creating a forum for the business community, civic organizations and the schools to come together would address many of the concerns about communication and coordination that were raised during interviews and the public meetings.

Emphasize Live Music

Is it often hard to define what gives a certain city or town verve – an indescribable energy and charisma that sets it apart and makes it irresistible. The key is that it can’t be manufactured – it has to be authentic. Those places that conjure that magic succeed and prosper to a degree not possible for the unimaginative, plodding imitators.

Buena Vista already registers high on the ‘verve spectrum’. The Town has a well-developed sense of identity and has created a unique place. The role of live music has been a key component of this identity and recognizing that influence and strengthening its centrality to the Town’s culture will pay great dividends.

‘Business Friendly’ Analysis

During interviews with stakeholders and key business and community leaders, it was not uncommon to hear concerns about the ‘difficulty’ in working with the local government and the burdens imposed by regulations. These concerns are voiced in every community and often represent misunderstanding of the need for regulation and the time and expense in providing

key public oversight. In some cases, the cost of regulations and timeliness of approvals are not in keeping with best practices.

By conducting a 'Business Friendly' analysis the Town can establish if its processes are within acceptable benchmarked standards. If benchmarks are being hit then the results should be communicated to the community to create awareness. If the benchmarks are not being achieved then process improvements can be initiated to make the processes more efficient.

Child Care

Increasing workforce participation is a key way to address the tight labor market while not exacerbating the housing shortage. Anecdotally, there are reports of individuals who would like to enter the workforce or increase the number of hours worked but are unable because of the inadequacy of current daycare options. Helping address this market failure would provide important benefits to the community.

Enhance Branding

The Town has recently undergone a re-branding initiative. The slogan/tag-line for the Town is "Surround Yourself With What Matters." A new logo for the Town has also been created, among other branding elements. These elements are essential to the overall identity of the Town. The Town is beginning to establish a clear vision of who it is and what it's known for.

As Buena Vista continues to see upward trends in its tourism-related indicators (sales tax, tourism jobs etc.) and new development continues to occur in and around Town, the need for a firmly established brand is crucial to the long-term

economic vitality of the Town. The Town's brand/identity should be a guiding factor for future development.

Chaffee County has been responsible for most of the tourism-related marketing for both Salida and Buena Vista. The County's marketing team has produced notable video productions that have helped tell Buena Vista's story. Now that the Town has established its logo and slogan, additional marketing collateral is needed to increase tourists' awareness of the Town. This marketing collateral must be creative, exciting and should be up-to-date with current marketing trends. For example, a video may be created that incorporates both aerial and ground footage of the Town, people engaged in popular activities (rafting, kayaking, hiking, fishing, etc.), its natural assets (Collegiate Peaks, Arkansas River) and its businesses (restaurants, bars, coffee shops, craft shops etc.). The video should incorporate various motion graphics that aid in telling the story of the Town.

Better City's marketing team has produced branding and marketing videos for other communities. An example can be found at (www.meekeradventure.com).

Additional marketing collateral/modifications that would help further establish the Town's identity include: an updated website with videos and images of Buena Vista, increased Site engine optimization (SEO) to target specific types of tourists, and social media boosted advertisements that incorporate videos and images specific to Buena Vista. Essentially, the Town must further engage in a detailed digital-marketing campaign that clearly relays the Town's brand/identity.

Orpheum



5 | Input from Public Meetings

Public Forum

A public forum was held on Monday, April 24th, 2017 at the Buena Vista Community Center to present a summary of the Phase 1 Report prepared by Better City. There were approximately 14 individuals in attendance at this meeting which included Town officials, employees and local residents. The level of participation was surprisingly low considering the amount of community passion and involvement evident from the stakeholder interviews. There are a number of possible explanations – the notifications and advertisements weren’t successful in reaching potentially interested residents / there was a conflict with other activities that night, or the community is beginning to face consultant-fatigue from the many studies that have been conducted recently. With the Comprehensive Plan, Community Trails Plan, Broadband Study and now the Economic Development Master Plan all being conducted within two years of each other, the community may be reaching a point of exhaustion from working with consultants. There were several comments during the stakeholder interviews that followed a theme of “What? Another group of consultants interviewing me about the Town?” To the extent this is a prevailing sentiment, it could account for the sparse attendance at the Community Forum.

During the Community Forum, the Phase 1 Report was presented and discussed. The public was then engaged in an interactive digital survey to solicit their views on the following topics/questions with regard to the Town of Buena Vista:

- What are the biggest strengths?
- What are the biggest weaknesses?
- What are the biggest opportunities in terms of community, economic and workforce development?

After the responses were displayed, there was a discussion about the key points and participants explained their answers and further amplified on their reasoning.

Strengths & Weaknesses of the Town

Table 17 and **Table 18** outline the strengths and weaknesses, respectively, of the Town as identified by those in attendance at the public forum. (Attendees were encouraged to provide as many responses as they wished to each question.)

Frequency	Town Strengths:
2	Community
2	Determination
2	Natural Beauty and Assets
2	Small town lifestyle
1	Citizen participation and engagement
1	Outdoor Lifestyle
1	Valley surrounded by beautiful mountain ranges
1	Volunteerism

Table 17: Town Strengths as Outlined in the Public Forum

Frequency	Town Weaknesses:
2	Limited Employment Options for Graduates
1	Ignorance and fear of diversity
1	Affordable house for service residents
1	Dichotomy in old and new creates challenges
1	Poor quality and lack of restaurant choices
1	Division between oldtimers and new residents
1	Change averse
1	Split agendas
1	Cost of living is high
1	Workforce
1	Lack of cultural activities/entertainment options
1	Limited resources
1	Businesses not returning phone calls
1	Poor payrolls

Table 18: Town Weaknesses as Outlined in the Public Forum

Those in attendance were then asked to identify what they see as the major opportunities for the Town as they relate to the three pillars of development: community development, economic development and workforce development. This feedback was grouped into similar themes and the group was asked to rank the specific opportunities in order of which is best for the overall community.

Community Development

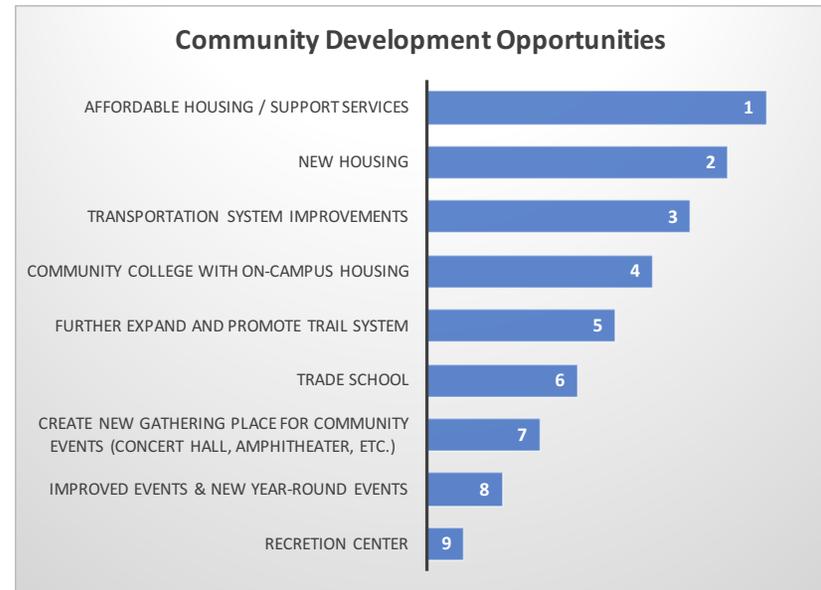


Figure 71: Opportunities for Community Development Identified in the Public Forum

The rankings of opportunities related to community development can be seen in Figure 71. The attendees identified the development of new and affordable housing as the top two priorities. According to the group, the third priority is providing improvements to the existing transportation infrastructure such as sidewalks, paved roads, walkable streets and proper signage.

The idea of a trade/vocational school, technical college etc. received significant interest and support, especially the idea of combining the institution with student housing. The goal in creating such a college with housing is to address two of the Town’s major weaknesses: lack of short-term affordable housing for summer workers (classes wouldn’t be held during the summer), and a shortage in the skilled workforce. The caution

was raised that new graduates may not be retained in Town, thus not satisfying the need for a new skilled workforce.

Economic Development

The rankings of opportunities related to community development are displayed in **Figure 72**.

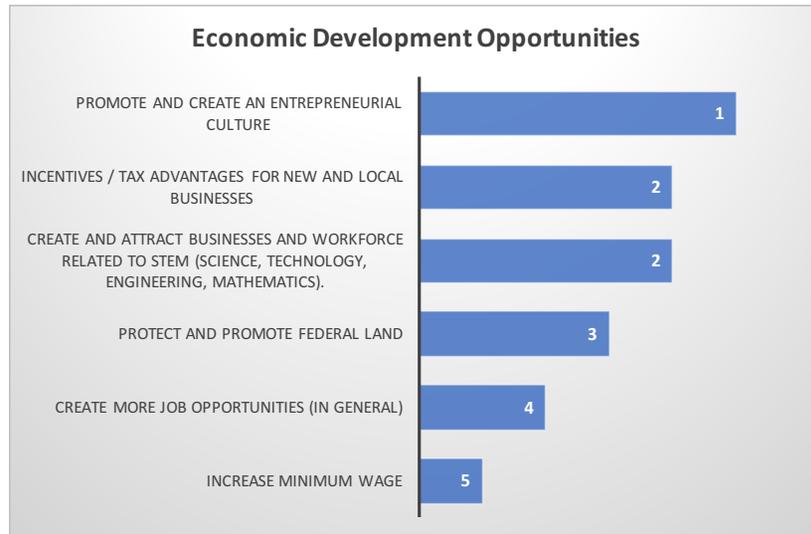


Figure 72: Opportunities for Economic Development Identified in the Public Forum

Creating and promoting an entrepreneurial culture ranked as the top opportunity. Many of the businesses in the Town already exhibit this entrepreneurial spirit as evidenced by the growth in new businesses along East Main Street. The imperative is to help local businesses to continue to grow and innovate, and branding the Town as an ideal location for new and creative businesses.

The second-ranked opportunity, providing tax incentives for new and local businesses, was identified as a way to protect and promote this entrepreneurial culture.

Those in attendance identified the possibility of positioning the Town as an ideal location for businesses and employees related to STEM (science, technology, engineering, mathematics) jobs as the third best opportunity. The technology sector includes many remote or location-neutral workers who may prefer to live in a beautiful mountain Town such as Buena Vista.

Workforce Development

The rankings of opportunities related to workforce development are displayed in **Figure 73**.

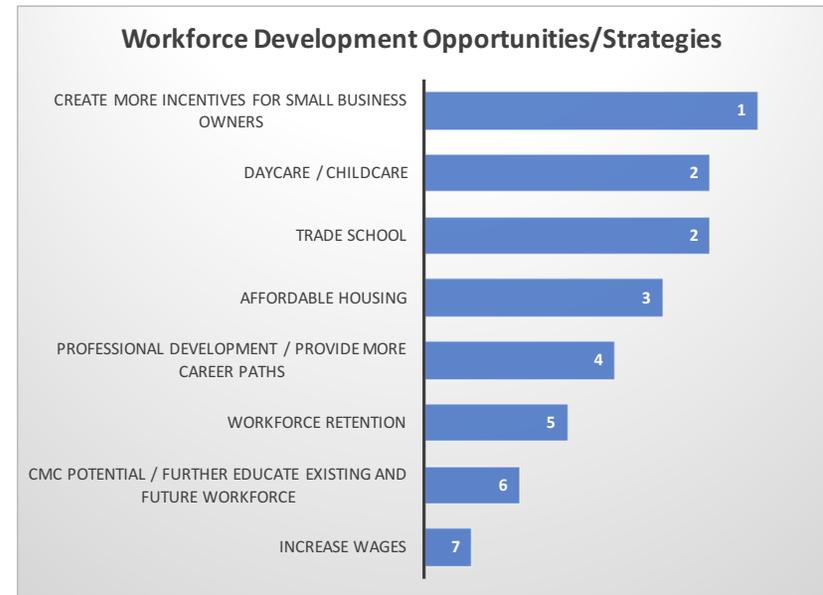


Figure 73: Workforce Development Opportunities Identified in the Public Forum

Targeted incentives for local small business owners was voted as the best economic opportunity. The discussion centered around the possibility of using tax and other incentives as a way to help local businesses expand and create new jobs.

The need for expanded daycare received the second most votes. Better access to quality, affordable daycare would allow parents to work more hours, allow for expansion of the workforce and enable businesses to grow.

The trade school concept was ranked as the third best opportunity because of its potential to both train the existing workforce, and provide new trained employees in the Town. Affordable housing was also brought up again as priority. Respondents expressed their frustration in trying to attract new workers that can't find affordable housing in the Town and ranked it as the 4th largest opportunity. The lack of affordable housing in the Town is a significant barrier to growth. This problem affects all three pillars of development. The shortage of adequate and affordable housing affects efforts to attract new business, or create a trade school.

EVAB Meeting

A meeting was held with the Town's Economic Vitality Advisory Board (EVAB) on Tuesday, April 25th at the Buena Vista Community Center with six members of the Board and the Mayor present meeting. Participants were given the same polls as the community regarding the Town's strengths, weaknesses and opportunities. After each poll, there was a period of

extended discussion where participants were given the opportunity to explain their responses and the group provided input and amplification.

Strengths & Weaknesses

Table 19 and **Table 20** outline the strengths and weaknesses of the Town as identified by the EVAB Board. Respondents were allowed to submit more than one response to each question. Buena Vista's extraordinary sense of community and the way that the Town bands together to was identified by all participants as a singular strength of the community. Other strengths clustered around the surrounding natural environment and the recreational opportunities it affords and the capacity of the people.

The weaknesses that were identified were much more diverse and are not as easily categorized with some being community attitudes while others focus on economic challenges. The fact that there isn't one or even a set of universally acknowledged deficiencies could indicate that the Town's weaknesses are comparatively less malignant.

Frequency	Town Strengths:
6	Sense of community / active volunteers / cooperation
2	Outdoor recreation
1	Entrepreneurial capacity
1	Natural resources
1	Diversity of interest
1	The weather
1	The river
1	Lifestyle
1	Location
1	Colorado Mountain College (CMC)

Table 19: Strengths of the Town as Identified by the EVAB Board

Frequency	Town Weaknesses:
2	Resistance to Change
2	Transient population
2	Lack of professional jobs
2	Seasonality
2	Workforce
1	No revenue source for community college
1	Wide difference of opinions about the future
1	Diversity of businesses
1	Housing costs

Table 20: Weaknesses of the Town as Identified by the EVAB Board

Opportunities

The EVAB board members were asked to rank opportunities in the three areas of development. **Figure 74** displays those opportunities for community development identified by the EVAB, ranked in order of their priority.



Figure 74: Community Development Opportunities Identified by the EVAB

According to these results, the EVAB recognizes the need for affordable housing and improved infrastructure for the schools as the top two priorities. The need to expand and promote the local trail system was also of high importance. One common observation that has been made throughout the process of meeting with community stakeholders, Town Administration and the EVAB is the need to reach a consensus on planning, objectives, mission, branding and cooperative efforts to achieve these goals.

The rankings of opportunities related to workforce development are displayed in **Figure 75**. Protecting and promoting existing businesses ranked as the top priority. There was a strong sense that the current businesses in Buena Vista are dynamic, strong enterprises and that by focusing on making these businesses stronger that growth will result. The discussion around

manufacturing and regional exporting also reflected a belief that there is an opportunity for local businesses to expand and have a larger economic footprint.

A trade or vocational school tied for the second-best opportunity. This support mirrors that from the public forum.

Creating more opportunities for professional jobs and focusing on the tech industry were identified as the second and third most promising opportunities respectively. When viewed together, their ranking reflects a predominant view that there a need to grow jobs in STEM industries and that have higher intellectual requirements. The fifth-ranked opportunity – location-neutral / remote workers, and the sixth – research and development are also affirmations of the desire to target higher-level jobs that brings talented, ambitious people to the community.



Figure 75: Economic Development Opportunities Identified by the EVAB

The rankings of opportunities related to workforce development are displayed in **Figure 76**.



Figure 76: Workforce Development Opportunities Identified by the EVAB

The opportunities identified for workforce development continued the theme of recruiting or developing a smart, capable and ambitious workforce, recruiting professional employment opportunities and promoting the Town as an ideal location for location neutral workers. The narrative that accompanied the discussion of these top opportunities revolved around the fact that there is a wealth of capable and bright people in the town who are underemployed and not utilizing their full skills. Bringing employment opportunities that afford this untapped human capital to realize higher returns for their efforts would produce significant benefits to the community.

The trade school concept was embellished by the addition of combining it with outdoor recreation. If the school were to offer courses only in the off-season then the student housing could be used to house the seasonal workers who descend upon the Town in the summer.

Conclusion

Responses from both the public forum and the meeting with the EVAB highlighted the interest in affordable housing, new professional job opportunities a trade school. Specific projects discussed in these meetings included:

- Create or recruit a trade/vocational school
- Create or recruit a technology School
- Promote the Town as an ideal location for location-neutral/remote workers
- Provide economic incentives to local businesses to help them expand their job opportunities
- Promote and expand the trail system
- Create a daycare/childcare
- Engage in active efforts to recruit businesses related to the STEM industries
- Create a new gathering place for community events
- Build a Recreation center
- Transportation system improvements (sidewalks, signage, etc.)

Town of Buena Vista

Economic Development Master Plan
Phase 3 Report



1 | Executive Summary

The Phase 3 Report is the culmination of the Economic Development Master Plan (EDMP). The Phase 1 Report presented demographic and economic data and the findings from dozens of stakeholder interviews. The Phase 1 Report answered the question, “Who are we?” The Phase 2 Report synthesized the input from community forums and meetings with the Economic Vitality Advisory Board (EVAB). A SWOT Analysis was presented, guiding economic principles articulated and target industries identified. The Phase 2 Report answered the question, “Which direction should we go?”

The Phase 3 Report answers the question “How do we get there?” The report provides specific recommendations detailing what the Town can do to go in its desired direction and to achieve its economic goals.

The specific strategic recommendations are grouped in four sections:

- Focused Tourism Development
- Open for Business
- Community Coordination
- Sustainability

Under each of these four broad strategic areas are specific recommendations, action plans and performance targets. Tasks are assigned to owners who will have stewardships to ensure their completion.

The Town has identified 12 “Key Deliverables” that are require direct responses in the EDMP. These Key Deliverables are addressed at different sections in this report and set off by their formatting.

Overall Vision

The renaissance of Buena Vista’s Main Street, the development of East Main and the growth of outdoor recreation have launched the Town on a new trajectory. Since 2013, sales tax receipts have grown by 10.3%—outpacing population growth by a factor of 6.75. This prosperity has opened a new realm of possibilities for the Town.

The vision for Buena Vista is to become a year-round tourist destination, known as much for its hospitality, restaurants, distilleries, coffee shops, live music, trails and mountain biking as for its whitewater. The Town will be renowned for its quality of life and will be the location of choice for a growing number of remote workers and biotech firms. Housing will be affordable and the prevailing wages will support a good standard of living. The Town will experience sustainable, deliberate population growth at a rate that drives economic progress but doesn’t compromise the Town’s quality of life. Renewable energy, bike and walking paths and smart growth will burnish the Town’s credentials as a sustainable, eco-friendly community.

Following are descriptions of the fulfillment of several key report deliverables. Others will be identified and discussed in the body of the report.

Key Deliverable #12:

The Town of Buena Vista Board of Trustees, Economic Vitality Advisory Board, business community and general population must embrace the strategy as visionary and actionable. Economic development partners and constituencies will be included in plan development meetings and discussions. The plan will be presented for approval to the Economic Vitality Advisory Board and Buena Vista Board of Trustees.

The process by which the report was created was inclusive and collaborative. More than 50 business professionals and owners, community / civic leaders, elected officials and other stakeholders were interviewed. A public forum was held as well as working meetings with the Board of Trustees and Economic Vitality Advisory Board. The Phase 3 Report will be presented to the Board of Trustees and the EVAB on July 11th and their feedback incorporated into the final version.

Key Deliverable #9:

Identify local incentive programs that will help retain existing jobs in targeted industries.

Several recommendations in this report will serve to support local businesses and help them retain and grow their job base:

- Development of sustainable energy (particularly geothermal) has the potential to reduce operating costs.
- Child Care facilitation initiatives will grow the labor force.
- The Housing recommendations will lower the cost of housing for workers and raise their effective wages.

- The efforts to expand off-season tourism will provide more revenue to existing businesses and allow them to retain workers and for them to work more hours during the entire year.

Key Deliverable #4:

Identify major decision makers and consultants in the respective targeted industries.

The Phase 2 Report identified local advocates for key target industries. These local advocates will serve as the liaisons between the industries and the EVAB.

Buena Vista



2 | Focused Tourism Development

Overview

Key Deliverable #6:

Identity and develop marketing strategies for Tourism Industry.

Buena Vista is home to the confluence of two fortuitous anomalies: an extremely picturesque setting with great natural attractions—the perfectly marketable location, and a disproportionate number of talented marketing professionals. The Town’s marketing and branding is very good—certainly much better than most communities its size. The potential exists, however, to take the marketing of the community to an entirely different level, becoming a leader in small community marketing and bringing targeted tourism growth to the Town.

At present, there is a 1.9% room tax levied on all hotel stays and short-term rentals (AirBnB, VRBO, etc.). This revenue is collected by the County and remitted to the Chaffee County Visitor’s Bureau (“Tourism Bureau”) which has responsibility for promoting Salida, Buena Vista, Poncha Springs and the unincorporated County as tourism destinations. The Tourism Board has done a good job of creating a brand for the County (“Now this is Colorado”) and with Colorado Tourism Office (*Visit Colorado*) has produced several high-quality videos, some of which have more than 500K views!

Clearly, their efforts have been successful. Sales tax receipts in Buena Vista over the past three years have grown at an annual rate of 10.3% or 6.75 times the rate of population growth—clearly indicative of a tourist sector that is booming.

