SMALL TOWN ECONOMIC DEVELOPMENT - A STRATEGIC PLAN FOR BAYFIELD, COLORADO

by

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Many smaller, rural communities across the United States face the challenge of weak or diminishing economic vitality and a loss of population. For some communities, these outcomes are probably inevitable, and not amendable to positive interdiction. But many other communities can determine their inherent strengths and commit to building upon those strengths, and identify their specific challenges and craft strategies for addressing those, as well. Bayfield, Colorado, is very fortunate in being located in a region of the inter-mountain west with a mild climate, great natural beauty, and a high quality of life. These "natural amenities" have and will continue to drive population growth centered on middle- and upper-middle class individuals, families, and entrepreneurs. By focusing on the basics of high-quality public infrastructure, closing identified market information gaps, working to build stronger, more efficient business networks across the region, and branding itself as having these life-quality and business-enabling traits, Bayfield can continue to grow and prosper in the future.
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CHAPTER I

Problem Statement

The general problem this project has sought to address is how to effectively promote economic development (ED) in small town America…the specific problem: How to effectively promote economic development in the small rural town of Bayfield, Colorado?

The specific current deficiencies the Town of Bayfield faces are significant sales tax leakage due to our proximity to Durango, Colorado (18 miles), to where nearly half of the adult population commutes to work, and secondly, to an overall narrow and historically static economic base. On a more hopeful note, this latter factor may be at or approaching a positive tipping point as the greater Durango market has grown and related housing prices have escalated tremendously over the recent decade, making Bayfield all the more attractive, if still a bedroom community to its larger neighbor. This sales tax leakage and the narrow economic base have impaired the Town's ability to 1) fully secure current and future funding for critical infrastructure maintenance, enhancement, and growth; and 2) provide for the enhanced public services and amenities – including public safety, parks and recreational amenities, and community development investments – that are both expected by current residents (Bayfield, 2005) and that are also known to attract additional residential growth (Blair & Premus, 1993). These local market traits have contributed to perpetuating a stunted local business performance relative to what one might otherwise expect of a community of Bayfield's size (THK, 2005), and can contribute to perpetuating reduced expectations in the future (Howland, 2003).
The goals of this project have been to more clearly define the specific factors contributing to these current local outcomes, to provide insight to the fundamental operations of a seemingly impersonal and complex market-based system, and to identify specific, actionable goals and strategies, including accepted best-practices, for the autonomous, local targeting of these and future challenges.

Caveat

It must be stated at the outset that the "final product" of this master's project, the economic development strategic plan for Bayfield, Colorado, located in Appendix B, as well as the initial research and community meetings that went into producing that plan, were all completed prior to the decision to use that product as the basis of this expanded master's project. While the local needs and goals identified in that earlier process would not have changed significantly had a more standard chronology been followed, some elements of the outreach and engagement process may have benefited from a more determined focus. Additionally, regarding the whole of research performed, the engagement process that was pursued, the goals ultimately identified, even the theories of economic development brought subsequently into this paper, all seek one overarching principle: Small "p" pragmatism. Does it fit and is it appropriate to Bayfield's particular circumstance? Will it work here? Can we pull it off with the human and financial resources available? These were and remain the real-world driving criteria for both ends of this project. Formal theories were not brought explicitly into the process in its earlier stages; their later introduction in this paper may nonetheless allow for a more informed understanding or proficient execution of the adopted plan, and may point to areas of further study for those so interested.
CHAPTER II

Literature Review

Much of the economic development literature, likely the majority, would appear to be focused upon 1) larger metropolitan development and/or the redevelopment of blighted urban and industrial regions (Brookings Institution, 2002; Leinberger, 2005), or 2) the political economy of state development in the developing world (Kosack & Tobin, 2006; Horowitz, 2004). While this extensive body of literature often omits addressing directly smaller communities and the rural economic landscape, the most important findings coming through this literature often can be translated productively to inform the practice as it must be applied in the smaller communities at the center of this paper. One of the most important of general insights in this regard is that of local information gaps and the various response strategies available, not just in large metropolitan areas, but in small towns and rural communities too (Sabety, J. & Carlson 2004; Sabety, P. 2006). As these and other findings from the urban and regional development literature can be adapted in this light, this author will attempt to do so.

The balance of this literature review is organized around five broad areas of content. These are 1) Process and organization as they apply to local economic development; 2) Assessing the local context, whereby one establishes the contingent baseline of local assets and deficiencies, a baseline we seek to improve upon; 3) Economic fundamentals, being essential market factors, the various incentives so established, and the practical leverage available; 4) Theories of economic development, a non-exhaustive inventory of some of the more pertinent insights to effective practice, particularly as they might be applied in a small town context; and 5) a few brief examples
of extant economic development strategic plans. A possible sixth area of focus could be that of drawing out implementation and follow-through more explicitly from process and organization; for the purposes of this project I have left the former considerations, in muted form, under that of process and organization. More on this in the conclusion.

1. Process and Organization

After initial research has been completed, and with a reasonable roadmap outlined for that still to be performed, the first formal step in the economic development (ED) progression is to define the actual public process and outreach strategies to be followed and the organizational components to be created (Shively, 2000; University of Illinois, retrieved 2008; Municipal Research and Services Center of Washington, retrieved 2008; Shields & Farrigan, 2001). The literature examined appears fairly consistent in this regard, and particularly so in regard to small town communities. Implementation and follow-through will also require the full and active participation of these same human assets. If not all key constituents and business interests are included – preferably from the outset – the process can 1) lack the critical contributions of those absent parties, and 2) eventually become subject to being questioned, delegitimized, or countered by those parties (Bleiker & Bleiker, 2000).

After bringing together both the critical stakeholders and as fully representative a cross-section of the community as possible, this working group must then assess and define the local economic context by way of a broad-ranging inventory of local assets and deficiencies (Shields & Farrigan, 2001; University of Illinois, n.d.). This would include defining the community setting, current economic trends, and an inventory of natural, financial, and human resources. One must also determine vital or emerging industry
sectors; those in likely decline; which are core base-industries that bring critical outside revenue into the area, and which merely circulate dollars already in the local economy (Shields & Farrigan, 2001). With these local inventories in hand, the working group can begin to evaluate this fairly unique set of assets and liabilities and begin the consideration of a path forward. But in order to move forward, the group must also have a clear sense of core community values and fundamental, long-term goals. This can only be constructed upon an up-to-date community vision that clearly articulates those concerns. Such visions can often be found in formal community comprehensive plans and these plans can then be critical resources for informing both the early stages of the economic development process and for later evaluating outcomes against those original visions.

With community vision or comprehensive plan in hand, with an honest assessment of current natural and human assets and deficiencies, and with an up-to-date industry inventory completed, one can then synthesize this data set with an eye to selecting specific ED goals and crafting the collaborative public/private policies that can best support the realization of those goals. Policies translate community concerns and goals into clear statements of public intent. "These policies will guide public and private investment in local economic development activities and further refine the roles and expectations of key stakeholders" (Municipal Research and Services Center of Washington, retrieved 2008). Implementation benchmarks should then be established so that measures of progress and outcomes can be determined, policy adjustments made, and successes acknowledged (Shields & Farrigan, 2001).

The University of Illinois' Center for Community and Economic Development (University of Illinois, retrieved 2008) offers an outline of such a process: 1) Establish a
planning committee that represents the diverse interests in your community; 2) Define a mission statement – your purpose, your values, the stakeholders you serve and the way you intend to conduct business; 3) Complete a needs assessment of the most important outcomes that your community would target; 4) Evaluate your community's strengths, weaknesses, opportunities and threats (SWOT). The SWOT analysis should allow you to objectively summarize your community's internal strengths and weaknesses as well as the opportunities and threats that lie in the external environment. All are forces that can greatly impact your goals; 5) Establish the ED goals of your organization – goals that establish the direction for your community development initiatives; 6) Identify objectives and strategies – these are the means of accomplishing the goals stated previously. For each goal, document the objectives behind the goal, the strategies or action steps to reach those goals, the resources you will need to fulfill the objective, and document whether those resources exist locally. Establish a performance timeline with responsibilities and deadlines; and finally 7) Prepare a written report of findings, goals, and strategies, and execute that plan.

I have synthesized the core elements of the outlines above in order to craft the specific process and organizational outline that was used to produce Bayfield's ED Strategic Plan.