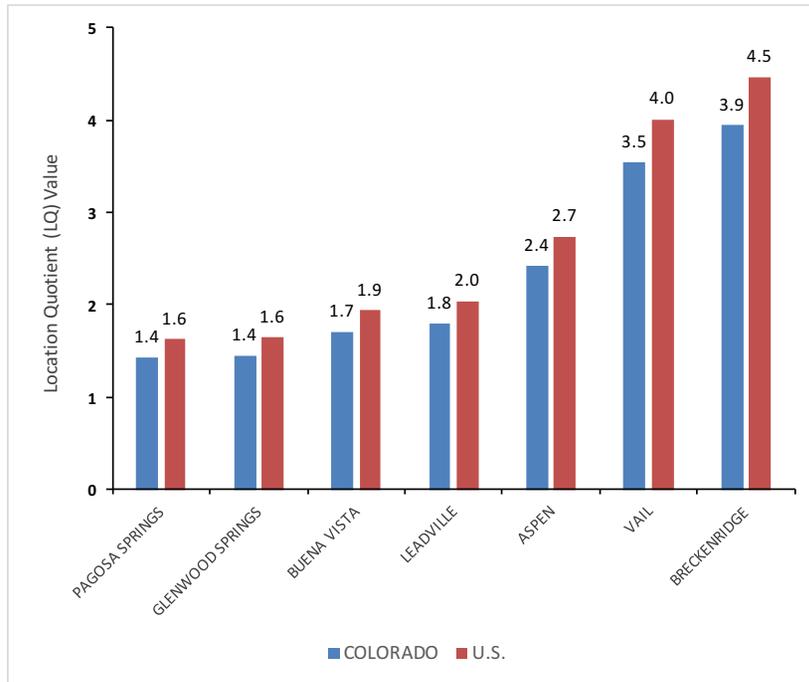
Sales tax receipts during the 2016 summer months (June through August) were 53.8% higher than just four years earlier in 2012, but the receipts during the rest of the year only increased by 37%. The growth of tourism has disproportionately occurred during the already busy summer months. The challenge is that the Town’s resources strain under the stress of the avalanche of summer tourism. During stakeholder interviews, many business owners expressed that they are unable to accommodate more customers during the summer months and do not want to see more peak-season tourism. Being able to be more profitable during the long winter months, however, would be of tremendous benefit as they would be able to engage under-utilized assets without further investment.

Assuming the Town’s maximum capacity to accommodate tourism is defined by the summer of 2016, then tourism during the non-summer months can still grow by 41.8%. Existing tourism infrastructure exists to accommodate tourism growth in the shoulder and winter seasons. Attracting tourists for such a specific season will require a focused tourism development effort.

Benchmarking

Understanding the winter activities and business services in similar Colorado mountain towns will aid in defining additional avenues and strategies to increase visitation during the winter

months. The city of Glenwood Springs and the Town of Pagosa Springs are similar to Buena Vista in that all three have similar tourism location quotients and none have significant ski resort-related stays driving their winter tourism.



Source: ACS 5-Year Estimates

Figure 77: Colorado Mountain Town Location Quotients

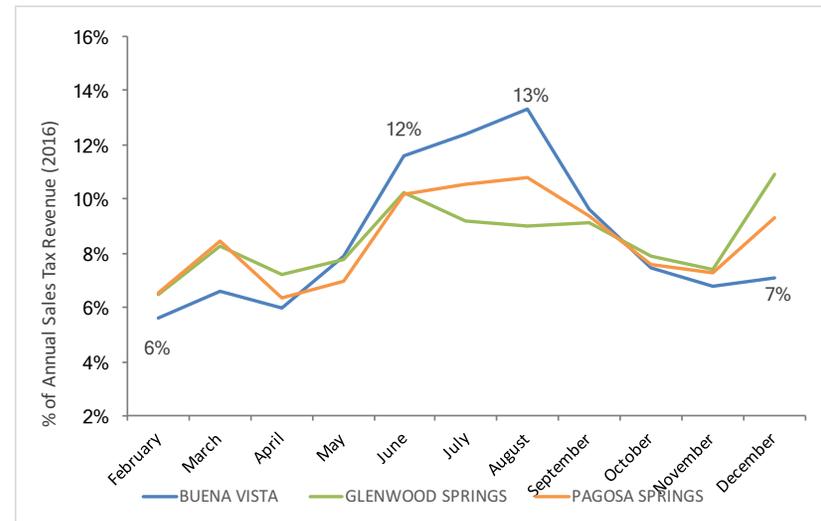
As defined in the Phase 1 analysis, the location quotient (LQ) is a method of quantifying the concentration of an industry cluster in an area compared to the State average or national average. For this analysis, the number of workers in the tourism industry (defined as arts, entertainment, and recreation, and accommodation and food services) is compared to the total

number of workers. This local proportion is divided by the state proportion. See Phase 1 report for calculation details.

As shown in Figure 77, the LQ's for Buena Vista, Glenwood Springs and Pagosa Springs are similar but significantly lower than those of resort communities. Tourism jobs in the three communities are from 1.4 to 1.7 times more concentrated than the State average, and approximately 1.6 to 1.9 times more concentrated than the national average. The differences in the LQs between the three communities is minor and immaterial.

Sales Tax Seasonality

The sales tax seasonality of the three communities is shown in (Figure 78).



Source: Municipal Finance Records

Figure 78: Sales Tax Seasonality Comparison (2016)

Sales tax revenues are a good proxy for tourism spending since consumption from residents tends to be fairly consistent through the year. Buena Vista, Glenwood Springs and Pagosa Springs all have lower sales tax revenues during the late winter months (January through April) and then experience an increase between May and September. Of the three, however, the spike in summer tourism for the Town of Buena Vista is the most pronounced. Receipts in the highest summer month in Buena Vista are nearly 2.4 times higher than the lowest month in the winter. The magnitude of the disparity in both Glenwood Springs and Pagosa Springs is 1.7. Both Glenwood Springs and Pagosa Springs are significantly less reliant on summer tourism than Buena Vista and receive more of their tourism revenues during the winter. The percentage of total annual tax revenue collected in each season is depicted in Table 21.

Seasons & Months	Buena Vista	Chaffee County	Glenwood Springs	Breckenridge	Pagosa Springs
Mid Winter - End of Spring (January - May)	32%	35%	36%	48%	35%
Summer (June - August)	37%	32%	28%	25%	31%
Fall (September - November)	24%	24%	24%	16%	24%
Early Winter - Christmas (December)	7%	8%	11%	12%	9%

Source: Municipal Finance Records

Table 21: Percent of Annual Sales Tax Revenue by Season

Inventory of Winter Tourism Businesses

A summary of the types and proximity of winter-oriented businesses in the three communities is shown in Table 22. A complete inventory of businesses is in Appendix B.

LODGING (withinin Town limits)	Buena Vista	Glenwood Springs	Pagosa Springs
VRBO's (approximate)	43	52	24
Hotels (Total)	14	21	17
Chain Hotels	2	7	2
Budget/Limited Service	1	3	1
Mid-Range (3 to 4 star)	1	4	1
World Class Service (5 Star)	0	0	0
Independent/Single Owner Hotels	12	14	15
OUTDOOR SERVICES WITHIN 30 MINUTES	Buena Vista	Glenwood Springs	Pagosa Springs
Ski/Snowboarding Resort	0	1	1
Guided Snowmobile Tours	1	1	2
Dog Sledding Tours	0	0	0
Snowmobile Rentals	1	0	0
Guided Snowshoe Tours	0	0	1
Fat Tire Bike Rentals & Trails	1	1	1
Ice Skating	0	1	0
Hot Springs	2	2	2
Guided Backcountry, Nordic, Snowshoe Tours	2	0	1
Backcountry & Nordic Ski Rentals	1	2	5
TOTAL	8	8	13
OUTDOOR SERVICES WITHIN 60 MINUTES	Buena Vista	Glenwood Springs	Pagosa Springs
Ski/Snowboarding Resort	2	4	1
Guided Snowmobile Tours	2	3	2
Dog Sledding Tours	1	0	0
Snowmobile Rentals	1	0	0
Guided Snowshoe Tours	0	1	1
Fat Tire Bike Rentals & Trails	1	1	1
Ice Skating	0	1	0
Hot Springs	2	2	2
Guided Backcountry, Nordic, Snowshoe Tours	2	1	1
Backcountry & Nordic Ski Rentals	1	2	5
TOTAL	12	15	13

Source: Google Maps

Table 22: Inventory of Winter Tourism Businesses

Buena Vista offers a similar set of services to those of Glenwood Springs and Pagosa Springs. The proximity of hot springs resorts to all three of these municipalities, combined with a breadth of outdoor winter activities, makes them comparable destinations. Having a locally-controlled tourism board, increased lodging tax revenue, and strategic business partnerships, are areas where the two comparison communities have advantages over Buena Vista. The interviews in Appendix C provide additional insight into these areas of competitive differentiation.

Some of the highlights of information gleaned from the Interviews is as follows:

- 90% of winter tourists in BV come from the front range while in Glenwood Springs the mix is closer to 50/50.
- Glenwood Springs winter tourism is more oriented around the hot spring.
- Glenwood Springs benefits from positioning itself as the “un-Aspen” destination.

Sales & Lodging Tax Rate Comparisons

Unlike the other municipalities included in this analysis, the Town of Buena Vista does not have its own lodging/accommodation tax. As a result, the Town does not have its own area tourism/marketing board but is part of the overall Chaffee County Tourism Bureau umbrella.

RATE	Buena Vista	Glenwood Springs	Pagosa Springs	Breckenridge
Sales Tax	2.50%	3.70%	0.00%	2.50%
County Sales Tax	2.50%	1.00%	4.00%	2.75%
State Sales Tax	2.90%	2.90%	2.90%	2.90%
Lodging/Accommodations Tax	None	2.50%	4.9%	3.40%
County Lodging Tax Rate	1.90%	None	1.9%	None
Local Marketing District?	No	No	No	No
Tourism Board? How funded?	No	Yes, lodging tax	Yes, lodging tax	Yes, lodging tax

Source: www.taxcolorado.com

Table 23: Sales and Lodging Tax Rates Comparison

In order to successfully compete with other Colorado destinations such as Glenwood Springs and Pagosa Springs, the Town should consider adopting a local lodging tax and creating its own tourism board. Another possibility is the formation of a local marketing district that would provide additional sources of revenue for strategic attraction initiatives.

Pagosa Springs Area Tourism Board

The Pagosa Springs Area Tourism Board is funded through the local lodging tax revenue. Some of the responsibilities of this board include:

- Create print & online marketing collateral
- Engage social media marketing campaigns (Facebook, YouTube, Instagram, twitter, etc.)
- Stay up-to-date on current marketing trends
- Ensure that wayfinding and signage is vibrant and visible
- Partner with the Colorado Office of Tourism
- Create and recruit new activities/events

- Develop a robust library of high-quality videos and images to be used for various marketing campaigns
- Be a member of Destination Marketing Association International
- Attend various marketing expos/conferences such as the Marketing Innovation Summit and the Governor’s Conference on Tourism

Establishing such a board and operating it through funds generated by a local marketing district would increase the Town’s ability to compete with other mountain towns and tasked with the mission of increasing off season visitation.

Local Marketing District

Forming a local marketing district in Buena Vista would provide additional resources and institutional capacity for marketing the Town. Currently, the following Colorado counties and municipalities have local marketing districts (“LMD’s”): City of Steamboat Springs, City of Vail, City of Aspen, Town of Estes Park, Gunnison County, and Alamosa County.

Colorado Revised Statutes 29-25-101—the Local Marketing District Act—provides for the establishment of a Local Marketing District (LMD) in a municipality. The LMD is created to:

“serve a public purpose; will promote the health, safety, prosperity, security, and general welfare of the inhabitants thereof, the property owners therein, and all the people of the

state; will promote the continued vitality of commercial business areas within local governments; and will be of special benefit to the property within the boundaries of any district.”⁴²

Section 29-25-111 (1) (e) (I) identifies the specific responsibilities of the district:

To provide any of the following services within the district:

- (A) Organization, promotion, marketing, and management of public events;
- (B) Activities in support of business recruitment, management, and development;
- (C) Coordinating tourism promotion activities.

While the definitions in state statutes allow for a wide spectrum of activities to be performed by a LMD, its focus is typically on tourism and promoting the municipality as a destination. Using LMD revenues to pay for capital projects, however, is expressly forbidden in the statute.

LMDs are independent political entities and have taxing and budget authority. A LMD board, “has the power within the district to levy a marketing and promotion tax on the purchase price paid or charged to persons for rooms or accommodations.” This tax is applied equally to hotel rooms and short-term home rentals. The maximum rate is typically 4%. If a community forms a LMD then the County cannot collect a lodging tax.

⁴² <https://leg.colorado.gov/sites/default/files/images/olls/crs2016-title-29.pdf>

The County currently has a lodging tax with a rate of 1.9%. The entirety of the lodging tax that is collected goes to the Chaffee County Colorado Tourism Bureau. In 2016 the total amount of the lodging tax that was collected in Chaffee County was \$571K. According to Dan Short, from Chaffee County, contributions from businesses in Buena Vista in 2016 was roughly \$100,000. If a LMD were formed, the amount of money that could be dedicated to tourism and promoting the Town would more than double to \$210K per year.

Create a Local Marketing District	
Responsible Party	Town
Implementation Milestones:	
1. Feasibility Study	3 months
2. Hold Election	6 months
Total Cost:	\$20,000
Expected Benefit	20% increase in off-season tourism over 5 years

Following are some potential uses of the LMD funds:

Curated Tour Packages

As identified in the preceding discussions, in order for the Town to increase its winter tourism, it is critical for Buena Vista to have strategic differentiators and to be able to offer services or experiences that are unique. Buena Vista’s success as a summer tourism location is largely attributable to the Arkansas River and its quality as a rafting and kayaking venue during the spring and summer runoff. A similar, compelling value proposition must be created for the off-season.

Buena Vista does not have one stand-alone natural asset that would drive winter tourism by itself. Instead, it will be necessary to assemble a package of activities that, while not individually unique nor strategic differentiators, together constitute a compelling value proposition. Alternatively, a unique attraction could be created (see the next recommendation – Artificial Whitewater Course).

The recreation activities available in Buena Vista in the off-season include:

- Backcountry ski tours
- Snowmobile / ATV tours and rentals
- Snowmobile / ATV trails
- Hot springs
- Cross-country skiing
- Fat bike rentals / tours
- Fishing

Potential activities to add would include:

- Dog sledding
- Sleigh rides
- Whiskey / beer tasting tours
- Coffee tasting tours

Each of these activities individually represents a fairly small market opportunity and is not unique to Buena Vista. The opportunity is to assemble a package deal that presents tourists with the opportunity to effortlessly create a vacation that includes a mix of these activities.

The uniqueness is combining these experiences in one convenient location. So, while it is possible for someone to go on-line and book a fat bike tour for one day, a spa package at Mt. Princeton on the next and a snowmobile rental on the third, it requires significant effort from a sophisticated traveler to put it all together. Buena Vista winter packages could include options for different lengths of stay, an a la carte ability to the customize the activities, accommodations with the choice of different hotels and shuttle service from the Denver or Colorado Springs airport.

Examples of other tourist areas that offer similar packages are:

- Though Yellowstone National Park is one of the country's top summer tourist destinations it has relatively few winter visitors. Xanterra, the Park's concessioner, offers winter packages that include accommodations, ice-skating, snowcoach trips to Mammoth Springs and transportation from the Bozeman airport.⁴³
- The Department of Tourism and Culture of Yukon, Canada has created several packages that allow visitors to pick among different options including activities like snowshoeing, snowmobile tours, cross country skiing, dog sledding, ice fishing and bathing in hot springs.⁴⁴
- Aurora Village in Yellowknife, Northwest Territories offers visitors a chance to stay in a teepee, ice fishing, dog sledding (See Picture 1), driving tours, aurora borealis watching, boat tours and hikes. Importantly, the

⁴³ <http://www.yellowstonenationalparklodges.com/special-offer/frosty-fun/>

village rents winter clothing—facilitating visits from residents of warmer climes.⁴⁵



Photo Credit: www.auroravillage.com

Picture 1: Dog Sledding Experience in Aurora Village

It is critical to note that none of these locations offer alpine skiing because they are not located near ski resorts. In each case, they have had to create a value proposition to draw winter tourists that might otherwise never consider visiting. Buena Vista has at least as much to offer as any of these locations and much more when the quality of restaurants,

⁴⁴ <http://www.travel yukon.com/Plan/Operators/yukon-wide-adventures-inc?pid=8865#packages>

⁴⁵ <http://auroravillage.com/tours-pricing/hotel-aurora-viewing-packages>

quality of accommodations, live music, breweries and coffee shops are factored in.

There is a lot of work necessary to work out the logistics and put together these curated tour packages. While it may be possible that a private enterprise would be willing to invest the time and effort to contact the individual companies, negotiate rates, determine scheduling, establish a web presence and work out the logistics and transportation, it is unlikely that the returns on the investment would justify the expense.

It is recommended that the LMD contract with a third party to put the packages together and work out the on-line interface and marketing. Once the platform is developed and operating, it may be possible to sell the operation to a private company that could continue to offer the service.

Another, better approach would be for the Town to leverage the assets and expertise of Colorado Mountain College (CMC). CMC offers degrees in Outdoor Recreation Leadership (among many other similar degrees) and Entrepreneurship. Putting together a winter tour package and then marketing and operating the venture would be a tremendous opportunity for the College's students and provide them with invaluable experience that will help them secure employment and launch them into successful careers. Being able to provide a hands-on, practical, immersive and relevant experience to its students would also benefit CMC to strengthen its programs and recruit students.

Fostering synergies with CMC and establishing a working relationship with the College that enables the EVAB to understand the capabilities of CMC and its students would be an important positive externality from this approach. CMC has much to offer and has a progressive and innovative approach to education and its role in working with communities. The College should become a vital component of the Town's economic development.

Winter Tour Packages	
Responsible Party	EVAB / LMD / CMC
Implementation Milestones:	
1. Create Packages	9 months
2. Advertise	24 months
Total Cost:	\$75,000
Expected Benefit	Increase off-season tourism by 20% over 5 years.

Artificial Whitewater Waterpark

The Arkansas River is widely regarded as one of the best kayaking rivers in the Country (see footnotes below) and Buena Vista is acknowledged as a great river Town.⁴⁶ Buena Vista has a combination of spectacular whitewater, amazing vistas and a compelling outdoor adventure-oriented culture that few places can match. Buena Vista's brand is solidly established and its bona fides beyond question.

The river's flow is determined by the snow melt and thus the length of the season is determined by mother nature. Another challenge faced by whitewater enthusiasts is the frigidity of the

⁴⁶ <http://gobackpacking.com/best-kayaking-spots-usa/>

<https://www.wheretraveler.com/north-americas-10-best-river-trips>

water during the winter months that creates unpleasant and potentially dangerous circumstances. Both challenges could be overcome, and Buena Vista's brand as the premiere alpine whitewater destination in the country could be cemented, by creating an artificial whitewater course heated by geothermal springs.

There are 66 artificial whitewater courses in the world – 7 in the United States and 59 in the rest of the world.⁴⁷ The courses are designed to replicate river rapids and give opportunities for kayakers, canoers, and rafters to enjoy their sports in a controlled environment and not just during times of high water flow.

There is typically insufficient revenue from competitive kayakers and canoers to sustain the operations of a waterpark so raft rides become essential to the business model. Tourists are able to book guided raft rides that give novices the opportunity to experience the thrill of whitewater rapids.

A single channel course based on the Olympic model requires a 6 meter (19.7 feet) drop in elevation and a flow of water of 17 M³/second. Depending on whether the water comes from diversion of water from an existing source or pumping the water in a closed circuit, the energy requirements can be significant. Pumping water for one channel can require 1 megawatt of electricity.⁴⁸

⁴⁷ https://en.wikipedia.org/wiki/List_of_artificial_whitewater_courses

⁴⁸ https://en.wikipedia.org/wiki/List_of_artificial_whitewater_courses

Typically, course length is from 250M to 600M (820 to 2000 feet). Depending on the size and slope of the course and the number of channels constructed, a waterpark can require from three to six 680 horsepower pumps.⁴⁹ A waterpark is typically from 10 to 20 acres total.

Having potential geothermal springs in close proximity to the Town creates the possibility of pumping hot water (>100 degrees) to the course. Depending on the volume of the flow from the wells, the geothermal water could materially increase the temperature of the water in the course and make year-round whitewater excitement palatable to novices and hard-core enthusiasts alike.

Extending the whitewater season – if only by several months on each side of the summer season, would bring a significant increase to the total tourism revenues of local businesses and increased employment. While the revenue peaks of the summer season may be unattainable at other times of the year because so many family vacations are based around school schedules, there is still untapped potential for upside. For example, in Sevier County, Tennessee (home of Gatlinberg, Pigeon Forge, and Sevierville on the borders of the Great Smokey Mountains National Park) the November 1990 unemployment rate was nearly double the state average, at 9.4%, and January unemployment was triple the state average, at 16.6%. Through creation of winter attractions and focused marketing, the County was able to reverse the trend, and by November 2014,

⁴⁹ https://en.wikipedia.org/wiki/U.S._National_Whitewater_Center

unemployment mirrored the state average at 6.5% and January was within two percentage points at 9.7%.⁵⁰

Artificial Whitewater Waterpark	
Responsible Party	EVAB
Implementation Milestones:	
1. Feasibility Study	6 months
2. Recruit Operator	6 months
Total Cost:	\$30,000
Expected Benefit	Increase off-season tourism by 20% over five years.

Targeted Marketing / Psychographics

The Town has engaged in several marketing and branding exercises over the past two years. In December 2015, the Buena Vista Wayfinding Committee commissioned a Marketing Communications Plan by Alligator Design + Communications. This Plan established the Town’s logo, tagline and established target audiences for the advertising efforts.

In September of 2016, the State’s Office of Economic Development and International Trade (OEDIT) sponsored a Blueprint 2.0 One Day Marketing Workshop where the Town’s branding, messaging, logo, target audiences and website were reviewed with industry experts and local stakeholders. A review

⁵⁰ <https://www.omicsonline.com/open-access/employment-impacts-of-offpeak-seasonal-tourism-development-2151-6219-1000150.php?aid=48734>

of the Blueprint 2.0 Workshop as it relates to economic development follows.