2. Assessing the Local Context

With the aid of professional facilitation, the Town of Bayfield completed a community comprehensive plan in 2005. This document (Bayfield, 2005) was utilized to establish at the outset of our process a sense of community identity, core community values, and a general sense of what Bayfield citizens would alternately like to see and
like not to see in the way of specific future community development. The Region 9 Economic Development District of Southwest Colorado provides three important documents in the realm of area economic assessment, 1) the Comprehensive Economic Development Strategy (CEDS) of 2006 (Region 9, 2006a), from which I have synthesized the "La Plata County Employment Winners and Losers" chart found in Appendix A (pA-15); 2) recent retail data for the county (Region 9, 2006b); and 3), with Lloyd Levy Consulting, an assessment of economic drivers in La Plata County (Levy, 2008). The latter document establishes a strong correlation between general tourism, second homes purchases, and the local construction trades. Together with McGranahan (1999), and Johnson (2006), a clear economic foundation can be seen as being present in La Plata County by way of "amenity migration," a process by which, in this instance, the baby boom generation and other younger and professionally mobile individuals and business owners choose to relocate to areas of high natural beauty and/or those areas offering abundant opportunities for active, outdoor oriented lifestyle pursuits. These migration trends also include older retirees as well.

Additionally, our working group had access to two separate products that purport to define Bayfield's local retail capacity. THK Associates (2005) provides a professionally researched retail market analysis showing under- and over-served sector breakdown for the Town of Bayfield, circa 2005. Of critical interest to many in the town is an affirmation by THK of the popular perception that, in spite of having a local, independent grocery store, the town remains significantly under-served in this sector. The second is an interactive spreadsheet created by the University of Wisconsin, Extension Office (retrieved 2008), which allows for in-house and ongoing local market analysis.
targeting the very same industry sector capacity evaluations. Finally, if it were deemed desirable to execute a fully robust, professional-depth analysis in-house, Hustedde (2005) provides a comprehensive manual for doing so.

The resources above provide a base of information from which to draw forth the community's general needs, its inherent strengths and weaknesses, and the external opportunities and threats that can be so identified. The forum for doing this is our broadly representative community economic development group, the Bayfield Economic Development Planning Council, as outlined in section one of the literature, and expanded in methodology, below.


People, material, and capital are all mobile. It is the movement and mixing of these potentially productive factors that is the heart of a market-based economic system. Under conducive circumstances, "markets" spring nearly organically from the background of such human and material interaction. Under non-conducive circumstances, most notably those of either despotic tyrannies or of stark natural desolation, markets that do emerge often remain significantly truncated in their development. For the purposes of this project we will allow that across these United States, the extant regime of law, property rights, and individual liberty – the latter being here primarily the freedom of movement and the freedom to contract – cumulatively provide a political economy and support a cultural disposition that are greatly conducive to the efficient production of higher order goods, services, and the further accumulation of capital; see, for instance, Friedman (2002 [1962]), Garfinkle (2006), and Minsky (2008).
Whether at the macro or the micro level of market operation, it is information of some type that provides the first insight to possible opportunity, therefore information can properly be seen as the critical first-element in bringing about the subsequent individual pursuit of gain through personal enterprise. As Adam Smith (2003 [1776]) put it, humans as economic beings truck, barter, and exchange, and at the heart of each of these activities is an interaction of – most often – asymmetric information sets, with that asymmetry being the very basis of opportunity.

In the modern context, Weissbourd and Bodini (2005a; 2005b) point out that not only does information remain at the center of market activities, but that identifying local market information gaps and targeting them with specific solutions can be one of the most efficient and effective endeavors in local, self-directed market development programs; see also, Sabety, J. and Carlson (2004), and Sabety, P. (2006). Consistent with Smith, these authors argue that markets are driven by the human actions derived from the use of present information, but extend this insight to include an understanding that the quality, timeliness, and completeness of any body of information – and hence its relative value – can and does vary enormously. Locals, therefore, can and must act in their capacity as the closest agents to one's own market and draw forth, develop, and make available more accurate and timely information when such local information gaps have been identified.

But information is only the basis of market activity, it is not the "activity" itself. Or, at most, information is both an input and an output, but it is not a function. It remains, then, critical to understand the additional fundamentals of markets and how they are believed to operate, and here Weissbourd et al. (2005a) contribute cogently. By defining
market operations as consisting of three primary functions: the production, exchange, and consumption functions, and in further identifying that each of these separate functions consists itself of two discrete factors, these authors provide a simple but essentially exhaustive description of the internal mechanics of markets. The six functional sub-factors are: in production, the factors of input costs and output productivity; in exchange, the factors of finding costs and measurement or assessment costs; and finally, in the consumption function, the factors of customer preference and of income. Alter, enhance, or impede any of these six factors and you alter, enhance, or impede the output of the local market (Weissbourd et al, 2005a).

Together, the contemporary analysis of available local information, and a critical assessment of each of the six factors identified immediately above should, argue these authors, allow for the development of a clear set of strategic program goals that target identified informational deficiencies within a given local market-function. Indeed, these authors suggest that such "market-based" targeting is the most productive and efficient fulcrum in seeking to improve local market outcomes. For instance, targeting labor skills development in order to elevated productivity rates; aggregating and publishing important local market information or developing new business-to-business (B2B) networking forums so as to promote efficiencies in "finding" costs; or targeting customer preferences with a "buy local" campaign or in seeking to attract a more affluent consumer to the local market. All utilize the internal functions of markets themselves, and the incentives so established, to produce the targeted results.

It must also be stated that these are all internal market functions; markets are critically impacted by external factors as well, with war being a prominent negative
example on a more macro scale, and, for instance, endemic local or regional crime being an external factor on a more micro level. Being external to markets, neither of these examples would be directly susceptible to the market-based interventions outlined above (Weissbourd et al., 2005a).

Still in an urban/metropolitan context, Sabety, P. (2006) offers a seven step approach to the local creation of better information resources. The seven elements of this approach focus on 1) creating appropriate scale within the local context, so that everyone in a given community has access to enhanced information resources; 2) replicability and impact, whereby investments create tools and architectures that are inherently transferable to new contexts or other locales; 3) structure the new information architecture so that data and tools can be shared easily and cost effectively; 4) keeping with cost-effectiveness, transferability, and inevitable upgrading needs, seek to utilize open source data management packages as much as possible; 5) invest in the development of local human capacity to effectively use these new information resources; 6) within an urban context a focus must be made at the neighborhood level (in our rural context this would simply remain at the community level); and 7) understand and appropriately partner with the private sector so as to access the tremendous array of information both routinely used and newly created therein.

A special type of often urban context is also the backdrop for one of the most productive of milieus, that of industry clustering (Porter, 1990), or agglomeration economies (Blair & Premus, 1993). By co-locating in a common region, different firms that either focus upon a common industry, or utilize similar inputs or technologies on a large scale, can generate and capture efficiencies in common input factors such as raw
materials, labor training and productivity enhancement, design cross-pollination, and even foster a general, if less tangible, innovative subculture related to the given industries. In order to become a maximally productive economic center, including an entirely new "creative class," Florida (2002, 2008) argues that a certain metropolitan scale is nearly required, but that that scale must be further enriched by both a cultural openness or liberalism and dense, knowledge generating institutions such as large research universities. Such enclaves have been shown to be the most highly productive economic centers on the globe (Florida, 2008). Additionally, the considerations immediately above are all factors in a certain "advantage of place," or in some way captured within the elements of location theory (more below, under theories of economic development).

At the other end of the urban-rural continuum, Munnich & Schrock (2002) offer a nascent examination of rural knowledge clusters. Not surprisingly, they find that rural-based innovative companies do not exist in a vacuum, but that context remains important everywhere. And while inspired entrepreneurs can drive individual firms to great success, by very definition, a broader scope of common industrial factors, processes, and firms is required in order to coalesce and potentially trigger the synergistic x-factor that defines innovative clusters. As in urban locational decisions, rural environments are no less subject to the critical considerations of the importance of "place." Equally true, capitalizing upon any such locational advantage in a more rural settling does not require that all firms cohabit the same industry. Rather, it requires a committed understanding that productive enhancements in technology, labor and manufacturing skills, and investment capital are all contingent upon a local commercial culture that is committed to
the open dissemination of emerging industry knowledge. This local commercial collaboration is then what actually feeds the innovative spark of rural clusters. In such an open and generative context, Munnich et al. (2003, p.4) find that a "core knowledge base can be instrumental in driving multiple industries and applications," feedback loops among area stakeholders are highly important, and none more so than that between industry and education. Similar to Florida (2008) and others, Munnich et al. (2003) find a critical connection between institutions of higher education, particularly those offering advanced degrees in a variety of fields, and a thriving area or regional economy; simple four-year colleges no longer make this grade.