Key Deliverable #3:

Evaluation of Blueprint 2.0 Brand Initiative Marketing Plan, key message and tactics to ensure alignment with EDMP. Develop recommendations for additional messaging and tactics as they apply to the new EDMP.

The Blueprint 2.0 Brand Initiative Marketing Plan was a collaborative effort with representatives from the Town, County and State gathering to share insights, discuss best practices and brainstorm new directions and initiatives. The process yielded the following recommendations that relate to economic development and target marketing:

- Recommended that the Brand / Marketing / Wayfinding Committee serve as a subcommittee of the Economic Vitality Advisory Board (EVAB).
- “Target new residents and new business” as a brand marketing goal.
 - Focused targets will allow more precise policy and tax incentives.
- Create a more specific demographic beyond “age 30-55.”
- All parties need to be aware of targets in order to establish consistency. Shared information is always better.

- Potential for branding and marketing to be housed under Economic Vitality Advisory Board and moved away from beautification.

From the workshop, the Town was given the following assignments:

- Finalize Style Guide (brand story, persona) done for EVAP meeting
- Collect and summarize business assets
 - Consider conducting a Survey Monkey related to SWOT of business climate
- Determine who your competitors are;
- Identify Target for Business Attraction

The recommendations that are highlighted above are consistent with recommendations for target marketing and consolidation and coordination of community efforts that are discussed in greater detail below.

Key Deliverable #7:

Identify Tourism Target audience and key messages to increase visitation. Specific attributes including age, income and family type should be identified.

Winter Tourists

With increasing non-summer tourism as the established objective, it is essential to define a specific target audience. Understanding Buena Vista's key strategic advantages and creating unique experiences, as discussed above, also defines the types of individuals who would be most attracted to what

the Town has to offer. Rather than trying to be all things to all people, the Town must hone its message to highlight its unique assets and appeal to those who are most likely to appreciate it.

From interviews with tourism industry professionals in Buena Vista and Glenwood Springs (see Appendix C), it is possible to identify some key characteristics of tourists who enjoy the winter activities the Town has to offer:

- **Active.** Winter activities in Buena Vista are just that—active. Cross country skiing, fat bike touring, snow shoeing, fishing, etc. all require exertion and effort. The target demographic wants to have an adventure and do something unique and adventurous rather than soak in a hot spring or take a few runs down at a resort and then relax at the lodge.
- **Younger.** Most of the area's winter tourist are between 30 and 40 and may have younger children.
- **Financially Stable.** The typical tourist isn't affluent but is generally a middle-income professional.
- **Front Range.** The vast majority of visitors to Buena Vista—estimated to be over 90%—come from the Front Range. They are active people who are looking for an exciting vacation and are willing to look beyond the expensive ski resorts to try something new and unique.

Local industry professionals see the front range as having untapped potential. Buena Vista is not well known in Colorado's urban areas and those who do know of the Town primarily see it as a rafting destination. The opportunity is to target those that match the profile.

Psychographic profiling / segmentation would take the target marketing to the next level of granularity. As discussed in the Phase 2 report, the exercise of creating a psychographic profile of who might be interested in vacationing or relocating to the Town opens up a much clearer understanding of the target audience and their conscious and emotional drivers.

Jacob Mueller has done excellent preliminary psychographic sketches that offer examples of the profiles and give insights into how they could be effectively used to customize messaging and media. Jacob's work is included in Appendix D.

Remote Worker

The objective of marketing Buena Vista should not be limited to just tourism, however. Marketing should also focus on attracting professionals in the target industries—biotech and remote workers. Mr. Mueller's psychographic profiles of different professionals who would be viable prospects for relocating to the Town establishes a baseline of how to go about identifying potential audiences and then marketing specifically to them. The theory behind this approach is that a very specific marketing strategy with one person in mind will also have deep appeal to others with similar characteristics.

A target audience for remote workers would be as follows:

- **Finance Industry.** The finance industry is a good target because successful professionals have greater wealth and ability to relocate. Their business models do not require the professionals be in any specific location.
- **Mid to Late Stage in Career.** Because Buena Vista has little local demand for financial services, professionals

that relocate will have to have their networks and clients established before relocating. Mid to late career professionals would be most successful.

- **Active, Outdoor Lifestyle.** Urban life has its virtues and appeals to many but its shortcoming is the inability to provide outdoor recreation opportunities in a beautiful, natural setting.
- **Coastal Cities.** San Francisco and New York are two primary financial centers. There are tens of thousands of professionals working in these urban environments—many of whom would welcome a lower cost of living, a healthier lifestyle and a slower pace.

Marketing to these individuals will require a very sophisticated strategy that utilizes social media such as Instagram, Facebook and LinkedIn to filter for professionals to whom the Buena Vista lifestyle would appeal.

Following are the characteristics of target professionals in the biotech industry:

- **Active, Outdoor Lifestyle.** As with remote workers, the objective is to target those who value the beauty of nature and plentiful outdoor recreation opportunities.
- **Synergies with TopoGEN.** In the initial stage of developing itself as a biotech hub, Buena Vista will be most attractive to those companies that specialize in areas similar to TopoGEN so that they can realize synergies from their proximity.
- **Startups.** Startup companies are most cost conscious and would benefit from the lower cost of doing business in Buena Vista. Startups also have had less time to

establish connections and relationships that serve as roots anchoring them to their current location.

The best way to market to these target professionals would be through professional associations and networks. Because the size of the target market is rather limited, it will be possible to research and target specific companies and individuals with tailored messaging.

The key with target marketing is to not only understand your audience and what drives them, but in also being able to craft messaging that has specific and direct appeal. The Town’s marketing must take advantage of Buena Vista’s stunning vistas to create unmatched video presentations that are targeted to the specific audiences. Examples include:

- **Biotech** – Buena Vista has a vibrant, up-and-coming biotech industry coupled with unparalleled beauty and quality of life. The Town supports the industry with an incubator, highly regarded tech conferences.
- **Remote Workers** – There are many remote workers in the Town who work for companies across the country but who have traded the treadmill of the urban rat race for a life of beauty, recreation and a true sense of community. Why would anyone spend hours in traffic, breathing the fouled air and being swept along by the frenetic pace when they could be living in Buena Vista!
- **Winter Recreation** – Buena Vista offers a refreshing alternative to the tired, same old (and crazy expensive!) ski vacation in a crammed resort. Instead, Buena Vista

offers the chance to unwind and rejuvenate in a pristine, laid-back setting, doing back-country skiing, snowmobile tours, fat bike tours, cross country skiing and relaxing in hot springs.

Targeted Marketing	
Responsible Party	EVAB
Implementation Milestones:	
1. Establish Priority Targets	3 months
2. Complete Psychographic Segmentation	6 months
3. Creating Marketing Messaging and Strategy	6 months
4. Implement Strategy	24 months
Total Cost:	\$50,000
Expected Benefit	Increase off-season tourism by 20% over 5 years. Recruit 5 professionals in target industries per year.

Influencer Marketing

The rise of the importance of social media as a source for information and advice has given rise to a new form of marketing – Influencer Marketing.

“Influencer marketing is a form of marketing in which focus is placed on specific key individuals (or types of individual) rather than the target market as a whole. It identifies the individuals that have influence over potential buyers, and orients marketing activities around these influencers.”⁵¹

⁵¹ https://en.wikipedia.org/wiki/Influencer_marketing

The presence and importance of influencers entered the mainstream with Malcom Gladwell’s seminal 2000 book, *The Tipping Point*. In it, he highlights the pivotal role of individuals who have a large circle of influence and to whom others look for guidance and suggestion.

Businesses are beginning to take note and savvy marketers are increasingly attempting to ‘influence’ influencers to turn them into brand advocates. The results can be impressive. AdWeek noted that, “A study by McKinsey found that “marketing-induced consumer-to-consumer word of mouth generates more than twice the sales of paid advertising.”⁵² Two years ago, Lord and Taylor convinced 50 prominent Instagram ‘fashionistas’ to pose wearing the same dress. The dress sold out by the end of the week.⁵³

Sunlight Mountain Resort near Glenwood Springs has used influencer marketing to promote its winter vacation package entitled “ski, swim, stay.” They have invited key social media influencers to their resort who have written about their positive experiences and spread awareness of their experience via social networks and other digital marketing platforms such as blogs.

Marketing Buena Vista to influencers and then letting them disseminate to those who follow them is a great approach for the Town. Because Buena Vista isn’t trying to attract millions of new tourists and because it has such a well-honed sense of identity—knowing its strengths and what kinds of tourists will

⁵² <http://www.adweek.com/digital/10-reasons-why-influencer-marketing-is-the-next-big-thing/>

enjoy what it has to offer—the Town will be able to target very specific types of influencers.

Influencer Marketing	
Responsible Party	EVAB
Implementation Milestones:	
1. Create Plan	3 months
2. Engage Marketing Firm	3 months
Total Cost:	\$50,000
Expected Benefit	Increase off-season tourism by 20% over 5 years.

Town Website

Key Deliverable #5:

Complete audit of the Town of Buena Vista’s website, and make content recommendations based on EDMP target audiences (e.g. site selectors, corporate decision makers).

The current www.buenavistaco.gov website is functional and has good visual appeal with the scrolling images of the Town. The look and feel is somewhat dated and basic but well within the range of acceptability.

From the viewpoint of economic development, the Town’s website has some information or content that would be helpful in recruiting businesses or workers or in promoting tourism –

⁵³ <http://www.adweek.com/brand-marketing/lord-taylor-got-50-instagrammers-wear-same-dress-which-promptly-sold-out-163791/>

primarily links to the CCEDC, OEDIT, SBA and WCSBDC websites under the “Doing Business” section. The website’s traffic at present is predominantly pedestrian and functional—200 to 300 Town residents per day looking for information. Traffic counts indicate that the most common uses of the website are:

- Recreation department – checking schedules or signing up for events online.
- Board of Trustee minutes and agendas.
- Looking up community events.
- Paying water bills.

The website is primarily designed as a functional tool—targeted to communicate with and assist residents. The Blueprint 2.0 team estimated that the website receives about 81 visits per day with less than 10% of visitors looking at more than two pages. The web traffic and usage patterns are largely self-fulfilling prophecies where the functional nature of the content dictates how the site is used and what web searches are directed there.

As the Blueprint 2.0 group noted, “Content related to doing business in BV is not being seen, lack of visitor engagement. Lacks economic development content.” At present, web searches about business or economic development in Buena Vista would be directed to the Buena Vista Chamber of Commerce (www.buenavistacolorado.org) or the Chaffee County Economic Development Corporation (www.chaffeecountyedc.com). While both of these websites are well-designed, informational and helpful, the fact that the Town’s website has no mention of economic development or tourism could be interpreted as apathy.

It is recommended that the Town’s website reflect the Town’s focus on economic development and tourism. There should be no dilution of the message: “Buena Vista welcomes you as a business and a visitor.” The software that supports the website limits what can be done, but within the parameter of the existing software platform there are incremental changes that will be beneficial.

The following are the recommendations for changes to the website:

- **“Interested in moving your business or yourself to Buena Vista? Welcome! Click here to schedule a free tour of the Town with a member of the Economic Vitality Advisory Board.”** This message should figure prominently on the homepage and have a link to an e-mail address and a city phone number. The recipient of the inquiries must be able to provide answers to questions about the Town, incentives and opportunities that are available and be able to facilitate a guided tour of the Town.
- **Custom pages for each target industry.** There should be a link on the home page that directs Remote Workers professionals to specific pages that provides key differentiators for doing business in Buena Vista, case studies, links to local business websites and contact information to find out more.
- **Business Ticker.** Create a new ticker (similar to the current Community News) that highlights business achievements. Make it clear to anyone who visits the website that Buena Vista supports its own businesses.
- **Links.** Provide links to the Chamber of Commerce, Chaffee County Colorado Tourism Bureau, Chaffee

County EDC and CMC websites. Though the traffic might not be overwhelming, the message is important: we are an integrated community working together towards common objectives.

- **Available Commercial Properties** and Land. The Town should maintain a current list of available commercial properties that are either shovel ready or ready for occupancy along with contact information for brokers or owners. The availability of utilities should be included for each property.
- **Hot Sheets.** Hot sheets should be developed and made available on the website with a summary of critical information for decision makers. These include quick facts on demographics, school performance, unemployment rate, utility rates, etc.

Website Updates	
Responsible Party	Town Administrator
Implementation Milestones:	
1. Train Staff for “Contact Us” Interactions	3 months
2. Create Industry-specific Pages	6 months
3. Update Landing Page with Business Ticker and Links.	6 months
Total Cost:	\$0
Expected Benefit	Solidify the Town’s positioning as being business and tourist friendly.

East Main Street



3 | “Open for Business”

During interviews with key community stakeholders, each was asked the question, “Rate on a scale from 1 (low) to 10 (high) how easy it is to do business with the Town.” The average response was 6.8, reinforcing the anecdotal narratives that it was often difficult to deal with the Town and that there were unnecessary or cumbersome regulations.

Because it is a key function of civic government to ensure the safety and welfare of all residents, there is and always will be a natural tension between businesses and individuals who want the unfettered ability to do whatever they wish at any time and a municipality who must ensure that those activities don’t infringe on the rights or create hazards for others. Municipal governments must walk a tightrope between the competing desires for protection on one side of the equation and the desire for efficient and expeditious approvals on the other.

It is important to strike the right balance because the stakes are high. There is some evidence to suggest that a primary reason that there has been so little home construction despite an acute housing shortage (and an apparent market opportunity) is what is perceived as a labyrinthine and fluctuating permitting and approval processes. This section will highlight specific areas where a focus on creating or reinforcing an ethos of “Open for Business” in the Town would facilitate and even encourage economic development.

Key Deliverable #1:

Generate actionable ideas to identify and support “home grown” or local businesses and create strong tie-ins between the needs of large – medium businesses and the entrepreneurial activity of small businesses, and new business sectors identified in the SWOT analysis.

This section addresses several key areas that impact the business environment and the costs associated with doing business in Buena Vista. Specifically:

- Permitting and approval processes
- Cost and availability of housing (a critical impediment for being able to attract new workers)
- Ensuring businesses have access to adequate access to broadband speeds
- Facilitating the increase in child care businesses through removal of regulatory hurdles
- Increasing the business activity in the Town through recruiting Remote Workers
- Strengthening and growing the biotech industry

Moving at the speed of business

During the SWOT analysis, the perceived difficulty in working with the Town and the perception that the building codes were onerous to small developers and businesses wanting to do small projects were identified as key weaknesses. As mentioned, it is important to move past perceptions and establish an objective measure of efficiency. Basing the analysis on anecdotal feedback would be a precarious proposition of tenuous value because, by definition, if the Town approved every activity and had no

standards then it would not be fulfilling its role to protect the residents. No one would want to live in a town that failed in this basic responsibility.

Benchmarking Analysis

It is recommended that the Town conduct a benchmarking study of its services, policies and procedure to measure the efficiency, clarity and consistency of approval and permitting processes. The Town’s processes would be compared to communities of similar size and situation, best practices analyzed, adjustments made for local differences and standards established. The reviews of permitting and approvals should encompass everything that touches businesses.

The objective would be to target bottlenecks and eliminate steps that protect against once-in-a-millennium contingencies and create processes that efficiently provide for the majority of cases and make provisions for special reviews for the aberrations.

It would be essential to educate Town employees to understand how critical their contributions are to facilitating and protecting businesses and the direct impacts on economic development. Employees must know the operating objectives behind policies and empowered to make decisions within those parameters.

The focus would be on reinforcing a business-friendly ethos and in assisting businesses and individuals in achieving their objectives. Consider the irony—if someone wants to apply for social service there are often support structures and caseworkers that are there to lead the person through the

process. By contrast, if a business wants to come to Town and contribute to the tax base, they are often left to feel that they must navigate the seemingly labyrinthine processes and procedures on their own. The recommendation would be to consider creating case-workers for businesses that would be the one point of contact that could help them through the process. Also, the creation of a business ombudsman—a resource that businesses can turn to when they are stuck and don’t know how to proceed or feel like the service they are getting is inadequate.

Often business owners feel lost in the process and don’t know the status of their applications. Providing proactive communication to applicants for licenses, permits or approvals if there is a delay or unanticipated hold-up would be important and ameliorate feelings of not understanding the process.

Open for Business	
Responsible Party	Town Administrator
Implementation Milestones:	
1. Benchmarking Study	6 months
2. Create Business Case Workers	3 months
3. Designate Business Ombudsman	3 months
Total Cost:	\$20,000
Expected Benefit	Reduction in permitting and approval times. Encourage economic activity / building.

Housing

Key Deliverable #10:

Identify changes in land use and/or zoning that could facilitate achievement of the desired economic development objectives in relationship to the identified target industries and potential locations.

There is no other single issue that comes close to attracting the concern and attention that attends housing. In virtually every discussion with stakeholders, in the community forum SWOT analysis and in reviewing recommendations with the EVAB, the shortage of housing was constantly cited as the most pressing economic development challenge. Businesses are afraid that if they expand they will be unable to attract workers because of the dearth of housing. Similarly, some employers are afraid of losing key employees because they have been unable to secure adequate housing.

While the shortage of housing is certainly not unique to Buena Vista, it is an acute problem for the Town and an inhibitor of economic progress. Housing is a unique commodity in a free-market based economy because it is subject to many regulations and restrictions. So, in virtually any other market, if there were a shortage of a commodity, prices would rise and companies would allocate more resources to production of that product to take advantage of the higher returns and their capacity would increase. The increased capacity would provide more product and when there was sufficient supply to satisfy demand, prices

would return to their former levels. Because of the scarcity of land, licensing requirements and long lead-times to attain licensure, length of obtaining building permits and inspections and wariness of overbuilding due to memories of recent housing downturns, the supply curve of housing is much more rigid and takes longer to accommodate increases in supply than most other commodities.

For a municipality, the objective is to identify instances where their policies or procedures are adding unnecessary cost or time to the addition of housing units. In the United States, the history of public interventions to attempt to address market failures in housing has often yielded unsatisfactory long-term results. Ideally, the extent of public involvement should be to remove impediments to the free market.

Following are recommendations that would reduce or eliminate market impediments to the supply of housing in Buena Vista:

ADUs

Buena Vista’s municipal code—Section 16-4 (by amendment in 2007) defines Accessory Dwelling Units as: “[a] attached or detached dwelling unit that is accessory and subordinate in size and character to a principal building situated on the same lot or parcel, and that otherwise satisfies the requirements contained in this Chapter.” Ordinance 12 in 2007 amends the municipal code to include ADUs in the “Special Uses” sections of R1, R3, B1, B2 and I1 zoning designations. The Ordinance specifies the maximum size of the units and designates the maximum number of bedrooms and the required appliances.

ADUs are an appealing solution to the challenges of housing short-term seasonal workers that come to Buena Vista to support the summer tourist season. ADUs require no land development, and have lower construction costs because utilities are already onsite. Where an apartment complex that catered to seasonal workers may not be viable because of the absence of rental income during the off seasons, a homeowner could receive sufficient rent during the summer season to pay construction loan payments and make a return on their investment.

It is recommended that the code be modified to change construction of Accessory Dwelling Units to a use by right so that as long as the construction meets the requirements of the building code, a special permit is not required. It is further recommended that the EVAB initiate a dialogue with contractors and lending institutions to understand what impedes them from supporting construction of these units and how to increase the supply. Once impediments are removed and the lending institutions and builders have programs in place to facilitate building, a public information campaign encouraging the construction of ADUs should be undertaken.

High-Density Housing

In the current zoning, there are only two areas in the Town that are zoned as R3 – High-Density Residential. While the consensus is clear and there is certainly no appetite in the community for large, high-rise apartment buildings, there is also a widespread acknowledgement that there is a critical shortage of rental units

available for seasonal workers and those at the lower end of the economic spectrum. The first step in encouraging more affordable multi-family housing units would be to increase the number of areas that are zoned as R3. This zoning change would give land owners and developers more options and facilitate the construction of more multi-family housing developments.

Housing	
Responsible Party	Town Administrator
Implementation Milestones:	
1. Change Status of ADUs	3 months
2. Create More R3 Zoning	6 months
Total Cost:	\$0
Expected Benefit	Catalyze new home construction.

Broadband

Access to high speed internet connections is critically important for communities looking to stay relevant in an online world. Only 27 years old, the World Wide Web and the rise of the internet for the masses could still be considered nascent technology. Consumer internet connection speeds have experienced exponential growth since the 28 Kbps modems of the 1990s. The FCC reports that in 2011, the maximum advertised download speed was 12 to 30 Mbps while just five years later in 2016 it had increased to 100 to 300 Mbps.⁵⁴

As a relatively new technology that is continually evolving, it can be difficult to pinpoint at any given time what qualifies as “high

⁵⁴ <https://www.fcc.gov/reports-research/reports/measuring-broadband-america/measuring-fixed-broadband-report-2016>

speed” internet. At present, the FCC, defines 25 Mbps download speed as the standard for “high speed” internet, and measures what percentage of people have access to those speeds within a given geographical area.⁵⁵

Understanding Broadband

There are two main varieties of fixed-base internet service available in the Buena Vista area, Digital Subscriber Line (DSL) and Cable Modem (or simply Cable).

Digital Subscriber Line (DSL)

DSL is a wireline transmission technology that transmits data faster over traditional copper telephone lines already installed to homes and businesses. DSL-based broadband provides transmission speeds ranging from several hundred Kbps to millions of bits per second (Mbps). The availability and speed of your DSL service may depend on the distance from your home or business to the closest telephone company facility.

The following are types of DSL transmission technologies:

- **Asymmetrical Digital Subscriber Line (ADSL)** – Used primarily by residential customers, such as Internet surfers, who receive a lot of data but do not send much. ADSL typically provides faster speed in the downstream direction than the upstream direction. ADSL allows faster downstream data transmission over the same line used to provide voice service, without disrupting regular telephone calls on that line.

- **Symmetrical Digital Subscriber Line (SDSL)** – Used typically by businesses for services such as video conferencing, which need significant bandwidth both upstream and downstream.

Faster forms of DSL typically available to businesses include:

- High data rate Digital Subscriber Line (HDSL); and
- Very High data rate Digital Subscriber Line (VDSL).

Cable Modem (Cable)

Cable modem service enables cable operators to provide broadband using the same coaxial cables that deliver pictures and sound to your TV set. Most cable modems are external devices that have two connections: one to the cable wall outlet, the other to a computer. Generally, cable provides much faster upload and download speeds when compared to DSL.