As stated at the outset of this section, people, material, and capital are all mobile, and it is the movement and mixing of these potentially productive factors that is the heart of a market-based economic system. McGranahan (1999) and Johnson (2006) find that natural amenity migration, or the voluntary relocation to areas of high natural beauty, moderate climate, and/or areas that offer an easy potential for an active, outdoor-oriented quality of life, are driving population growth in select regions of the county, including our own intermountain west. Those so able to voluntarily migrate are generally from a higher economic and/or educational standing, often either retired or entrepreneurially mobile mid-career professionals, and so can contribute positively to the newly adopted home market (Reeder & Brown; 2005; Johnson, 2006). While these natural amenity migration trends appear in some ways to run contrary to Florida's 2008 thesis – that of the innovative and attractive force of large, liberal, urban centers – it is not unreasonable to assume that some of the very same thirty- and forty-somethings that populate the most innovative central cities would someday rather ride their mountain bikes more, and work
less. With today's myriad of tech-enabled global networks, sometimes location remains everything, and sometimes it may be nearly irrelevant, or rather, measured against a quite different criterion. As life-stage priorities shift, the pine tree quotient may have a greater pull than that of urban nightlife. Reeder & Brown (2005), and Johnson (2006) find that, overall, these in-migrants to amenity-rich regions benefit those regions significantly.

In order to relocate to an amenity rich area in any instance, one must first have housing opportunities either available immediately or command the resources to build one's new home. Nelson (2004) points out that in extrapolating current building construction and replacement trends, by 2030 half of all U.S. buildings in existence will have been built post-2000, that the single largest component of that new construction will be residential, but that the commercial and industrial sectors will combine to account for sixty percent of that new built environment. Across the American West, the total amount of new buildings will approach ninety-percent, or a near doubling of space under roof. Nelson (2004) goes on to suggest that this anticipated buildout over the next (now) 20 years provides a nearly unprecedented opportunity for current generations to "reshape" that future development more to their own values and to more thoughtfully foster greater economic vitality. This could and in many areas does now include more compact, energy-efficient, and potentially more culturally dynamic, mixed-use land use patterns. This provides both great opportunity and great challenge to the affected regions, so that land use issues, including whether and how to regulate, will be at the center of each community's growth challenges and decisions.

Indeed, more compact development in the period 2000-2025 offer substantial opportunities to local governments for savings on public infrastructure costs, over older,
less intentionally dense modes of development (Muro & Puentes, 2004). These aggregate savings are to be found in road building, nearly 12 percent; water and sewer systems, 6 percent; and slightly less than 4 percent on general operations and service delivery. School construction costs are not altered significantly. In aggregate, these authors suggest a realistic potential savings, on a national basis, of some $110 billion over this 25 year period. Additionally, by specifically seeking to promote denser labor markets, vibrant, mixed-use downtown districts, and efficient transportation systems – three overlapping goals of "smarter growth" planning – overall local economic performance is shown to broadly improve, with productivity increasing with county employment density, and personal income shares growing over time (Muro & Puentes, 2004). Overall, contemporary best-practice land use planning in the new built environment can significantly improve "quality of place" factors for communities so committed, adding to the attractive pull of other assets such as natural amenities, and so produce lasting, positive economic spin-offs beyond those directly targeted. In contrast, the more traditional laissez-faire development practices of random, scatter-shot, and essentially incoherent development are now known to cost significantly more in the infrastructure burdens and service delivery costs they impose on the local treasury and the average taxpayer, and these older development practices are now clearly shown to foster significantly lower overall economic prosperity in the areas so impacted (Muro & Puentes, 2004).

Finally, many communities have sought economic growth through publicly funded, or in public-private partnership, construction and operation of regional convention centers. Sanders (2005) finds that this avenue to economic salvation is littered
with empty, under-utilized, and ultimately costly public liabilities. As of 2004, the national utilization of convention centers was found to have peaked in 1996, while contemporary use had fallen back to 1993 levels (Sanders, 2005). At the same time, more new space was being constructed, generally under the same premise of being a certain local economic boon, even as available industry numbers pointed to a clear negative divergence in built space and utilization rates. Sanders (2005) is not arguing that under no circumstance would a convention center provide an overall greater community benefit than its cost, but the author urges that before a given community embarks upon such a pursuit, one would be well-served to ask the tough questions pointed to in these numbers, and particularly to demand of those local community interests – typically the hospitality and restaurant sectors – an account of why the general reality of the convention center industry would not here apply.