Subscribers can access their cable modem service by simply turning on their computers, without dialing-up an ISP. You can still watch cable TV while using it. Transmission speeds vary depending on the type of cable modem, cable network, and traffic load. Speeds are comparable to DSL.

Other methods of distributing internet to non-mobile users are Fiber-optic and Broadband over Powerline (BPL). Both are emerging technologies and have limited availability to a very small percentage of the U.S population.⁵⁶

⁵⁵ <https://www.fcc.gov/document/fcc-finds-us-broadband-deployment-not-keeping-pace>

⁵⁶ http://www.broadband.gov/broadband_types.html

Chaffee County Broadband

According to the FCC, 44% of households in Chaffee County have access to internet connections of 25 Mbps or faster. That ratio is 45% lower than the percentage of all Colorado households.⁵⁷ The Town has engaged the consulting firm HR Green to do a broadband analysis of the Town and provide recommendations. The study is ongoing.

Speed Requirements

In a guide published by the FCC, speeds of 15 Mbps are sufficient for most “high use” users who regularly download HD video or use video conferencing.⁵⁸ In other words, the 2016 FCC standard of 25 Mbps far exceed the speeds required to regularly engage in even the highest bandwidth-consuming activities.

The FCC uses 25 Mbps and not 15 Mbps as the standard because of the development of network hardware. The evolution of the modem has allowed providers to tap into cable speeds in excess of 15 Mbps. In fact, the median speed across all U.S. consumers for 2016 was 39 Mbps, which represents a 22% increase from the previous year.⁵⁹ The FCC standards, therefore, are more reflective of what is widely available rather than specifying a technical requirement.

The internet speeds in Buena Vista are sufficient for virtually all current internet usages but will there be a need for higher

speeds in the foreseeable future? Networking hardware company CISCO published an article in June of 2017 predicting that average internet broadband speeds will double by 2021.⁶⁰ It is likely to be the case that supply will drive demand and that application developers will take advantage of the available bandwidth. The growth of 4k video and higher resolution imaging, virtual reality applications and the movement of large volumes of data required for artificial intelligence will make it probable that 15 Mbps speeds simply won’t be able to keep up 5 years from now.

Perhaps more important than the speed of internet connections is the degree to which basic broadband is available, termed “penetration.” The Upper Arkansas Area Council of Governments (UAACOG) commissioned a Broadband study of the region in 2015. The report cites a 2007 Brookings Institute study that determined that for every percentage point increase in broadband penetration, employment grows by between .2% and .3% per year. A 2009 study found that a “10 percentage point increase in broadband penetration raises annual per-capita growth by 0.9-1.5 percentage points.”⁶¹ The UAACOG report notes that “CenturyLink offers DSL service to residents and businesses in and around Salida, Buena Vista, and Poncha Springs.” In other words, broadband is already available via a private internet service provider to residents and businesses in Buena Vista so there is little upside from increased penetration.

⁵⁷ <http://broadbandnow.com/Colorado#city-list>

⁵⁸ <https://www.fcc.gov/research-reports/guides/household-broadband-guide>

⁵⁹ <https://www.fcc.gov/reports-research/reports/broadband-progress-reports/2016-broadband-progress-report>

⁶⁰ <http://www.cisco.com/c/en/us/solutions/collateral/service-provider/visual-networking-index-vni/vni-hyperconnectivity-wp.html>

⁶¹ http://www.uaacog.com/images/UAACOG_Regional_Broadband_Plan_Ver_101.pdf

The report also notes that 25 Mbps was the maximum speed offered in Buena Vista but Charter Spectrum currently offers speeds up to 100 Mbps over a service area that is estimated to include 60% of the Town while Dish and CenturyLink offer maximum speed of 12 Mbps (See

Table 24).⁶² The current speeds are sufficient for most applications today but there needs to be a glide path to greater bandwidth in the near term.

	 CenturyLink®	 dish	 Charter Spectrum
Technology	DSL	Cable	Cable
Coverage	78.9%	100.0%	60.2%
Speed	12 mbps	12 mbps	60-100 mbps

Source: www.broadbandnow.com/Colorado/Buena-Vista

Table 24: Buena Vista Carrier Speeds

Infrastructure Investment Point of Diminishing Returns

The viability of public funding of enhanced network infrastructure in a community depends on the business and residential demands of the area. As noted above, the FCC has determined that for most consumer applications, 15 Mbps is adequate connection speed. Investing in faster speeds would not have a material impact on consumer well-being would not be justified in the current environment.

Cisco, one of the world’s foremost network hardware companies, has researched the applications that consume the most bandwidth for businesses and identified the top five:

- High-definition telepresence. High-definition teleconferencing requires speeds upwards of 24 Mbps.
- Telemedicine and remote surgery. Requires 10 Mbps.
- Video instant messaging and standard-definition teleconferencing. Requires 10 Mbps.
- High-definition TV. Requires 8 Mbps.
- Real-time data backup. Requires 2 Mbps.⁶³

While there are undoubtedly niche applications that are “data hogs,” Cisco’s list identifies the standard applications that have intense data transfer requirements. With the currently available speeds, a business in Buena Vista would not be able to participate in high-definition teleconferencing. Standard-definition conferencing would consume most of the available bandwidth but would work. Other than that one cutting edge technology, there are no current standard business requirements that could not be met by current internet speeds. There is no economic justification for public investment in higher internet speeds for current business applications.

While current bandwidths from the DSL-technology companies are sufficient for current business and consumer requirements, the margins are slim. The Town finds itself in a tenuous position, poised on the edge of acceptable speeds. While it is impossible to forecast the speed at which new technologies that require

⁶² <https://www.getcenturylink.com/co/buena-vista>

⁶³ <https://gigaom.com/2008/08/12/why-we-need-fat-pipes-the-top-5-bandwidth-hungry-apps/>

greater bandwidth will be adopted and standardized, it is inevitable that it will happen. It is recommended that the Town continue to work closely with the UAACOG on regional initiatives while concurrently working with private providers to understand their upgrade plans. If private ISPs can provide assurances that they will provide increased speeds within a reasonable timeframe, then significant public expense and effort can be averted.

Broadband	
Responsible Party	Town Administrator
Implementation Milestones:	
1. Participate in UAACOG Broadband	12 months
2. Communicate with Private ISPs	12 months
Total Cost:	\$0
Expected Benefit	Speeds in excess of 25 Mbps within a few years.

Child Care Services

A study in 2004 by the University of Colorado found that, “There is an immediate economic effect, where the sale of child care services contributes immediately to state employment and output. Dollar-for-dollar, the immediate economic effect of child care spending is larger than most other industries in Colorado.”⁶⁴ Child care contributes to the economy in two important ways. First, the child care industry is in the top 10% for all industries in its output multiplier. For every \$1 spent on child care there is \$1.89 in total economic

output generated. Second, child care is an enabling industry because availability of child care enables parents to enter the workforce who otherwise would be unable to do so.

In the state of Colorado, there is .61 day care slots available for every child under the age of 4. In Buena Vista, by contrast, there are only .46 slots for each child – 31% less than the state average. These statistics validate the anecdotal accounts from parents of the difficulty in finding child care and from each of the Town’s three day care providers that they have lengthy waiting lists.

The impact of this undersupply of child care is a reduction in the Town’s workforce – parents, who but for being unable to secure child care, would otherwise make their labor available to ameliorate the Town’s perennial shortage of qualified workers. The undersupply will also impact the Town’s ability to recruit remote workers because if a potential remote worker is unable to find child care and their spouse is unable to work when he or she wanted to do so, the spouse’s lost potential earnings would represent an economic penalty for living in the Town.

In order to decrease the administrative burden and encourage an increase in the supply of child care providers, it is recommended that the Town change its zoning to permit the operation of a child care service as a use by right not requiring a special use permit. Other processes and policies should also

⁶⁴ s3.amazonaws.com/mildredwarner.org/attachments/000/000/131/original/report-a1281460.pdf

be analyzed to ensure that they do not place an undue administrative burden on aspiring child care operators.

Open for Business	
Responsible Party	Town Administrator
Implementation Milestones:	
1. Change Zoning Restrictions	3 months
Total Cost:	\$0
Expected Benefit	At least one new child care service provider

Key Deliverable #8:

Identify local incentive programs that will help attract new job growth in targeted industries.

The Phase 2 Report identified remote workers and biotech as two industries for which Buena Vista has strategic advantages and which should be targeted for employment growth. Following are recommendations to provide incentives and inducements to business and individuals in these industries.

Remote Workers

Remote workers are coveted targets for economic development because they bring professional credentials and entrepreneurial passion to a community but it doesn't require recruiting an entire business in order to attract workers. Each remote worker has his or her own preferences and tastes and different locations will appeal to different workers.

The key to being a destination of choice for remote workers looking to relocate is to have a high quality of living coupled with the requisite business infrastructure. For those who value alpine outdoor recreation in a high-quality small town setting, Buena Vista is an incredibly attractive location. While further community development (improved grocery shopping, expanded trail network, increase in relevant events, etc.) will strengthen its appeal, Buena Vista already offers a great value proposition for workers who appreciate its natural assets.

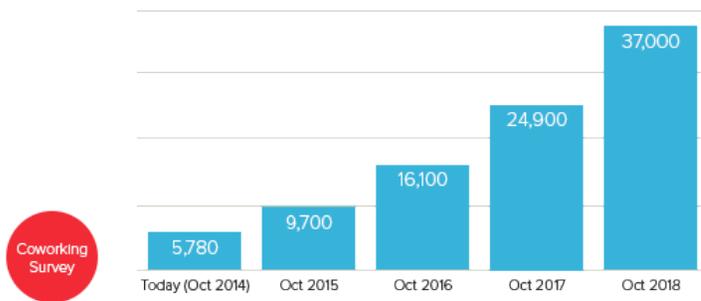
From the standpoint of business infrastructure and support, there are certain factors like proximity to a major airport that are outside of the control of the Town. There are, however, some elements of the business infrastructure that can be impacted by the Town. Following are several areas where local initiatives could improve the remote worker ecosystem:

- **Outreach.** The Town's specific and determined targeting of remote workers must be apparent and obvious to all. The messaging must be consistent and pervasive that Buena Vista is not only an ideal location for remote workers but that the Town is actively recruiting this industry. (See Section 2 for a discussion about marketing directly to remote workers.)
- **Collaborate with CMC.** CMC has an entrepreneur program and many of its students are interested in launching their businesses and staying local. The Town should work with CMC to determine what support it can offer to help the entrepreneurship program

succeed and grow and how it can help its students launch their businesses and stay in Buena Vista.

- **Co-working Space.** Having a collaborative space to interact with other ambitious professionals is important to many remote workers. The growth of co-working spaces is a testament to the demand for communal work environments from remote workers (see Figure 79).

Number of Coworking Spaces Worldwide
Projection for the next four years



Source: www.linkedin.com/pulse/co-working-spaces-advantage-indian-startups-kevin-vyavahare

Figure 79: Growth in Co-working Space

With Watershed, Buena Vista has an operating co-working space. With its size limitations, however, that facility will either need to expand or a second office space will need to become available to accommodate larger numbers of remote workers. Having an energetic space with a critical mass of remote workers will be an important amenity for recruiting.

- **Remote Workers Networking Events.** Networking events specifically targeted to remote workers have proven popular in other locations like Steamboat Springs and create equity around the brand of being a vibrant, intentional remote working mecca. The events would need a sponsor to initiate them – probably either the Chamber of Commerce or EVAB.
- **Relocation Incentives.** The Town could consider offering relocation incentives to remote workers that meet certain qualifications such as purchasing a home or meeting an income threshold.
- **Recruiting Tours.** Section 4 of this report details a recommendation to provide guided tours to remote workers who are interested in considering a relocation.

Open for Business	
Responsible Party	EVAB
Implementation Milestones:	
1. Outreach	6 months
2. Networking Events	6 months
3. Relocation Incentives	12 months
4. Recruiting Tours	3 months
Total Cost:	\$24,000/yr (relocation benefit)
Expected Benefit	10 new remote workers relocating to BV per year

Biotech

There is a very wide range of industry clusters that could fall under the umbrella of biotechnology or biotech. For Buena Vista, the key to growing its biotech sector is on leveraging and expanding on existing resources.

In TopoGEN, the Town has an ideal 'anchor tenant' that can serve as a foundation upon which it can build a strong biotech presence. TopoGEN is a pioneer in cellular testing and research. TopoGEN has plans to create a biotech incubator that will provide equipment, mentoring and workspace for startup biotech firms. Having the opportunity to work with a world-class innovator like TopoGEN in an incubated environment with access to a complete suite of high-end equipment will be a very compelling proposition for startups. Once the incubator is launched, it is expected that several firms will move to the Town. While it is likely that these firms will share a similar cluster focus with TopoGEN to take advantage of the provided equipment, firms from other branches of the discipline may also come to the Town. Buena Vista should embrace all biotech disciplines while ensuring that it understands its companies sufficiently to provide specific support as follows:

- **Support of Grant Applications.** TopoGEN recently learned that its application for a 2017 Advanced Industries Accelerator Grant from the Colorado Office of Economic Development and International Trade was not successful. As other grants and funding sources are applied for, the weight of the entire community should be behind the efforts. Aside from letters of support from every possible relevant organization, the community

should consider other forms of support such as providing in-kind or monetary contributions to help cover matching requirements or having community dignitaries present in a presentation before the granting body is made. Even if the amount of contributions is nominal, the commitment demonstrated by a broad range of community organizations will have an impact on the granting entity.

- **Messaging.** As with remote workers, there must be pronounced and apparent messaging that indicates the Town's interest in the biotech industry and determination to become the alpine hub of cellular biotech enterprises. Biotech should be mentioned on the landing page of the Town's and Chamber's websites and integrated into its branding.
- **Sponsorship of Conferences.** Buena Vista can establish its bona fides as the alpine hub of biotech by hosting and sponsoring biotech conferences. The conferences should be small in size and focused on specific disciplines. The conferences should target the thought leaders in the field and strive to achieve a level of welcoming hospitality so that conference participants feel appreciated. The goal would be to have the conferences in Buena Vista become the gold standard of technical conferences.

Bringing industry thought leaders to the Town and letting them partake of its unique charms presents the

potential for them to decide to follow the same path as Dr. Muller and relocate their businesses to Buena Vista.

- **Fast-track Permitting of Incubator.** As a demonstration of public support for the biotech incubator, it is recommended that, where possible, the permitting process for the incubator (once approved) be fast-tracked.
- **Relocation Incentives.** The Town could consider offering relocation incentives to professionals in the biotech industry who are relocating to Buena Vista.

Open for Business	
Responsible Party	EVAB
Implementation Milestones:	
1. Grant Support	6 months
2. Messaging	6 months
3. Conferences	24 months
4. Incubator Permitting	12 months
5. Relocation Incentives	12 months
Total Cost:	\$6,000 (relocation)
Expected Benefit	Recruitment on one new biotech firm per year.

Main Street



4 | Community Coordination

Key Deliverable #2:

Identify areas in which increased collaboration would accrue economies of scale and benefit all parties and community partners that will help achieve strategic objectives. This could include key partnerships (government, private and non-profit) that will improve the success of the plan. Provide recommendations as to the appropriate level of involvement from each party of these collaborations.

As a community, Buena Vista is blessed with an abundance of intellectual firepower, entrepreneurial passion, and community spirit. The manifestation of these characteristics is evident in the remarkable renaissance of Main Street and the exceptional progress that the Town has made over the last few years. As projects get harder and more complex and the issues that are confronted are more intractable, increased collaboration and coordination will be required. The full power of the community's individual skillsets and strengths can only be realized in working together towards common objectives.

There is no lack of community will to move forward, only a gap in coordination and communication. This role can best be filled by a body that has the acknowledged stewardship to oversee economic development efforts and coordinate among the many groups that have roles to play. It is recommended that this Board be appointed by the Town Trustees and report directly to them and make recommendation to the Trustees. The ideal structure would be for each of the operating boards to have one

of its board members serving on this coordinating council. Alternatively, members of the coordinating board could assign its members to serve on the individual boards. If serving on two boards proves to be too burdensome for board members, the separate boards could send representatives to the coordinating board meetings on a regular basis to provide updates and coordinate efforts.

The coordinating board becomes the clearinghouse that stays abreast of all that is going on in the community and ensures that there are no duplicative or countervailing efforts. The communication would be two way with information flowing in from the various boards but also being disseminated out to the different organizations as needed.

Beyond mere coordination, however, there must be specific objectives and goals that are established and for which this body would have stewardship. Implementation of the recommendations of the Economic Development Master Plan would, for example, be a primary responsibility of this organization.

Empower EVAB

Though relatively new, the Economic Vitality Advisory Board (EVAB) has proven to be a capable body and is staffed with capable individuals with diverse backgrounds. It is recommended that the EVAB be given overall stewardship for economic development in the Town and assigned coordinating responsibilities.

The EVAB should coordinate with the following Town boards:

- Airport Advisory Board
- Beautification Advisory Board
- Recreation Advisory Board
- Trails Advisory Board
- Historic Preservation Commission
- Planning and Zoning Commission

In addition to working with the boards that are chartered by the Town, the EVAB must also coordinate with other civic organizations to integrate the efforts and ensure that all organizations are working towards common objectives. The missions of these organizations are to promote different aspects of economic development for the community and have dedicated professional staff to drive results. The four primary civic organizations are:

- Colorado Mountain College
- Buena Vista Chamber of Commerce and Visitor Center
- Chaffee County Colorado Visitors Bureau
- Chaffee County Economic Development Corporation

Colorado Mountain College

Colorado Mountain College (CMC) is an under-utilized community resource. CMC is very progressive in its approach and understands its critical roles as an essential contributor to local economic development. The College has the ability to create custom education and training programs to support local business requirements and can be a vital resource for entrepreneurs.

The Vice President and Campus Dean of the Chaffee County campus of CMC must be viewed as a vital resource and should

be given the opportunity to nominate a representative for a seat on the EVAB. Knowing the capabilities of the College will enable the EVAB to understand what is possible for workforce training and what educational benefits and programs can be devised for current or prospective businesses.

Buena Vista Chamber of Commerce and Visitor Center

For 41 years, Buena Vista's Chamber of Commerce has represented local businesses and has worked to help local businesses succeed and bring tourists to the area. The development of Main Street and the dedication of resources and attention to that area of the Town has created fissures. These divisions make it a challenge for the Chamber represent the entire community.

The formation of groups that represent subsets of the Town is a threat to the cohesion of the Chamber and its ability to represent the entire community. The EVAB should work with the Chamber's Board to reconcile differences in the community and propose changes that will cauterize the festering wounds of discontent and reverse the trend towards 'balkanization' of the community. The Chamber of Commerce can and should be a powerful engine of economic development in Buena Vista but would benefit from the involvement of the EVAB to bring about a reconciliation.

Chaffee County Colorado Visitors Bureau

As discussed in the marketing section, the Chaffee County Colorado Visitors Bureau (CCCVB) has done well at establishing a brand for the area and in promoting the County for tourism. The CCCVB is a professional organization that has demonstrated

its capacity to drive interest online and to spur tourism. The marketing messaging should support the economic development priorities and the economic development efforts should leverage the County's brand. This synergy can be achieved through deliberate coordination and collaboration.

Chaffee County Economic Development Corporation

The charter of the Chaffee County Economic Development Corporation (EDC) is "To assure that Chaffee County is Open for Business, and to retain, expand and create jobs in Chaffee County." The EDC has been very successful in recruiting businesses to the County, securing federal grants and helping local companies expand.

It is imperative that the EVAB leverage important local resources like the CCCVB and EDC to ensure that the full extent of their abilities and knowledge is being applied in Buena Vista. Coordination among the different bodies will lead to opportunities and outcomes that would not have been identified if all parties were working in silos of isolation.

Industry Liaisons

Another key responsibility of the EVAB will be to create liaisons with key industries. The recommendation is that the EVAB designate one board member as the liaison to individual industries or businesses. These liaisons would act as advocates within the Board – ensuring that businesses get the support and resources they need to succeed, and as a primary point of contact for that business/industry so that they have ready access to decision makers.

The EVAB cannot dilute its effectiveness by trying to be all things to all people. The EVAB must identify a few key industries and focus efforts on those clusters. The focus will not come at the expense of other, deserving industries but will ensure that primary efforts are expended in areas that will have the maximum effect.

This Economic Development Master Plan identifies several industries that demonstrate the potential to have disproportionate impact on the Town's economy. It is recommended that the EVAB select from among these industries, and any others that are deemed to have substantial merit, and identify liaisons for each.

Funding Opportunities

The EDC has a professional network that includes federal and state granting agencies. The EVAB should work closely with the EDC to stay abreast of grants and public/private funding opportunities. Once opportunities for grants are identified, a coordinated effort is necessary to meet the grant's requirements. The EVAB will be the coordinating body that will work with the EDC to ensure that community efforts are galvanized in securing those sources of funding.

Most grants require some amount (typically 20% to 50%) of local match. The EVAB would be critical in helping to identify potential sources for in-kind or cash matches and in securing commitment for those contributions.

Recruitment Team

The EVAB should designate a recruitment coordinator. The coordinator would have responsibility to coordinate visits of firms or individuals who are considering relocating to the Town. The visits may be conducted by a representative of the Chamber of Commerce or the EDC, the EVAB would be responsible for making sure they are implemented.

The visits would ensure that prospective new business owners or professionals get to meet key people in the community and experience the genuine hospitality of the Town. They will leave the Tour knowing they have friends in Buena Vista and feeling wanted.

The importance of being able to offer potential new businesses or remote workers a personalized tour of the Town is profound. Meeting community leaders, seeing the Town and its special draws, looking at real estate for home or businesses and meeting others in the industry would make all the difference for someone considering a move to Buena Vista. The tours should be specific and customized for targeted industries - i.e. biotech, renewable energy, remote workers, etc. - that introduce the visitors to local industry leaders and highlight key strategic differentiators and advantages of the Town.

In order for the personalized tours to be utilized, they must be effectively promoted. Search engine optimization (SEO) must be done to ensure that the tours pop up under appropriate searches for Buena Vista. The tours should be featured on the City, Chamber of Commerce and EDC websites with contact information provided.

Plan Implementation / Follow Up

Key Deliverable #11:

Develop outcome measures to assess, monitor and improve the action strategies on an ongoing basis.

The recommendations in this Economic Development Master Plan are designed to be specific and detailed enough to be implemented. Achieving the intended outcomes, therefore, will be determined by the execution and follow up.

It is recommended that the EVAB take the lead in adopting these recommendations, modifying and evolving them as time and circumstances dictate and following up. Having a single organization that has the stewardship to keep the community focused on economic development and executing its agreed-upon strategy will ensure that the plan does not languish in forgotten irrelevance.

Each of the key recommendations has a matrix that identifies the responsible party, the projected implementation milestones, anticipated costs and expected benefit. With these specific deliverables defined, the EVAB can monitor the progress of each recommendation and measure to actual impact against the planned results.

Community Coffee

Buena Vista presently lacks a forum for different organizations to present what they are working on, air concerns and coordinate activities and efforts. Whereas one of the primary

deficiencies cited by business owners was the absence of coordination among disparate community organizations, creating a mechanism for such interchange would provide significant community and economic benefit.

Lake County has been holding weekly Community Coffees for years and it has become a bedrock of the community. Valuable information is exchanged, ideas are presented, topics are discussed and key community leaders have the opportunity to interface weekly. A key to maintaining the effectiveness of the forum is that strict time limits are established and adhered to. Agendas are published, presenters are not permitted to exceed their time limits, the comments are kept brief and succinct and the meeting ends promptly at one hour.

As one of its responsibilities as the clearinghouse of community information, it is recommended that the EVAB begin hosting community coffees - inviting key community leaders and business owners. A coffee host should be selected who is a strong leader and able to effectively lead the meeting.

Improved Community Coordination	
Responsible Party	Town Board of Trustees
Implementation Milestones:	
1. Resolution	1 month
2. Update EVAB Mission Statement	3 months
Total Cost:	\$0
Expected Benefit:	Improved coordination among civic and community organizations. Improved recruitment of companies.

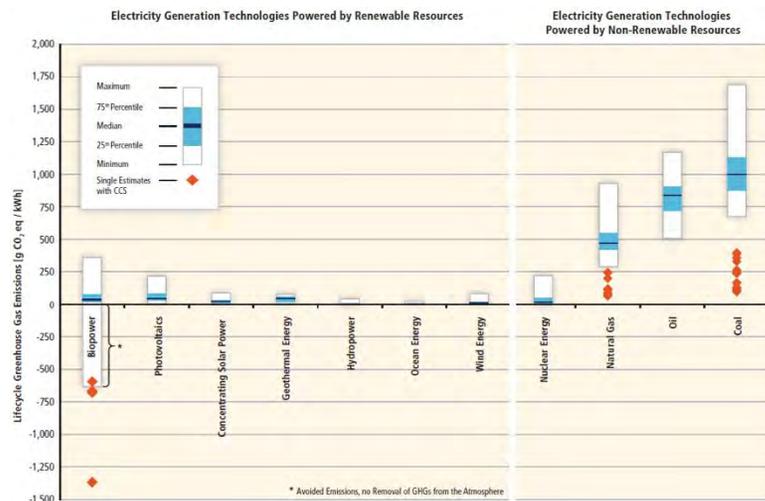
Mt. Princeton



5 | Sustainability

Geothermal

The case for renewable energy is compelling. Among the different renewable energies, production from geothermal sources produces some of the most favorable results. From an environmental standpoint, energy produced by geothermal technologies on average produce from 8.66 to 16.66 fewer carbon dioxide equivalent emissions than natural gas and coal power plants respectively (see Figure 80).



Source: IPCC, 2011: IPCC Special Report on Renewable Energy Sources and Climate Change Mitigation.

Figure 80: Carbon Dioxide Equivalent Emissions per kWh

A 2013 study by B. Machol and S. Rizk that is published by the National Center for Biotechnology Information computes the impact of electrical generation and its emissions on overall health in the United States. The study concludes, “In total, we estimate that the economic value of health impacts from fossil fuel electricity in the United States is \$361.7-886.5 billion annually, representing 2.5-6.0% of the national GDP.”⁶⁵

Global energy security and inexhaustible supply are among the other benefits. The case for renewables is sufficient that 71 of the Fortune 100 have renewable energy or sustainability targets while 43% of the Fortune 500 have similar goals. Some companies, Wal-Mart and General Motors notable among them, have committed to powering all of their operations by renewable energy. 83 corporations worldwide have committed to going 100 percent renewable and in 2017 Google met that target.⁶⁶ On June 26th, 2017, the US Conference of Mayors voted unanimously to commit to a goal of 100% reliance on renewable energy by 2035.

Having an energy source that is derived from renewable sources is a differentiator in business recruitment in the current environment and in the future may well be a requirement. Buena Vista is blessed with proximity to what is projected to be one of the highest-potential geothermal sources in Colorado.

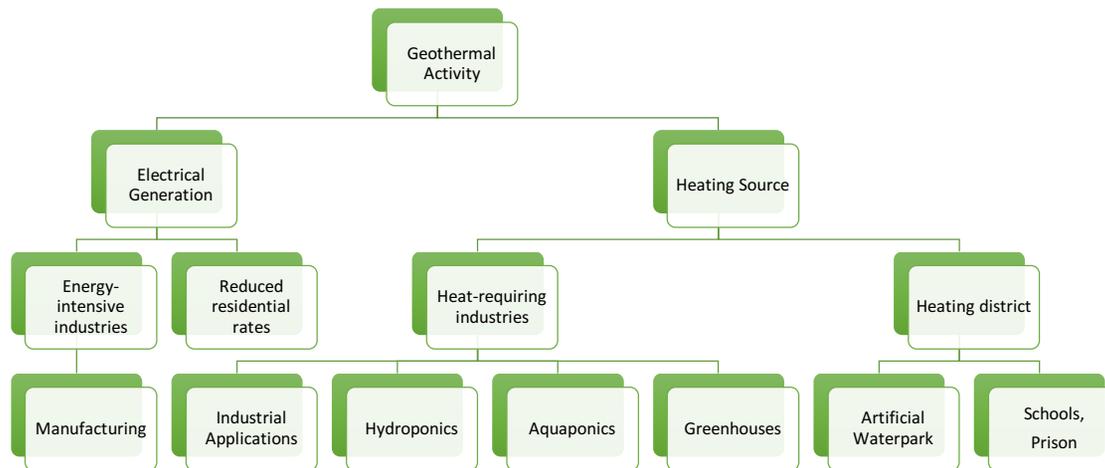
⁶⁵ <https://www.ncbi.nlm.nih.gov/pubmed/23246069>

⁶⁶ <https://www.greentechmedia.com/articles/read/Large-Corporations-Are-Driving-Americas-Renewable-Energy-Boom>

Mt. Princeton Geothermal, LLC has applied for a Department of Energy grant through the Colorado Geological Survey (CGS) that was to have been awarded at the end of May but is still in review. The grant is in the 2017 Department of Energy budget and is consequently already funded. If the grant is awarded to CGS a study will be conducted of the area to establish the probabilities and parameters of geothermal resources in the area. Once the results of this study are available, the data can be presented to energy and geothermal production companies which can then decide to invest in further testing including thermal gradient wells or test wells. Favorable results from these final tests would enable a power generation or heat extraction project to move forward.

The range of different activities and applications that can utilize geothermal heat directly or the electricity produced by it is shown below. (See Source: Better City

Figure 81.)



Source: Better City

Figure 81: Geothermal Potential Uses Matrix

It is important to note the wide breadth of applications for a cost-effective heat source including:

- Hydroponics
- Aquaponics
- Greenhouses
- Hide Tanning
- Other heat-intensive industries

Having an established and available source of geothermal heat could be a major economic development driver and be the strategic advantage that attracts new industries.

A developed geothermal heat source could also provide community benefit. If the high school and the state prison could be economically retrofitted to HVAC systems that utilize geothermal, both institutions could potentially save hundreds of thousands of dollars in operational costs annually. There is a significant cost in piping the water drawn from geothermal wells or that is waste heat from electrical generation to these sites. This cost would be paid through the operational utility savings from the participating institutions.

The next step in the process of utilizing the area’s geothermal assets – the awarding of the grant to do the data

analysis on the area – is entirely outside of the control of the Town. There are several key actions, however, where the community can and should be involved and active:

- **Support a Heating District.** The temperature of water used in heating districts is in the range from 138°F to 218°F.⁶⁷ There is a high level of confidence among the scientific community that the temperature and volume of geothermally-heated water around Buena Vista is more than sufficient for operating a heating district and providing hot water for heating and cooling buildings. In order to move forward, a heating district would need to be formed.

Heating districts are not a new concept – there are over 5,000 in Europe and 240 use geothermal heat sources.⁶⁸ There are 19 geothermal heating districts in the United States.⁶⁹ A heating district is typically a voluntary utility district where a separate legal entity is formed and secures bonds for capital expenditures with the commitment of revenues (monthly utility payments) from participating businesses or government entities.

There are significant capital costs associated with drilling, pumps and other equipment and laying the insulated pipes to the participating buildings. The heating district and its participating members must be

willing to take the long-term view and undertake the investment to reap the long-term rewards.

Once the heating district is in place and operating, the required infrastructure for industries that require an inexpensive heat source will be available and the Town will be able to start accommodating those businesses.

When the studies are completed, the next step is to immediately begin working toward formation of a heating district. The EVAB should work with any entities that present credible plans for harnessing the geothermal resources and creating a heating district. Through planning, coordination and advocacy, the EVAB can help make the district a reality and put in place a critical foundational asset for future economic development.

- **Support Grants and Development Efforts.** Granting agencies often require and in all cases view favorably most projects that have broad community support. As subsequent geothermal grant applications are prepared, the EVAB should assist in coordinating the collection of statements of support from key individuals and organizations.

⁶⁷ https://energy.gov/sites/prod/files/2015/07/f24/10-District-Heating---J-Lund_0.pdf

⁶⁸ <http://geodh.eu>

⁶⁹ https://energy.gov/sites/prod/files/2015/07/f24/10-District-Heating---J-Lund_0.pdf

As developers become involved in preparing the infrastructure and developing plans the EVAB and Town should lend support and ensure that the developer is able to successfully navigate the permitting processes.

- **Promotion of the Industry.** The Town has the opportunity to create brand equity and excitement around the proposition of Buena Vista becoming a leader in renewable energy. The messaging and communication should begin immediately and become an engrained part of the Buena Vista narrative – incorporated into the Town’s website, and the EDC’s marketing efforts.

Among the other considerations would be securing the sub-surface rights in the target geothermal area. This would ensure that the project isn’t derailed by a rouge actor and also that the resource is developed in accordance with the Town’s overall objectives.

Geothermal	
Responsible Party	Town
Implementation Milestones:	
1. Create Heating District	18 months
2. Promote Geothermal	6 months
Total Cost:	<\$5,000 (Promotion)
Expected Benefit	Potential for >200 new jobs

Solar

Sue Greiner, in an outstanding example of what a passionate private citizen can achieve, has initiated an effort to introduce solar energy generation to Buena Vista. What began as an idea

for a community-based, individual subscription-supported solar garden has morphed into a potential 5 megawatt power project that would export clean energy to the grid.

Sangre de Cristo, the electrical cooperative of Buena Vista and surrounding unincorporated areas, has been supportive of the solar initiative and has discussed providing land for the project and potentially entering into a purchase agreement for the energy and providing the billing resources for the program.

Development of solar energy resources could become a key component of Buena Vista’s development as a sustainable, environmentally-conscious community. The recommendation is that the EVAB become fully informed of the developments with the solar projects and understand what obstacles it faces and what assistance is required. The EVAB should then communicate the development to the rest of the community – especially the business community – and ensure that all understand the strategic importance of Buena Vista establishing itself as a community that values the environment and prioritizes sustainability.

Solar	
Responsible Party	EVAB
Implementation Milestones:	
1. Understand Solar Development	3 months
2. Create Community Inertia / Remove Roadblocks	9 months
Total Cost:	N/A
Expected Benefit	Renewable energy becomes part of the Town’s sustainability branding

Trails

Buena Vista has been blessed with a wealth of nature's finest endowments including spectacular beauty, clean, fresh mountain air and opportunities to enjoy nature through recreational opportunities. Nature has done its part in making Buena Vista a special place and it is now incumbent on the Town to take that gift and develop it.

There have been many significant and productive efforts that have enhanced the community as a destination for outdoor recreation. The Barbara Whipple Trail is one among many such developments and is a key attraction for visitors. The 2015 Buena Vista Community Trails Plan highlights the Town's trails and details objectives and future plans.

Trails are a key contributor to a community's quality of life. Different studies have shown that 73% to 74% of residents use trails and economic development agencies view urban trail systems as critical assets for recruiting.⁷⁰ A survey by the National Association of Home Builders and the National Association of Realtors found that trails are the second most important amenity to home buyers behind only freeway access.⁷¹

While there are some fantastic mountain trails, the connectivity of the residential areas to these trails is an opportunity for improvement. Long-distance biking corridors, for example paralleling the railroad tracks, would be a further enhancement.

⁷⁰ <https://headwaterseconomics.org/economic-development/trails-pathways/trails-quality-of-life/>

⁷¹ <http://www.americantrails.org/resources/benefits/homebuyers02.html>

Connecting to existing trails in the County through coordinating with the Northern Chaffee County Connections organization.

It is recommended that expanding trail networks and creating connectivity with residential areas be raised in its prioritization among Town projects. The Community Trails Plan casts a vision for future trail development. A detailed, sequenced list of specific development projects should be developed. In developing the trail building plan, it would be beneficial to conduct research and site surveys at some of the top trail cities like Boulder, Eugene, OR, Jackson, WY, Portland, OR to identify best practices. This future trail development list should have project costs and a target completion timeframe.

As sales taxes receipts increase from the efforts to expand tourism, it is recommended that a portion of the increase be set aside to expand the trails network in accordance with the Community Trails Plan. This reinvestment in the community would help residents benefit from the tourism and provide a continual upgrade for repeat visitors.

There are resources available to assist in trail design and to locate funding sources. The American Trails organization is a valuable source of information⁷² and the Rails to Trails Conservancy is another helpful resource.⁷³

⁷² <http://www.americantrails.org/resources/funding/index.html>

⁷³ <https://www.railstotrails.org/build-trails/trail-building-toolbox/acquisition/financing-and-funding/>

Trails	
Responsible Party	EVAB
Implementation Milestones:	
1. Create Sequenced Development Plan	6 months
2. Identify Funding Sources	3 months
Total Cost:	TBD
Expected Benefit	Enhanced quality of life

Orpheum



6 | Acknowledgements

This Economic Development Master Plan (EDMP) has been a community effort and has required input and feedback from the entire Town. Special acknowledgment is due to the Board of Trustees for having the vision and wisdom to undertake this process. It requires courage and foresight to determine to objectively view your community's situation and acknowledge its challenges.

Aside from their support of the EDMP, Trustees have demonstrated vision and provided thoughtful contributions during the process. They are:

Joel Benson – Mayor
Mark Jenkins – Mayor Pro Tem
Lawanna Best
Duff Lacy
Devin Rowe
Cindie Swisher
David Volpe

The Economic Vitality Board has played a key role in developing the parameters of the EDMP and in guiding its development. The Board has contributed invaluable insights and suggestions to the process and its involvement will be critical in its execution. The EVAB members are:

Jay Boyd
Bryan Jordan

Matt Litvay
Liz Morgan
Dan Robertson
Lucas Smith
Marcus Trusty
David Volpe – Trustee Liaison

Emily Katsimpalis as the Town's Assistant to the Town Administrator has been invaluable in making arrangements and planning all of the details for the project. Brandy Reiter, as the former Town Administrator, provided support and vision that was critical in bringing about the plan.

The creation of an Economic Development Master Plan is a significant undertaking that requires contributions and collaboration from a broad group of community stakeholders. The following individuals participated in interviews and provided invaluable contributions:

Mayor Joel Benson
Phillip Puckett
Brandy Reiter
Marcus Trusty
Trey Shelton
Emily Osborn
Valerie Harper / Seldon
Joy Duprey
Harley Hamilton
Lenny Eckstein
Kathi Perry
Mr. Lehman

Charlie Chupp
Nathan & Cara Larmier
Jen Pyle
Nora Larimer
Corey Johnson
John Hughes
Brian Jordan
Kate & Rick Welter
Lucas Smith
Soren Muller
Jacob Mueller
Bill Lockett
Jenna Sciacca
David Volpe
Dave – Planning
Michelle Stoke
Jay Boyd
Ed Barkowski
Wendell Pryor
Kory Katsimpalis
Dan Robertson
Emily Katsimpalis
Matt Litvay
Scott Cope
Jen Welch
Scott Erschel
Dave Blazer
Amy Dennis
Mark Muller
Lisa Yates
Lon Kersting

Liz Morgan
Robert Crowther
Jed Selby
Susan Greiner
Ron Southards
Melanie Jacobs
Hank Held
Fred Henderson

Special thanks to the Chaffee County Economic Development Corporation for their contributions and expertise.

The passion, community spirit and civic pride of the residents of the Town of Buena Vista are an inspiration and provide a basis for the belief that great days lie ahead for the Town.

South Main



7 | Appendix A: Available Grants, Loans & Incentive Programs

Federal Programs

Eligibility

Buena Vista (the “Town”) is currently eligible for federal programs designed to assist economically distressed communities and Chaffee County is eligible for other programs that are rural community specific. In addition, there are other programs that do not require economic distress criteria and are generally available to all communities.

Economically distressed criteria include unemployment, lower-than-average household income, and recent job losses. Funding applications for programs that are specific to rural communities, defined as areas with a population below a certain threshold, are reviewed using a series of scoring criteria, which allows communities experiencing economic distress to receive higher scores. The higher the score the more competitive an application becomes and the greater likelihood that the application will be approved.

Funding availability under each program is subject to change. Buena Vista should inquire with the specific Federal entity regarding the availability of funding prior to completing a funding application.

Sources

The primary sources of Federal funding available to Buena Vista include the following:

- Department of Commerce’s Economic Development Agency (EDA)
- Department of Agriculture (USDA) Rural Development
- Small Business Innovation Research (SBIR) Program
- Department of Housing and Urban Development (HUD)
- Department of Homeland Security (DHS)
- Department of Labor (DOL)
- Department of Energy (DOE)
- Department of the Treasury
- Small Business Administration (SBA)
- Department of Health and Human Services (HHS)

Uses

These programs are available for a variety of uses including economic development studies, planning, infrastructure investments, research, housing development, the redevelopment of blighted areas, financing, and credit enhancements. A brief overview of programs available under these sources is listed below.

EDA

Chaffee County is eligible for four programs with the EDA:

EDA Programs: Chaffee County Eligible

Program	Description
Public Works Program	EDA’s Public Works program helps distressed communities revitalize, expand, and upgrade their physical infrastructure. This program enables communities to attract new industry; encourage business expansion; diversify local economies; and generate or retain long-term, private-sector jobs and investment through the acquisition or development of land and infrastructure improvements needed for the successful establishment or expansion of industrial or commercial enterprises.
Economic Adjustment Assistance	This program can be used for construction and non-construction assistance (including public works, technical assistance, economic recovery strategies, and revolving loan fund (RLF) projects) in regions experiencing severe economic dislocations that may occur suddenly or over time.
Short Term Planning	This program provides assistance to eligible recipients to create regional economic development plans in order to stimulate and guide the economic development efforts of a community.
Local Technical Assistance	This program helps eligible recipients fill the knowledge and information gaps that may prevent leaders in the public and nonprofit sectors in economically distressed regions

from making optimal decisions on local economic development.

USDA

There are three USDA programming sources that are available to the County:

1. Business Programs,
2. Housing Programs, and
3. Community Programs.

Chaffee County is eligible for each program offered under the Business and Housing programming sources and some of the programs offered under the Community programming source.

USDA Business Programs

These programs are available to municipalities with a population of less than fifty thousand, except for the IRP, which has a population limit of twenty-five thousand. There are eight separate programs under USDA Business Programs:

USDA Business Programs

Program	Description
Intermediary Relending Program (IRP)	An intermediary makes direct loans to businesses from its revolving loan fund. The intermediary pays one percent for thirty years. Loans can be used for community development projects, the establishment or expansion of businesses, and the creation or saving of rural jobs.
Rural Economic Development Loans and Grants (REDLG)	The intermediary, electric or telephone cooperatives makes direct loans or grants to profit or non-profit business and public bodies for rural economic development and job creation projects. Loans are up to one million

dollars at zero percent interest with a term of ten years. The grant is up to three hundred thousand dollars and must be used on a community facility. If the grant is repaid it can be used as a revolver to fund additional projects within the community.

Rural Micro-entrepreneur Assistance Program (RMAP) This program provides training, technical assistance or small loans to new and existing rural small businesses.

Business and Industry Loan Guarantees (B&I) Businesses can apply for a guaranteed loan through federal or state-chartered banks, credit unions, or savings & loan associations. Loans can be provided for most business purposes except production agriculture. Loan proceeds can be used for the acquisition, start-up and expansion of businesses that create rural employment.

Renewable Energy and Efficiency Grants (REAP) This program pays up to 25% of project costs including wind, solar, biomass, geothermal, or other renewable energy sources. It also can be used to make energy efficiency improvements.

Value-Added Producer Grants (VAPG) Agricultural producers and producer organizations can use this program to conduct feasibility analyses, develop business and marketing plans, and conduct other types of studies to help establish a viable value-added business venture. This program can also be used to establish working capital accounts.

USDA Housing Programs

Municipalities with a population of less than twenty thousand are eligible for these programs. There are seven separate programs under the USDA Housing Programs, four of which are for individuals and families, and the remaining three for public bodies, non-profits, for profits, and other entities.

USDA Housing: For Individuals and Families

Program	Description
Single Family Home Ownership Guaranteed Loans	Through a private lender, eligible homebuyer applicants can receive a loan guarantee up to 100% of market value.
Single Family Home Ownership Loans	A direct loan program through the USDA Rural Development office to provide loans up to 100% of market value, amortized over 33 years.
Single Family Home Loans and Grants	Provides very low-income applicants with loans and grants to make essential repairs and remove health and safety hazards. Loan terms of up to 20 years at 1%, up to \$20,000. Maximum grant is \$7,500.
Mutual Self-Help Housing Grants	Designed to assist applicants with building homes as a group with construction guidance from non-profit organizations. Loans are provided for site, material, and skilled labor. Applicants receive a direct loan while the non-profit housing organization receives a grant to hire a supervisor and pay other administrative expenses.

Rural Housing Site Loans	Section 524 loans are made to acquire and develop sites for low- or moderate-income families, with no restriction as to the method of construction.
Single Family Housing Repair Loans & Grants	Also known as the Section 504 Home Repair program, this provides loans to very-low-income homeowners to repair, improve or modernize their homes or grants to elderly very-low-income homeowners to remove health and safety hazards.

USDA Housing: For Public Bodies, Non-Profits, and For-Profits, and Other Entities

Program	Description
Housing Preservation	A two-year grant term to repair and rehabilitate single-family housing or rental properties.
Rental Housing for Families and Elderly Direct Loans and Loan Guarantees	A direct loan or loan guarantee program for the new construction or substantial renovation of rental housing.
Farm Labor Housing	To provide farm, farm organizations and corporation, non-profits, Tribes, and public agencies with direct loans and grants for the new construction or substantial rehabilitation of farm labor housing.

Community Programs

Chaffee County is eligible for four separate programs under USDA Community Programs:

USDA Housing: For Public Bodies, Non-Profits, and For-Profits, and Other Entities

Program	Description
Rural Broadband Loan and Loan Guarantee	A grant, direct loan, or loan guarantee for the construction, acquisition and improvement of broadband transmission facilities and equipment, and land and buildings used in providing broadband service. Eligible applicants are legally organized entities providing or proposing to provide broadband service in eligible rural communities.
Electric and Telecommunication	A direct loan or loan guarantee for generation, bulk transmission facilities, and distribution of electric power. Loans and loan guarantees are also available to enhance 911 emergency service, digital switching equipment, and fiber-optic cable, along with traditional main system telecommunications service. Eligible applicants are non-profit and cooperative associations, public bodies, and other utilities.
Distance Learning and Telemedicine	A grant to fund telecommunications-enabled information, audio and video equipment, and related technologies

	to encourage and improve telemedicine and distance learning services in rural areas. Eligible applicants are incorporated organizations or partnerships, libraries, public bodies, and tribes or tribal organizations.
Community Facilities Program	A direct loan, loan guarantee, or grant to build facilities, buy essential equipment, public safety, schools, libraries, and hospitals. Eligible applicants are public bodies and non-profit groups.

USDA Agricultural Programs

These programs are available to agricultural producers, non-profits and local governments to support agricultural activities. The following programs fall under the USDA Agricultural Marketing Service:

USDA Agricultural Programs

Program	Description
Specialty Crop Block Grant Program (SCBGP)	A grant administered by state departments of agriculture that enhances the competitiveness of specialty crops (fruits, vegetables, tree nuts, dried fruits, horticulture, nursery crops, and floriculture), including locally grown and consumed specialty crops. Funds can be used for research and feasibility studies, business planning, marketing and

	promotion, and training and technical assistance.
Sustainable Agriculture Research and Education (SARE)	A grant intended to advance sustainable innovations in American agriculture. Supports research and feasibility studies apart from business planning, training, and technical assistance on topics such as on-farm renewable energy, pest and weed management, sustainable communities, agro-forestry, marketing, and more.
Beginning Farmer and Rancher Development Program (BFRDP)	A grant or costs associated with education, training, outreach, and mentoring beginning farmers and ranchers, as long as the costs are normally allowable and reasonable. May be used for acquisition of non-fixed equipment for use on the project, including high tunnels.
Environmental Quality Incentives Program (EQIP)	A grant that provides financial and technical assistance for planning and implementing conservation practices that address threats to soil, water, air, and other natural resources on farm and ranch lands.
Farmers Market Promotion Program (FMPP)	Grant program designed to facilitate and promote farmers markets and other direct-to-consumer market channels for agricultural products. Funds can be used for research and feasibility studies,

Federal-State Marketing Improvement Program (FSMIP)	<p>business planning, equipment purchase, and training and technical assistance.</p> <p>Provides matching funds to States to explore barriers, challenges, and opportunities in marketing, transporting, and distributing food and agricultural products. Funds can be used for research and feasibility studies, business planning, marketing and promotion, equipment rental, building or room rental, and training and technical assistance.</p>	<p>components such as, sustainable food production, processing, distribution, marketing, addressing policy and consumer issues, healthy food choices, farmer prosperity, and natural resource issues, such as increased biodiversity, clean water, and healthy soils. Funds are available to universities and can be used for research, education, and extension integrated projects, conference, and strengthening grants.</p>
Community Food Projects Competitive Grant Program (CFP)	<p>Designed to increase food security in low-income communities by developing linkages between sectors of the food system, supporting the development of entrepreneurial projects, and encouraging communities' long-term planning.</p> <p>Finds can be used for research and feasibility studies, business planning, construction, working capital, and marketing and promotion.</p>	<p>Farm Storage Facility Loan Program</p> <p>This program provides low-interest financing for producers to build or upgrade on-farm storage and handling facilities. Finances the purchase, construction, or refurbishment of farm storage facilities including on-site storage, cooling, cribs, bins, safety equipment, and cooling and monitoring devices, including off-farm labor and materials. Funds can be used for research and feasibility studies, business planning (attorney or archeological fees permitted), construction, and equipment purchase.</p>
Agriculture and Food Research Initiative (AFRI): Global Food Security	<p>AFRI has seven "challenge" areas; one program area relevant to food hubs is "Sustainable Food Systems to Reduce Hunger and Food Insecurity." This program supports integrated research, education, and extension projects that increase food security by having access to improved sustainable local and regional food systems. Projects could include</p>	<p>Risk Management Education and Outreach Partnership Cooperative</p> <p>Funds risk management strategies related to production (including crop insurance), marketing, legal, human, and financial issues.</p>

**Agreements
Program**

Small Business Innovation Research (SBIR) Program

Program	Description
The Small Business Innovation Research (SBIR)	The SBIR program stimulates technological innovation in the private sector by strengthening the role of small business concerns in meeting Federal research and development needs, increasing the commercial application of federally supported research results, and fostering and encouraging participation by socially and economically disadvantaged and women-owned small businesses. The program is structured in three phases to take a project from R&D to commercialization.

HUD and FHA

HUD & FHA: Programs for Chaffee County

Program	Description
State Administered CDBG	Also known as the Small Cities CDBG program, States award grants to smaller units of general local government that carry out community development activities. Annually, each State develops funding priorities and criteria for selecting projects. Chaffee County is considered a non-entitlement community under the CDBG program.

CDBG Section 108 Loan Guarantee Program

Provided that the State of Colorado agrees to pledge CDBG funds necessary to secure a Section 108 loan, Chaffee County as a non-entitlement community may apply for a loan. Applicants may receive a loan guarantee directly or designate another public entity, such as an industrial development authority, to carry out their Section 108 assisted project.

HOME Investment Partnership Program

HOME is the largest Federal block grant to State and local governments designed exclusively to create affordable housing for low-income households. HOME funds are often used to fill the financing gap of projects using Low-Income Housing Tax Credits. Local jurisdictions, such as Chaffee County, may be eligible for this program.

Choice Neighborhoods

Choice Neighborhoods grants primarily fund the transformation of severely distressed public and/or HUD-assisted housing developments through rehabilitation, demolition, and new construction. Chaffee County may be eligible depending on the number of public and /or HUD-assisted housing development within the County.

HUD & FHA: Programs for Individuals

Program	Description
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Section 3	Provides job training and other assistance to very-low and low-income individuals.
203k Rehabilitation Mortgage Insurance	The Section 203(k) program is HUD's primary program for the rehabilitation and repair of single-family properties. As such, it is an important tool for community and neighborhood revitalization and for expanding homeownership opportunities. Applicants can be single-family homeowners and non-profits.

HUD & FHA: Programs for Non-Profits

Program	Description
Self-help Homeownership Opportunity Program (SHOP)	SHOP awards grant funds to eligible national and regional non-profit organizations and consortia to purchase home sites and develop or improve the infrastructure needed to set the stage for sweat equity and volunteer-based homeownership programs for low-income persons and families. These grantees include Habitat for Humanity and the Housing Assistance Council, which provide services nationwide.
Federal Home Loan Bank Challenge Grants	Grantees include non-profits that administer the program with affiliate organizations.
203k Rehabilitation	The Section 203(k) program is HUD's primary program for the rehabilitation and repair of single-family properties. As

Mortgage Insurance	such, it is an important tool for community and neighborhood revitalization and for expanding homeownership opportunities. Applicants can be single-family homeowners and non-profits.
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HUD & FHA: For Developers

Program	Description
FHA Loan	Through lenders, this program provides loan guarantees for multi-family housing unit developers to reduce the financing costs and equity required to construct multi-family properties and to provide affordable housing.

Department of Homeland Security

US Citizen and Immigration Services - EB-5 Immigrant Visa

Program	Description
US Citizen and Immigration Services - EB-5 Immigrant Visa	As a rural community, Chaffee County is eligible for the EB-5 program. The EB-5 program provides accredited foreign investors with an opportunity to start on the path towards US citizenship by investing in small business enterprises that create jobs in the US. Much of the County is defined as a Targeted Employment Area (TEA) and the minimum qualifying investment in a TEA is \$0.5 million. The investment must result in the creation of ten jobs. There

are ten regional centers in the State of Colorado that coordinate investments for EB-5 investors:

1. Civitas Denver Regional Center, LLC
2. CMB Colorado Regional Center, LLC
3. Colorado Growth Fund, LLC
4. Colorado Regional Center, LLC
5. EB5 Affiliate Network State of Colorado Regional Center, LLC
6. Encore Colorado RC, LLC
7. Front Range Regional Center, Inc.
8. InvestAmerica EB-5
9. Live in America - Colorado Regional Center LLC
10. Rocky Mountain High Regional Center

Federal Emergency Management Administration (FEMA) – Federal Insurance and Mitigation (FIMA)

Program	Description
National Flood Insurance Program (NFIP)	The National Flood Insurance Program aims to reduce the impact of flooding on private and public structures. It does so by providing affordable insurance to property owners and by encouraging communities to adopt and enforce floodplain management regulations. These efforts help mitigate the effects

of flooding on new and improved structures. Overall, the program reduces the socio-economic impact of disasters by promoting the purchase and retention of general risk insurance, but also of flood insurance, specifically.

Pre-Disaster Mitigation (PDM)	The PDM Program is designed to assist States, territories, Federally-recognized tribes, and local communities in implementing a sustained pre-disaster natural hazard mitigation program. This program awards planning and project grants and provides opportunities for raising public awareness about reducing future losses before disaster strikes.
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Hazard Mitigation Grant Program (HMGP)	The purpose of the HMGP program is to help communities implement hazard mitigation measures following a Presidential major disaster declaration. Hazard mitigation is any action taken to reduce or eliminate long term risk to people and property from natural hazards.
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Department of Labor

Employment and Training Administration (ETA)

Program	Description
Pay for Success	Under the Pay for Success program, a government agency commits funds as the financial funding agency to pay for specific target outcomes that are achieved within a

given timeframe. A key feature of the Pay for Success concept is that the financial capital to cover the total operating costs of achieving the target outcome is provided by independent private, philanthropic, or other social investors for the entire period of performance of the project. The investors' motivation for accepting the risks of funding the project is an expectation of a return on their investment. Payment of the committed funds by the government agency is contingent on achievement of results. Depending on the payment criteria and outcomes used, the investor may achieve a positive return in addition to repayment of the principal investment.

Work Opportunity Tax Credit	The Work Opportunity Tax Credit is a Federal tax credit incentive that Congress provides to employers for hiring individuals from certain target groups who have consistently faced significant barriers to employment.
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Department of Energy

Loan Guarantees

Program	Description
Loan Guarantees	The Department of Energy offers loan guarantees to eligible companies using innovative green technology. Although not specifically available to Chaffee County,

this loan guarantee program may be available to eligible companies within the County.

Department of the Treasury

Community Development Financial Institution (CDFI) Fund

The CDFI Fund was created for the purpose of promoting economic revitalization and community development through investment in and assistance to CDFI's. Through monetary awards and the allocation of tax credits, the CDFI Fund helps promote access to capital and local economic growth in urban and rural low-income communities across the nation.

Through its various programs, the CDFI Fund enables locally based organizations to further goals such as: economic development (job creation, business development, and commercial real estate development); affordable housing (housing development and homeownership); and community development financial services (provision of basic banking services to underserved communities and financial literacy training).

Programs offered through the CDFI Fund

Program	Description
Bank Enterprise Award (BEA) Program	The BEA Program complements the community development activities of insured depository institutions (i.e., banks and thrifts) by providing financial incentives to expand investments in CDFIs and to increase lending, investment, and service activities within economically distressed communities. Providing

	monetary awards for increasing community development activities leverages CDFI Fund dollars and puts more capital to work in distressed communities throughout the nation.		
Capital Magnet Fund (CMF) Program	CMF awards can be used to finance affordable housing activities as well as related economic development activities and community service facilities. Awardees will be able to utilize financing tools such as loan loss reserves, loan funds, risk-sharing loans, and loan guarantees to produce eligible activities whose aggregate costs are at least ten times the size of the award amount.		
Community Development Financial Institutions (CDFI) Program	The purpose of the CDFI Program is to use federal resources to invest in CDFIs and to build their capacity to serve low-income people and communities that lack access to affordable financial products and services. Through the CDFI Program, the CDFI Fund provides two types of monetary awards to CDFIs - Financial Assistance awards and Technical Assistance awards.		
Financial Assistance (FA) Awards	The CDFI Fund makes awards of up to \$2 million to certified CDFIs under the FA component of the CDFI Program. A CDFI may use the award for financing capital, loan loss reserves, capital reserves, or operations. FA awards are made in the form of equity investments, loans,		
			deposits, or grants, and the CDFI is required to match its FA award dollar-for-dollar with non-federal funds of the same type as the award itself. This requirement enables CDFIs to leverage private capital to meet the demand for affordable financial products and services in economically distressed communities.
		Technical Assistance (TA) Awards	TA grants allow certified CDFIs and established entities seeking to become certified to build their capacity to provide affordable financial products and services to low-income communities and families. Grants may be used for a wide range of purposes. For example, awardees can use TA funds to purchase equipment, materials, or supplies; for consulting or contracting services; to pay the salaries and benefits of certain personnel; and/or to train staff or board members. The CDFI Fund makes awards of up to \$100,000 under the TA component of the CDFI Program.
		Financial Education and Counseling (FEC) Program	Through the FEC Pilot Program, the CDFI Fund provides grants to eligible organizations to enable them to provide a range of financial education and counseling services to prospective homebuyers.

New Markets Tax Credit (NMTC) Program The NMTC Program provides tax credit incentives to investors for equity investments in certified Community Development Entities, which invest in low-income communities. The credit equals 39% of the investment paid out (5% in each of the first three years, then 6% in the final four years, for a total of 39%) over seven years (more accurately, six years and one day of the seventh year). The latest Notice of Allocation Availability (NOAA), made available \$3.5 billion of NTMC investment authority, with no more than \$100 million in tax credit investment authority available to any one organization.

An organization wishing to receive awards (an “Allocatee”) under the NMTC Program must be certified as a CDE by the Fund. To qualify as a CDE, an organization must:

- Be a domestic corporation or partnership at the time of the certification application;
- Demonstrate a primary mission of serving, or providing investment capital for, low-income communities or low-income persons; and
- Maintain accountability to residents of low-income communities through

representation on a governing board of or advisory board to the entity.

Certification Community Development Financial Institution (CDFI) – Colorado has six certified CDFI’s:

1. Colorado Enterprise Fund
2. Colorado Housing Assistance Corporation
3. Colorado Housing Enterprise
4. First nations OWEESTA Corporation
5. Mercy Loan Fund
6. Mile High Community Loan Fund

Low-Income Housing Tax Credits (LIHTC) The Low-Income Housing Tax Credit is an incentive program created to encourage the construction or rehabilitation of buildings for low-income tenants. States can only allocate credits within their state boundaries, and the Colorado Housing and Finance Authority (CHFA) administers these credits.

State Small Business Credit Initiative (SSBCI) Businesses with less than 500 employees that have been turned down for traditional credit resources can qualify for a loan participation or loan guarantee through the SSBCI. CHFA administers the US Treasury’s State Small Business Credit Initiative. Eligible applicants can get up to

	80% guaranteed of a principal loan amount with terms of up to 7 years.
Business Energy Investment Tax Credit (ITC)	In general, credits are available for eligible solar, fuel cell, small wind turbines, geothermal systems, micro-turbines, and combined heat and power systems placed in service on or before December 31, 2022.

Small Business Administration

Programs offered through the Small Business Administration

Program	Description
Small Business Investment Company	SBICs are privately owned and managed investment funds, licensed and regulated by SBA, that use their own capital plus funds borrowed with an SBA guarantee to make equity and debt investments in qualifying small businesses. The U.S. Small Business Administration does not invest directly into small business through the SBIC Program, but provides funding to qualified investment management firms with expertise in certain sectors or industries. There are currently no qualified SBICs in Colorado. However, a number of SBICs operate outside of the State where they are located.

Department of Health and Human Services

Programs offered through the Department of Health and Human Services

Program	Description
Community Economic Development Grants (CED)	Provides technical and financial assistance for the creation of employment and business opportunities in low-income communities. Serves the dual purposes of facilitating access to healthy food options and creating job and business development opportunities in low-income communities. Includes projects addressing the elimination of food deserts and that finance grocery stores, farmer’s markets, and other retail sources that provide access to fresh nutritious food. Funds can be used for construction, marketing and promotion, working capital, training, technical assistance, equipment purchase, and land lease or purchase.

Colorado State Programs

Some applicable state funding programs include:

Colorado Tourism Office

Programs offered through the Colorado Tourism Office

Program	Description
Matching Grant Program	The CTO has a matching grant program that provides assistance to the tourism

industry for marketing efforts. Travel regions throughout the state are eligible for these grant dollars, as well as statewide associations, organizations and other nonprofit entities that engage in promoting travel throughout the entire state. These grants are competitive and are awarded annually.

Department of Agriculture

Programs offered through the Department of Agriculture

Program	Description
Beginning Farmer Program	The Colorado Agricultural Development Authority (CADA) loan program, known as the Beginning Farmer Program, involves a three-way transaction between the lender, the borrower and CADA. Through the issuance of a tax-exempt bond by CADA to the lender, all interest paid by the borrower is tax exempt. The result is an interest rate to the borrower below commercial rates. Funds can only be used for the purchase of agricultural land and depreciable agricultural property.
Enrich Colorado Ag Grant Program	The Program was created by the Colorado Department of Agriculture (CDA) to provide necessary funding for technical and operational issues, research, sales and marketing needs for food and agricultural products that are grown, raised or processed in Colorado. The grant has a 50%

match requirement and is for amounts up to \$15,000.

Advancing Colorado's Renewable Energy (ACRE3) Program	The ACRE3 program promotes the development and implementation of renewable energy and energy efficiency projects for Colorado's agricultural producers and processors under the direction of the Colorado Agricultural Value-Added Development Board. The Colorado Department of Agriculture has identified the following three priorities: Agricultural Hydropower, Energy Efficiency, and Renewable Heating & Cooling.
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Department of Transportation

Programs offered through the Department of Transportation

Program	Description
2015 Transportation Investment Generating Economic Recovery (Tiger II) Program	Through this program, Discretionary grants will fund capital investments in surface transportation infrastructure and will be awarded on a competitive basis to projects that will have a significant impact on the nation, a region, or metropolitan area.

Department of Local Affairs

Programs offered through Department of Local Affairs

Program	Description
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<p>Rural Economic Development Initiative (REDI) Program</p>	<p>The purpose of the Rural Economic Development Initiative (REDI) Program is to help eligible rural communities develop plans and undertake projects to create jobs, drive capital investment, and increase wages to help grow and create resiliency and diversity in the local economy. The program will fund community asset analysis to determine potential economic development opportunities, stakeholder convening for solution development resulting in new or updated local plans competitive grant funding for community infrastructure, business facilities and job training.</p>	<p>ownership or provide direct rental assistance to low-income people.</p>
<p>Colorado Blueprint 2.0</p>	<p>The Blueprint 2.0 program is an initiative from the Office of Economic Development and International Trade that pairs communities with specific economic development needs with resources from corresponding State agencies.</p>	<p>Housing Development Grand & Loan Funds These funds consist of monies appropriated to the Colorado Affordable Housing Construction Grants and Loan Fund by the General Assembly. Use of HDG/HDLF funds requires a 50% match. HDG/HDLF provides funds for acquisition, rehabilitation, and new construction through a competitive application process to improve, preserve or expand the supply of affordable housing and to finance foreclosure prevention activities in Colorado, as well as to fund the acquisition of housing and economic data necessary to advise the State Housing Board on local housing conditions.</p>
<p>The HOME Investment Partnership Program</p>	<p>The HOME Investment Partnership Program (HOME) was created by the National Affordable Housing Act of 1990 and HOME funds provide competitive funding to local government, non-profit, and private developers. The purpose of the HOME Program is to provide a wide range of activities that build, buy, and/or rehabilitate affordable housing for rent or</p>	<p>Private Activity Bond Program Private Activity Bonds are tax-exempt bonds issued for specific purposes including manufacturing “small issue” industrial development, single-family mortgages, qualified redevelopment projects, qualified residential rental projects, exempt facility projects, mortgage credit certificates and student loans.</p>
		<p>Conservation Trust Fund (CTF) CTF monies from net lottery proceeds are distributed to more than 400 eligible local governments: counties, cities, towns and special districts that provide park and recreation services in their service plans.</p>

Funding can be used for interests in land and water; for park or recreation purposes; for all types of open space, including but not limited to flood plains, green belts, agricultural lands or scenic areas; or for scientific, historic, scenic, recreational, aesthetic or similar purpose.

Energy & Mineral Impact Assistance Fund (EIAF)	The EIAF program provides grants and loans for planning, construction and maintenance of public facilities, and the provision of public services. Eligible recipients are political subdivisions socially or economically impacted by the development, processing or energy conversion of minerals and mineral fuels. Projects funded include but are not limited to water and sewer improvements, road improvements, construction/improvements to recreation centers, senior centers and other public facilities, fire protection buildings and equipment, and local government planning.
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*The Department of Natural Resources
Programs offered through the Department of Natural Resources*

Program	Description
Colorado Healthy Rivers Fund Grants	Established jointly by the Colorado Water Conservation Board and the Water Quality Control Commission, in cooperation with the Colorado Watershed Assembly, the

Program helps support local watershed organizations in their efforts to provide clean water, protect habitat, and improve recreation and accessibility.

*Office of Economic Development and International Trade
Programs offered through the Office of Economic Development and Trade*

Program	Description
Strategic Fund	The Strategic Fund is a cash incentive program; businesses must create and maintain permanent net new jobs for one year before receiving an incentive. More generally, the Colorado Office of Economic Development and International Trade (OEDIT) supports recruitment, retention and economic growth throughout the state, offering a variety of financial resources including financing programs, incentives, grants and tax credits.
Advanced Industries Accelerator Grants	The Advanced Industries (AI) Accelerator Programs promote growth and sustainability in Colorado's 7 advanced industries by helping drive innovation, accelerate commercialization, encourage public-private partnerships, increase access to early stage capital and create a strong ecosystem that increases the state's global competitiveness. Target Industries are: <ul style="list-style-type: none"> • Advanced manufacturing • Aerospace

		<ul style="list-style-type: none"> • Bioscience • Electronics • Energy and natural resources • Infrastructure engineering • Technology and information
Job Incentive Credit	Growth Tax Credit	The performance-based Job Growth Incentive Tax Credit provides a state income tax credit to businesses undertaking job creation projects that would not occur in Colorado without this program. Tax credits are available for companies creating at least 20 jobs in any county or five jobs in an Enhanced Rural Enterprise Zone.
Job Incentive Credit – Higher Education Partnership	Growth Tax Credit	Job Growth Incentive Tax Credit (JGITC) Higher Education Partnership (HEP) is a performance-based job creation incentive program centered on companies partnering with State Higher Education Institutions to support job growth, academic development and economic expansion. More generally, the Colorado Office of Economic Development and International Trade (OEDIT) supports recruitment, retention and economic growth throughout the state, offering a variety of financial resources including financing programs, incentives, grants and tax credits.
Enterprise Zone Tax Credit	Zone	Colorado's Enterprise Zone (EZ) program provides tax incentives to encourage businesses to locate and expand in designated economically distressed areas of the state.

Colorado FIRST / Existing Industry Customized Training Program		These programs increase transferable job skills that support both the company's economic competitiveness and enhance worker's resumes and long-term employment opportunities.
Infrastructure Assistance		The infrastructure assistance program is designed to create new permanent jobs and retain existing jobs, primarily for low to moderate income persons in rural areas.
Manufacturing Sales and Use Tax Exemption		Colorado provides an exemption from state sales and use tax on purchases of manufacturing machinery, machine tools and parts.
Advanced Industry Investment Tax Credit		The Colorado Advanced Industry Investment Tax Credit helps Colorado's advanced industry companies receive more capital from Colorado investors.
Tourism Office Matching Grant Program		This matching grant program provides assistance to the tourism industry for marketing efforts. Travel regions throughout the state are eligible for these grant dollars, as well as statewide associations, organizations and other nonprofit entities that promote travel throughout Colorado.
Film Incentive Program		The Office of Film, Television & Media attracts and facilitates content creation in the state in order generate economic growth and job creation in all of its communities. The office administers a 20% performance-based rebate.
Creative Industries Grants and Programs		Colorado Creative Industries promotes, supports and expands the creative industries to drive Colorado's economy, grow jobs and enhance our quality of life.

Regional Terrorism Act (RTA)	The Regional Tourism Act (RTA) establishes a program that gives local governments the opportunity to apply with the Economic Development Commission (EDC) for approval of a large scale Regional Tourism Project that is of an extraordinary and unique nature, is anticipated to result in a substantial increase in out-of-state tourism, and that generates a significant portion of the sales tax revenue by transactions with nonresidents of the zone.
Venture Capital Authority (VCA)	The Colorado Venture Capital Authority (VCA) was established in 2004 to make seed- and early-stage capital investments in businesses. The VCA was allocated \$50 million in premium tax credits, which it subsequently sold to insurance companies. The VCA selected fund manager High Country Venture, LLC, and established Colorado Fund I and Colorado Fund II, each with approximately \$25 million.
CDBG Planning and Feasibility Studies	The federally-funded CDBG Planning and Feasibility Study grant program provides funding to determine the feasibility of a project or to plan for a project to be located in Colorado. These projects need to meet an economic development objective, and create or retain permanent jobs primarily for low- and moderate-income persons.

7 | Appendix B: Winter Tourism Business Inventory

BUENA VISTA WINTER TOURISM OFFERINGS				
Company	Services	Distance from Town (Minutes)	General Operational Period	Location
Buena Vista Mountain Adventures	Guided Backcountry and Nordic Skiing	0	Nov - May	Buena Vista
Timberline Motorsports	Snowmobile & OHV Sales	0	Year-round	Buena Vista
Mountain Tech Motorsports	Snowmobile & OHV Sales	0	Year-round	Buena Vista
Boneshaker	Fat Tire Bike Sales & Rentals	0	Year-round	Buena Vista
The Trailhead	Backcountry & Nordic ski rentals	0	Nov - May	Buena Vista
Rocky Mountain Outdoor Center	Backcountry Ski/Snowboarding Tours (offered through BV Mountain Adventures)	0	Nov - May	Buena Vista
Burandt's Backcountry Adventure	Guided Snowmobile and Snowbike tours	0	Nov - May	Buena Vista
Cottonwood Hot Springs & Spa	Hot Springs, Lodging & Spa	10	Year-round	Buena Vista
Mt. Princeton Hot Springs Resort	Hot Springs, Dining, Lodging, Spa, Bar	15	Year-round	Mt. Princeton
All Season Adventures	Snowmobile Rentals	27	Nov - May	Poncha Springs, CO
Monarch Mountain	Ski & Snowboard lifts and services, dog sled rides	45	Nov - May	Monarch, CO
Ski Cooper	Ski & Snowboard lifts and services	45	Nov - May	Leadville, CO
White Mountain Snowmobile Tours	Guided Snowmobile Tours	45	Nov - May	Leadville, CO
Top of the Rockies Zip Line	Winter Zip Line Tours	45	Year-round	Leadville, CO
Colorado Adventure Rentals	Snowmobile & OHV Rentals	83	Year-round	Almont, CO

GLENWOOD SPRINGS WINTER TOURISM OFFERINGS				
Company	Services	Distance from Town (Minutes)	General Operational Period	Location
Glenwood Hot Springs Pool	Hot Springs (largest mineral hot springs pool)	0	Year-round	Glenwood Springs, CO
Iron Mountain Hot Springs	Hot Springs, Pools	0	Year-round	Glenwood Springs, CO
Glenwood Adventure Company	Ski & Snowboard Rentals	0	Nov-May	Glenwood Springs, CO
Integra Motorsports	Snowmobile & OHV Sales	0	Year-round	Glenwood Springs, CO
Sunlight Ski & Bike Shop	Fat tire Bike & Ski Rentals	0	Year-round	Glenwood Springs, CO
Summitt Canyon Mountaineering	Backcountry & Nordic Ski Rentals	0	Nov-May	Glenwood Springs, CO
Glenwood Springs Community Center	Ice Skating	0	Nov-May	Glenwood Springs, CO
Sunlight Mountain Resort & Tours	Ski & Snowboard resort, Snowmobile Tours, ski/snowboard rentals	26	Nov-May	Glenwood Springs, CO
Western Adventures Inc.	Guided Snowmobile Tours	50	Nov-May	Woody Creek, CO
Vail Ski Resort	Ski/Snowboard Resort	55	Nov-May	Vail, CO
Beaver Creek Resort	Ski/Snowboard Resort	56	Nov-May	Beaver Creek, CO
Aspen Snowmass	Ski/Snowboard Resort	58	Nov-May	Aspen, CO
T-Lazy 7 Snowmobile Tours	Guided Snowmobile Tours	58	Nov-May	Aspen, CO
Aspen Alpine Guides	Guided Backcountry and Nordic Skiing, and Snowshoeing Tours	58	Nov-May	Aspen, CO

7 | Appendix C: Interviews with Tourism Professionals

Buena Vista Winter Tourism Interviews

In order to identify additional target markets for winter tourism, it is important to understand the existing market. Various conversations were held with local business owners to understand the current winter tourism market as well as those markets that may currently be under-targeted.

Interview with Chris Nicewarner

Chris Nicewarner is the owner of Buena Vista Mountain Adventures (BVMA). BVMA provides both recreational and instructional backcountry services throughout the San Isabel National Forest. BVMA's guides have a minimum of Wilderness First Responder medical training and AIARE avalanche certifications. The recreational services consist of guided backcountry skiing, Nordic skiing, and snowshoeing tours. Chris and his guides meet with clients in Buena Vista, travel to the trailhead (15 minutes from Town), take a 20-minute snowmobile ride up the mountain to where they can they make the final climb to the skiing area. Based on wind and avalanche conditions, the mountain bowls in which Chris and his clients ski may vary.

BVMA's instructional services include but are not limited to avalanche safety, leadership development, team building, and ski patrol training.

The following are summarized responses to various questions presented to Chris regarding his clientele:

Where do most of your clients come from?

Ninety Percent of BVMA's clients come from the Front Range for both the recreational and instructional services. The other ten percent come from other areas throughout the State and region. Few clients from out-of-state.

What demographic characteristics are associated with your current clientele?

Chris's backcountry skiing clients are mostly weekend warriors looking to escape the crowds and enjoy the mountains. These are men and women in their 30's and 40's with adequate disposable income to be able to stay a couple nights in BV and participate in multiple activities (hot springs, backcountry skiing, snowmobiling) while they're here. This includes singles and couples who are usually fit and active.

The cross-country skiing service usually attracts both couples and families since this is more of a low-exertion activity. Chris will be providing a guided snowshoeing tour, which should also be attractive to those just wanting to experience the crisp mountain air.

What do you see as the Town's strengths regarding winter tourism?

“As popular mountain towns continue to get more expensive and busy, Buena Vista then becomes a great place to ski open territory (backcountry), relax in the hot springs, avoid crowds, and experience beautiful mountain country, at a reasonable price.”

What can BV do to position itself as a winter destination?

Chris expressed that the summer rafting/kayaking groups have done a great job at positioning BV as a summer destination. They have worked together to strengthen this portion of the Town’s image. Winter tourism businesses such as BVMA, Mt. Princeton Hot Springs Resort, Burandt’s Backcountry Adventure, the Trailhead, All Season Adventures (in Salida & Poncha Springs) and others could work together to create a unified approach. A unified approach may create a unique draw.

The summer market attracts folks primarily from Texas, Kansas, and the Front Range. Chris feels that these summer outfitters should be marketing the winter opportunities to their clients while they’re visiting BV in the Summer.

Where do most of your clients stay while on their trip?

Most of Chris’s clients stay in hotels or vacation rentals in or near Buena Vista. Some stay in Salida.

How many of your clients are referrals from Mt. Princeton Resort?

Few of Chris’s clients stay at Mt. Princeton. Mt. Princeton attracts a different market. Vacationers at Mt. Princeton usually like to hang out by the pools and relax. There are more families with kids at Mt. Princeton. These families are looking to have a safe, relaxing trip and aren’t necessarily interested in heading off on an adventure in the mountains. They’re not your typical thrill/adventure seeker. However, Chris does think they may have an interest in guided snowshoeing tours, which he will be offering this upcoming Winter.

Interview with Dan Robertson

Dan Robertson, member of the Buena Vista Economic Vitality Board (EVAB) and tourism industry consultant was interviewed to obtain additional insight into BV’s winter tourism market and opportunities:

Where are most of BV’s winter tourists coming from?

“Most come from the front range. These are people looking to escape the crowds and have a nice weekend where they can eat, drink, and play. BV doesn’t get too many out-of-staters during the winter months simply because we don’t have a ski resort in town.”

Dan doesn’t think that many summer tourists are coming back in the winter simply because they’re only willing to make one trip to Colorado each year. The summer tourists are a different market.

“I’m still amazed with how many people from the front range don’t know about BV. We should still be increasing our

marketing efforts along the front range. The backcountry skiing is growing in popularity around here. Experienced skiers along the front range are looking for new places to ski where it's not busy."

Interview with Matt Litvay

Matt Litvay is employed by Mt. Princeton Resort and is also a member of the EVAB in Buena Vista. The following are summarized responses from an interview held with Mr. Litvay regarding winter tourism in and around Buena Vista.

Where do most of Mt. Princeton's visitors come from?

Similar to the responses of other interviewees, Mr. Litvay expressed that approximately 80 percent of Mt. Princeton's visitors come from the Front Range. They come to soak in the hot springs. The remaining 20 percent come from Texas, Kansas and other areas throughout the State of Colorado. There is a small group of visitors who snowmobile at St. Elmo and then stop at Mt. Princeton to soak on their way home. He expressed that this combination of snowmobiling in the cold winter air, and then relaxing in the hot springs is one of the Town's most attractive winter activity combinations.

Could the relationship between the Town, its businesses and Mt. Princeton Resort be strengthened? Is Mt. Princeton Resort open to developing additional partnerships with the Town and local businesses to help increase winter visitation?

Mt. Litvay expressed a response in the affirmative to both of these questions. Mt. Princeton has made efforts in the past to

further promote its relationship with the Town of Buena Vista. These inquiries from the Resort may have been overlooked. Mt. Litvay expressed that the Resort's Board of Directors would be open to enhancing this relationship with the Town and its businesses. They would be open to furthering the Town's branding strategy to include the Resort as a major attraction in the area.

Glenwood Springs Winter Tourism Interviews

Interview with Kevin Horch – Sunlight Ski & Bike Shop

Kevin Horch is the assistant manager at the Sunlight Ski & Bike Shop in Glenwood Springs.

Where do most of your clients come from?

"Approximately 90 percent of the City's summer tourists come from the front range. The winter is split 50/50 between front range and out-of-state. Out-of-staters are mostly coming from Texas and Kansas."

What are the primary winter activities in Glenwood Springs?

"Most come to ski at Sunlight or stay at the hot springs resorts. Sunlight also offers snowmobile tours which have been fairly popular. "

Demographic characteristics associated with winter tourists visiting Glenwood Springs?

“Prices are lower here than in Aspen so we don’t get as many of the ritzy clients like Aspen does. The hot springs attract lots of families and couples. Sunlight Resort also attracts families since the lift tickets are low and the resort is relatively small. It’s more of a family-oriented ski resort. Glenwood Springs winter tourists stay here while on their stay. Aspen is too expensive.”

Interview with Lisa Langer

Lisa Langer, Vice President of Tourism Marketing for the Glenwood Springs Chamber Resort Association (GSCRA) was contacted to further understand the target markets, existing winter tourism market, and overall efforts being taken to increase visitation during the winter months in Glenwood Springs.

Where are Glenwood Springs Tourists coming from?

“Glenwood Springs experiences most of its tourism activity in the summer months. However, the winter tourism has been increasing. Most (90 percent) of the summer tourists come from the front range. The other ten percent come from throughout the rest of the State of Colorado, with some from surrounding states.”

“Fall tourism has been increasing with tourists from various countries including New Zealand and Australia. The partnership with the Colorado Office of Tourism has helped the City increase their marketing reach to international markets.”

Lisa made a point to highlight the Colorado Historic Hot Springs Loop which includes Buena Vista’s hot springs at Mt. Princeton.

This 720-mile loop includes five premier hot springs destinations throughout the Rocky Mountains. The Loop is marketed by the Colorado Office of tourism on an international level. The State has in-market representatives in the following countries: United Kingdom, France, Germany, Belgium, China, Japan and Canada. They’ve also been working with the Netherlands, Italy, Australia and New Zealand. Lisa has seen tourists come into town from many of these countries with brochures related to the Hot Springs Loop that they obtained in their native countries at travel conferences/exposition shows.

What has the City and its service providers done to increase tourism activity during the winter months?

- Continued partnership with Colorado Office of Tourism
- Attendance at international marketing conferences / exposition shows such as Go West Summit, CTO Familiarization Tours (FAMs), IPW (International Sales Summit), and Tour Colorado. GSCRA had a partner booth with Colorado Tourism Office at the IPW show, the largest international marketplace in the world.
- Marketing/advertising efforts have been enhanced through contracts with Xuma Communications and Blizzard Internet marketing. The GSCRA contracted with Xuma to manage, create and place advertising as well as create a media plan in line with the goals of GSCRA. Blizzard was contracted to provide SEO services for GSCRA’s website.
- Importance placed on public relations. The City works with Vicky Nash from the Resort Trends PR firm to publish news, blogs and updates regarding Glenwood

Springs tourism. Vicky is the PR representative for Glenwood Springs tourism, Glenwood Hot Springs Pool, Visit Pagosa Springs and the Glenwood Historic Hot Springs Loop.

- Winter packages offered by local businesses. Sunlight Ski Resort offers the “ski, swim, stay” package to promote a community marketing effort. Sunlight has partnered with the hot springs resorts, and various hotels/resorts located in or near Glenwood Springs to complete this package. The package is marketed as an affordable way to ski, swim and stay the night in GS. Famous bloggers such as Amber Johnson have blogged about this package deal and its value to families such as hers. Such marketing efforts have solidified the idea that tourists can ski, swim and relax at an affordable price in GS.

PERSONA MARKETING

BUENA VISTA



UNIQUE TRAITS OF BV

- The Arkansas River
- Fast Growing Mountain Town
- 14er Hiking
- Mountain Biking
- Beautiful Surroundings





What problem do we solve?

We solve the problem of noise. Living in a city saturated by stimuli: noise, taste, smell, sight, feel. That sensory overload makes clear thinking more difficult. Our solution allows you to think clearly, live deliberately, and experience the quiet calm of the mountains.

Why move to BV?

*Because you wish to live deliberately, to front
essential facts of life, and see if you can learn
what mountains have to teach, and not, when you come
to die, discover that you had not truly lived.*



CHRISTINE KARL



Occupation

Christine is currently working a well-paying job, but has always wanted to do her own thing. With her experience as a director, Christine has been able to save money and building some of the necessary skills to start a new business up and running. She's also been casting for several years now and has a good idea of what she'd like to create.

Demographics

- Age: 31
- Gender: Female
- Salary: \$110,000
- Location: Denver
- Education: MBA
- Family: single, but has parents living nearby





After growing up in Colorado family, Christine currently has a corporate job in Denver and is growing quickly. She's just turned 31 and manages a team of about 11 people, but it's not deeply fulfilling so she plans to start her own business over half her career in the field in the next few years.

Ever since she was a little girl, she has loved shiny jewelry and the great outdoors. Her passion has slowly been growing and she's entered the real world and started her own work into life. Now she's got a big idea that's come out of her head to start a home-based jewelry business. Since that idea first began for her, she's been making jewelry on the side as a hobby. The feedback she gets from friends and family about her notion of making jewelry her own business in the small business world is encouraging. She needs some encouragement and she'll make the leap...

Values & Fears

Christine values beauty, both natural and polished — it's give scenery and jewelry that formed in childhood. She knows 10 potential clients also appreciate polished beauty as they're c procure jewelry.

Christine is afraid to let her clients down. She's afraid of not | best product possible and therefore is most afraid of destroyi childhood dream. Simultaneously, a part of her is afraid she'l fulfill her passion. Obviously, she's also afraid of trying her dr struggling, and ultimately failing and having to go out of busi relational note, she's afraid to leave the city to lose a commu minded individuals.

Deliberation

Christine is seriously deliberating. She's looking to make a big change and she knows it. There's fear. Of failure, of the unknown, of herself. Yet there's also excitement. So she's trying to deliberate about the emotions. What are the choices before her? What would she be giving up behind to start her dream jewelry business in the mountains? What would she be gaining?

She'd lose convenience, some comfort, some ease of life that she has in city living. She'd also lose city frustrations like pollution, noise, and traffic.

She'd gain community, health, lifestyle, beautiful surrounding nature, and the opportunity to do what she loves - make jewelry in the mountains.

GOALS & Challenge

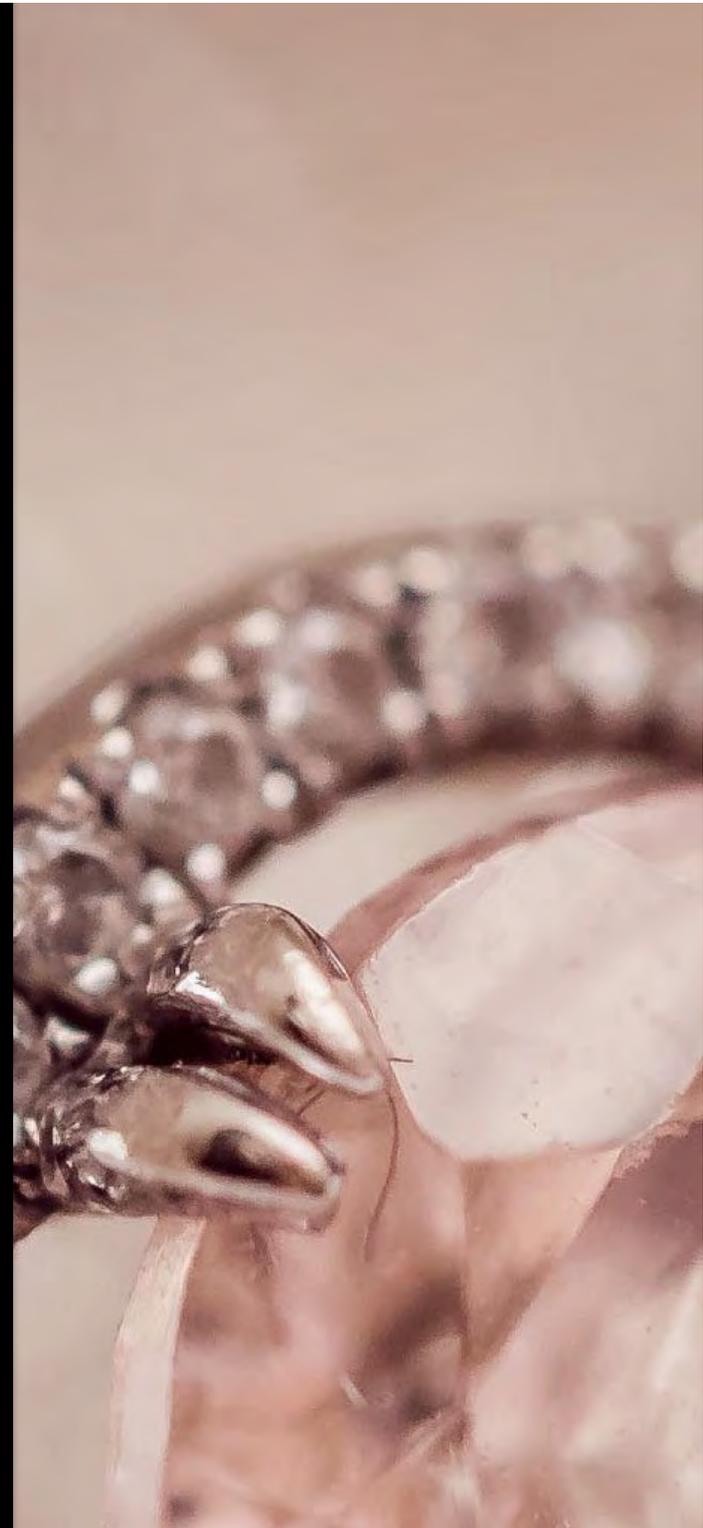
- **Primary Goal:** Create a classy hand crafted jewelry business while acquiring a mountain lifestyle
- **How we help:** We will help establish her as a young entrepreneur by providing a concentration of the wealthy clientele she seeks to serve in the setting she desires.
- **Primary Challenge:** Meeting the client's expectations while enjoying her new lifestyle
- **How we help:** We will help connect her with her target clientele with proximity to Aspen and the Front Range while they're on vacation and in the mountains



Marketing Message

People love jewelry. And they shop while on vacations. So what happens when you put the two together?

Buena Vista offers a strong community of tourists and vacationers in the summer. The people who come to BV have high disposable incomes and are looking for mountain adventures AND a boutique evening feel. BV also receives overflow of Aspen air traffic, thus sending very wealthy people into our downtown.



EXAMPLES

- Heather... moved from Denver and wants to start several businesses. Has a diverse background
- Jacob... bought into an existing business is starting another. Has a background as a young professional in the software industry
- Mishea... is beginning her new chiropractic business in BV because of the community, mountains, and lifestyle.

Christine

Entrepreneur and Young Professional



SAM ROLLAND



Occupation

Sam is used to working anywhere. He's been with brands, logos, digital files, photos, all things creative for businesses large and small. He's managed small teams, and even had his own digital firm for a while, but preferred the independence of working just for himself.

What problem do we solve

Buena Vista solves X for Sam

Demographics

- Age: 35
- Gender: Male
- Salary: \$80,000
- Location: Denver, but mobile
- Education: BA Digital Art
- Family: has a wife and 2 kids



Story



Sam grew up with a family who traveled together. After going to see how most people do it, he decided he wanted a similar scenario for himself. He started work discovering how to do it.

He ended up going to college and becoming an independent contractor. He leveraged his strengths of creativity and design for design. He's been doing himself his entire career. When it comes to freedom it comes with a price.

Values & Fears

Sam values freedom, spontaneity, family, and relationships. the ability to express himself, not just as a hobby, but as a part of his talents and passions, Sam loves creating things for any kind of large or small.

Obviously, Sam is afraid of the next recession, afraid he won't be able to provide for his family. He's also afraid of not knowing his daughters as they grow up and not being there when they need him most.

Deliberation

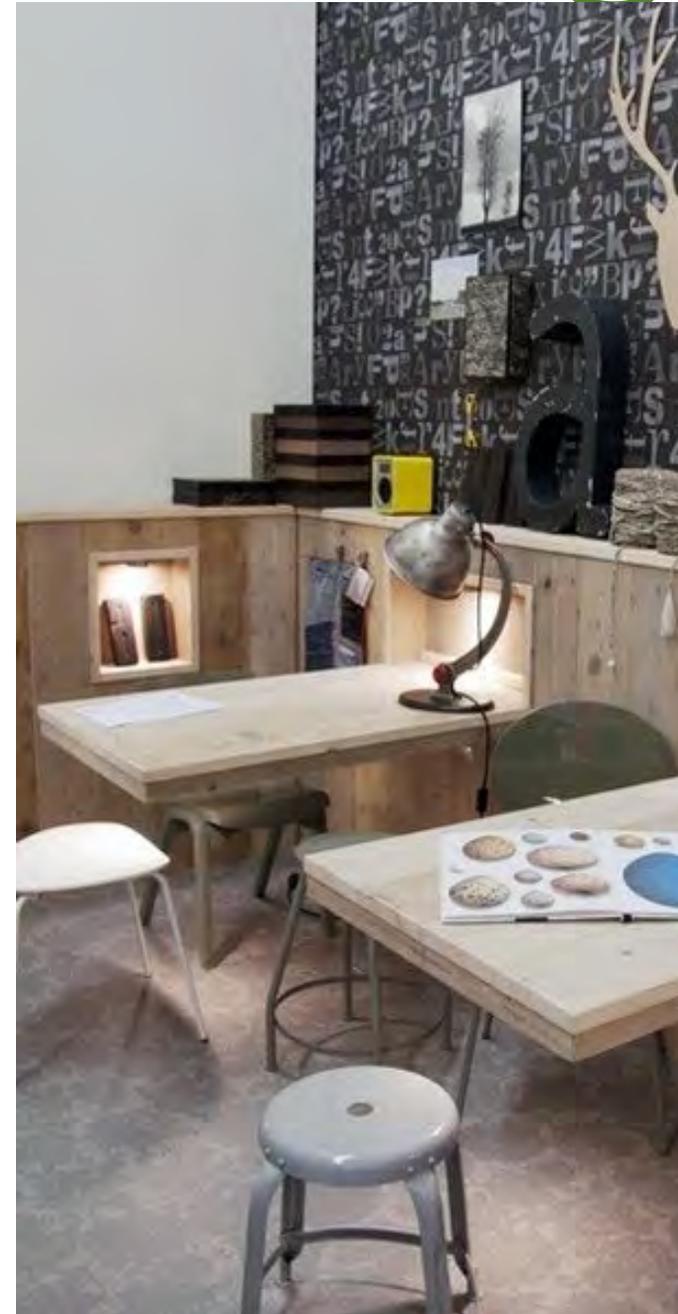
Sam is seriously deliberating. He's looking to make a big life only for himself, but also for his entire family. He's responsible to others and doesn't take the choice of living situation lightly. Security, community, safety, and adventure are all things Sam values for his kids. What would he and the family be leaving behind to move? What would he and the family be gaining?

He'd lose the security of work that's found in a big city. He'd have a fear of his kids being hurt, attacked, etc that comes with living in a rural area.

He'd gain peace of mind for his family's safety, health, and good education.

GOALS & Challenge

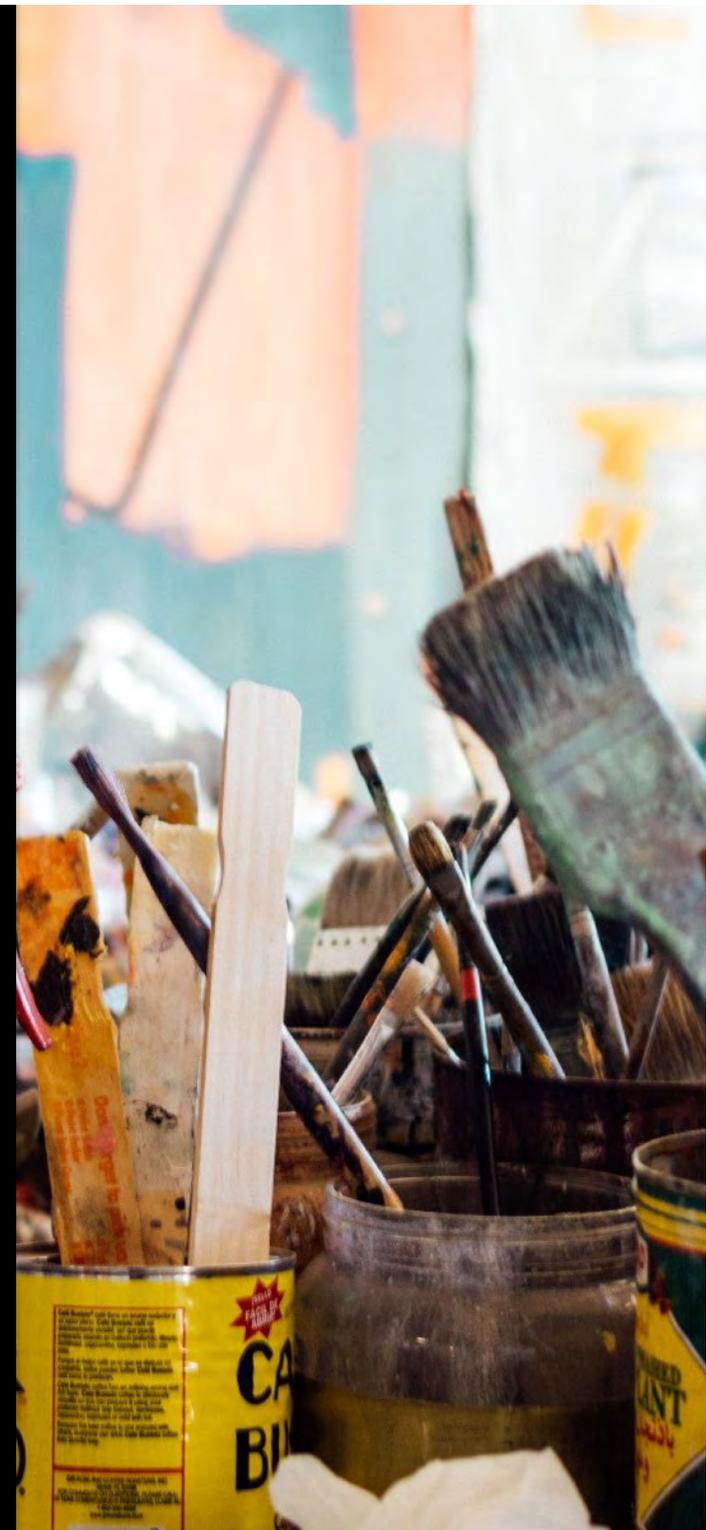
- **Primary Goal:** do excellent work by exceeding client expectations and provide for his family
- **How we help:** Providing a beautiful place for him to raise his kids with close enough proximity to a large market - aka Denver.
- **Primary Challenge:** Finding new, profitable contracts plus finding time to spend with his family.
- **How we help:** We will help connect him with the clients he needs while providing the lifestyle that allows him to spend time with his family



Marketing Message

Surround yourself with what matters.
Family, friends, community, freedom,
beauty, health...

You should move to BV because you can
provide for your family with our redundant
broadband connections, proximity to the
front range, and having a strong community
of like-minded people and families in Buena
Vista. The schools are wonderful too.



A close-up photograph of a person's hand holding a camera lens. The lens is the central focus, showing its internal elements and the front element. The background is a soft, out-of-focus bokeh of various colors, including green, orange, and blue, suggesting an outdoor setting with lights. The overall mood is artistic and creative.

Sam

Independent
Creative & Family
Man

KEVIN STONE



Occupation

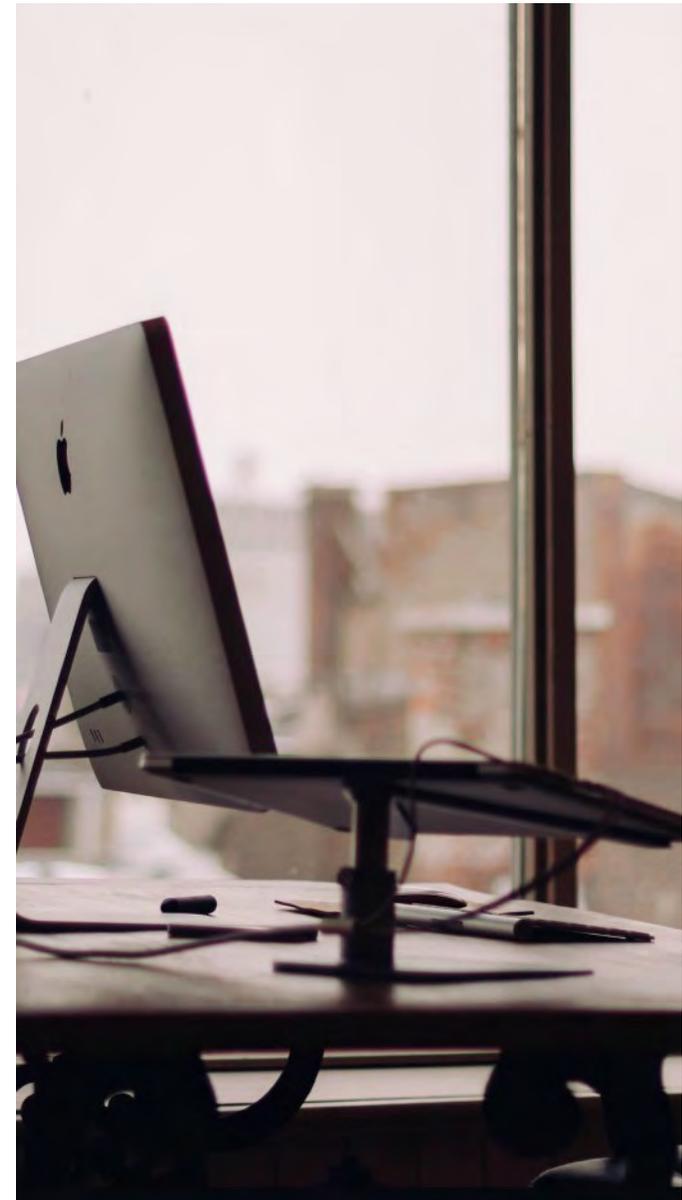
Kevin has been in the software industry since near the ve
He's watched the rise and fall of many software giants inc
Microsoft, and Apple; plus, he's worked for them along
sales engineer. Kevin now runs his own software cor
currently employs about 30 people. He communicates and
and knows his stuff, allowing him some allowances with w
he works. He's also got a great team used to working re
gives him further freedom on where he locates
headquarters.

What problem do we solve

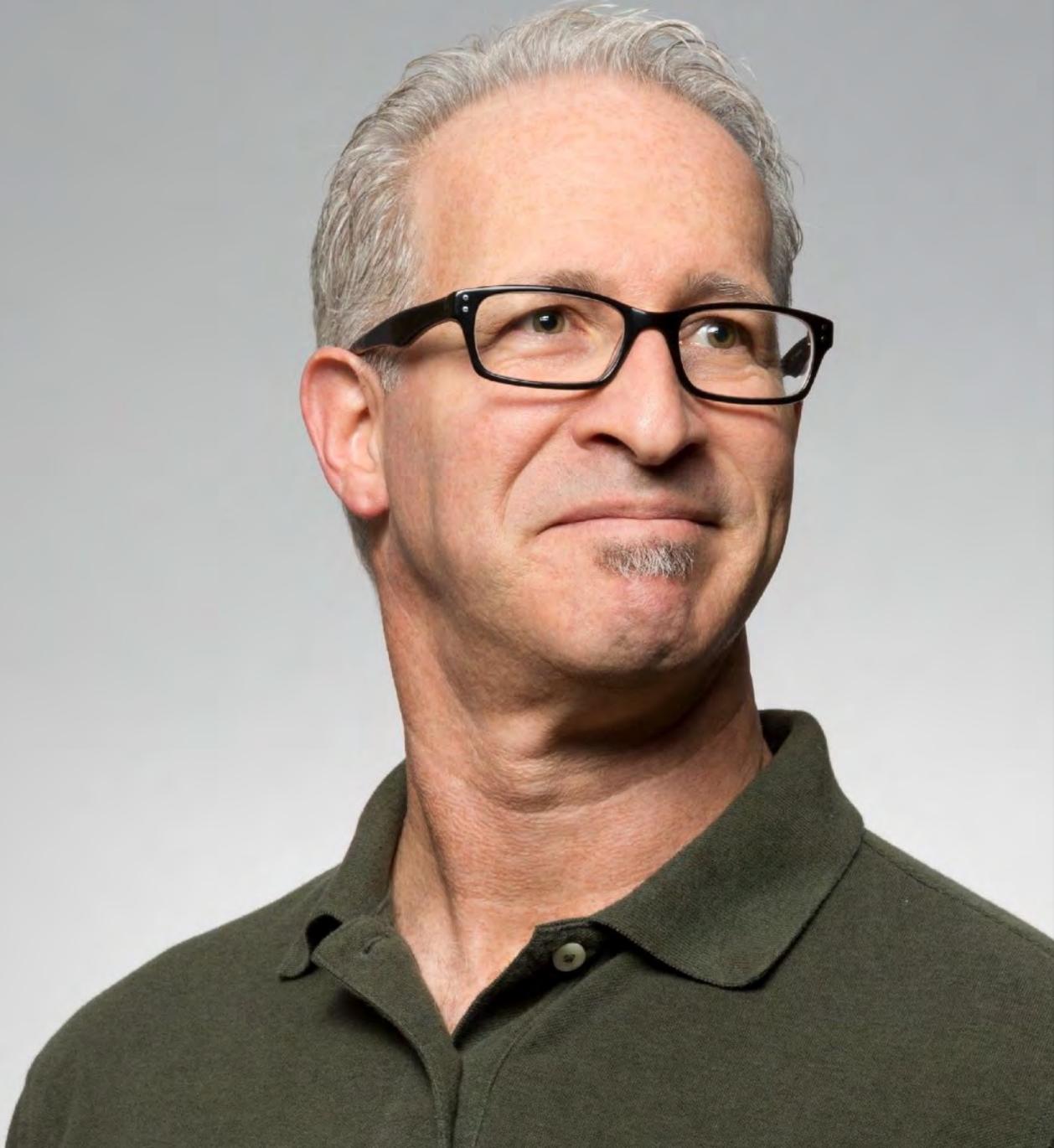
We solve the problem of hating where you live in order to do

Demographics

- **Age:** 46
- **Gender:** Male
- **Salary:** \$154,000
- **Location:** Home/Office in Denver
- **Education:** MS in Computer Science
- **Family:** married with 4 kids



Story



Kevin is smart. He's
Through school and
known he could do v
After tinkering wit
'computers' as a fres
future was in comput
major in computer
there. Since then, he
credentials to work
his family loves the r
them to Colorado.
experience in the in
Kevin has started
company that curren
people. He's enjoying
to find other ways to

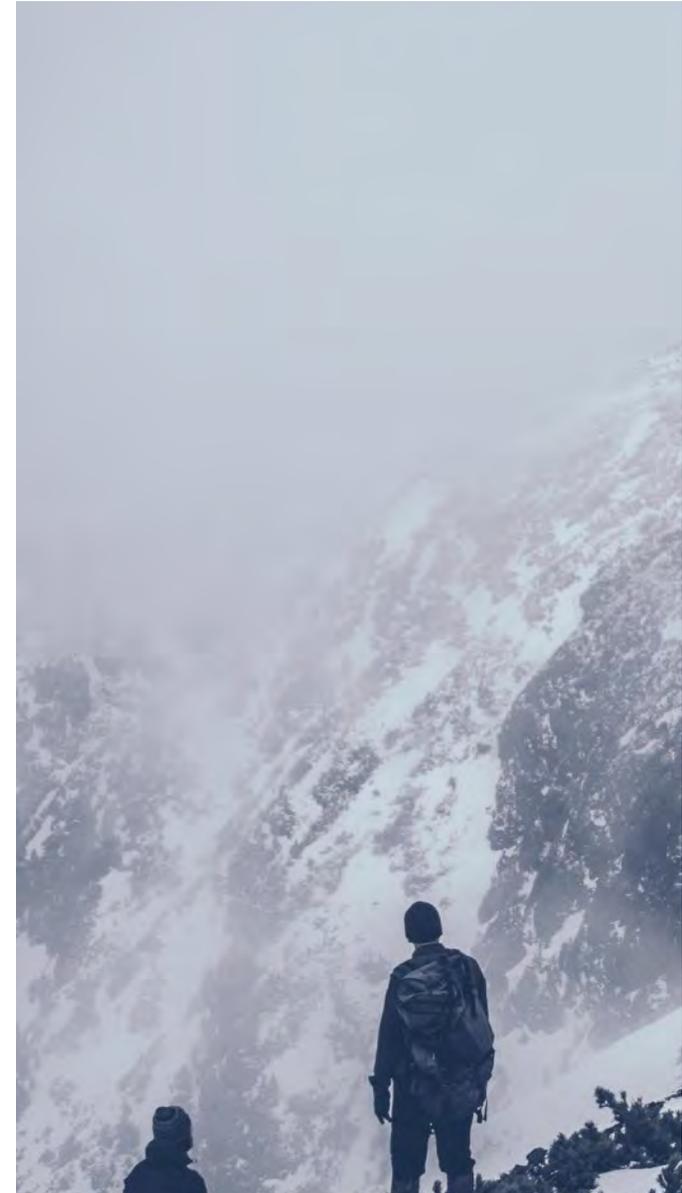
Values & Fears

Kevin values competency, time, respect, and his employees for a career that allows him to have the life he wants now as he wants in retirement. He also values caring extraordinarily employees.

Kevin's afraid of failure. Failure to meet the demands of his v environment and thereby failing to care for his employees in thinks they should be cared for. Kevin has devoted more effc towards helping his employees get everything they want out to Colorado was a start in that direction, but he hopes to do

Goals & Challenge

- **Primary Goal:** Provide for his family, and his employees.
- **How we help:** we make your world a bit smaller so that you can focus on what matters.
- **Primary Challenge:** Enabling his employees and family to have their dream lifestyle.
- **How we help:** Quality of life in BV is bar none. We provide an opportunity for Kevin to give his employees more



Marketing Message

Surround yourself with good community and create more time for yourself and improve the quality of life of your employees.

You should move to BV because our little community is tight knit, yet filled with competent professionals who are looking to have the best of both worlds - solid careers and desirable lifestyle. BV accommodates the combination.



SOFTWARE BUSINESS OWNER

KEVIN STONE