Summing the more important elements of economic fundamentals, we can focus upon information, incentives, and the markets they create. Information is the pre-requisite of market activity and the more complete, accurate, and timely a given set of information, the greater its relative value and so the more likely will it incent action. Markets are comprised of three functions, the production, exchange, and consumption functions, each of which in turn is comprised of two discrete factors. These are input costs and productivity, finding and measurement costs, and customer preference and income, respectively. Communities can act to identify local market information gaps within one or more of these six factors and then develop targeted strategies to close those gaps.

Economic incentives arise from a variety of areas, most fundamentally a difference of knowledge, skill, productivity, or cost advantage commanded by one party
or place, and less so another. Community laws, taxes, and regulations also create incentives, as do natural and public amenities or even a basic cost of living in comparison to another. Bayfield can improve upon the attractive pull it commands by way of natural amenities by focusing upon the ongoing development of its basic public infrastructure (public amenities), collaborating with other local agencies and the private sector to develop the critical new infrastructure of hi-speed broadband, and work across the region to craft new land use policies that can better foster the dense labor markets and vibrant, mixed-use town centers shown to provide a significantly more productive and prosperous local economy. Each of these strategies entails understanding the incentives currently in place, determining whether those incentives support or contradict the more explicit ED goals the community has established and, where mal-aligned, altering the incentives by altering the factor that produces it. So whether through better information or new land use codes or new B2B networks, public codes, policies and the incentives they establish must all be made to operate consistently in enabling local and regional markets to work better, so that greater economic prosperity is actually promoted – instead of dissipated.

4. Theories of Economic Development

"At any stage of development of [a] science, more than one theory will explain the same events" (Bingham & Mier, 1993, pg. ix). In the field of economic development, prominent theories are derived from the diverse disciplines of economics, political science, geography, public administration, urban planning, psychology, sociology, and others. The following section draws heavily from Bingham and Mier's (eds.) 1993 text, Theories of Economic Development.
Location and space theories are some of the earliest of modern economic theories, with Smith (1776) and Ricardo (1817), among many others, drawing upon such a framework. Location theory begins with simple transportation costs as a single but critical production input factor. This seminal theory can be enhanced with multi-factor inputs: add one or a number of additional production factors, whether materials costs, labor cost and quality, tax and regulatory environment, and a still simple but more proximate model begins to emerge. Cultural and natural amenities, or "quality of life" considerations can also impact firm or entrepreneurial location decisions. Theory suggests that in valuing each of these discrete factors in some way, first independently, then in relation to other factors, an informed locational choice can be arrived at that can arguably be said to be optimized in relation to those cost or other considerations. But as with all models, the more factors assessed and counter-balanced, the more complex and potentially unwieldy the model may become, even to the point of becoming unworkable. Firm inertia can also become an indirect locational factor, in so far as relocation can be difficult, risky, time consuming, and expensive, so it is understandable that most firms do not relocate a great distance from their origin. Finally, location theories can also encompass agglomeration economies, otherwise referred to as coevolutionary development and, more recently, as industrial clusters (Porter, 1990); these have been described above.

There are theories that posit modes of development originating either from above or below, with the former derived from a "core and periphery" perspective, and the latter from a more autonomous, local self-actualization mode (Nelson, 1993). Each are likely to embrace economic base theory in some manner, or the focus on enhancing those
enterprises that bring new dollars into a region, as opposed to secondary firms that primarily provide only local services and can thus only "recycle" the existing local income (although import substitution by local firms can capture/retain a greater share of total local revenue and should be pursued when practicable). The development from above perspectives may draw from price equilibrium, dynamic disequilibrium, product or regional life-cycle models (Nelson, 1993). Shifts of capital and human resources from one region to another can result from any number of these dynamic disequilibria between regions, whereby labor, material, or land is relatively more attractive in one region due to cost, skills, or general availability. The recent global shift of production to Asia is an example of this phenomenon.

Price equilibrium theory, on the other hand, posits that over time, regional costs will equalize, eventually negating some region's earlier advantage. But invariably, after a period of some equalization, a development of new inputs, processes, or even wholly new markets will initiate a new cycle (Nelson, 1993). America's older industrial base in the upper mid-west, disparagingly referred to as the "rust belt," is an instance of a regional life-cycle playing out, wherein older technologies and capital plant that once represented the pinnacle of market capitalist production, have now been broadly eclipsed by newer and more efficient modes of production, or far cheaper labor in similar plants half a world away. All of these examples offer a development-from-above perspective, or that of development impulses originating from or remaining contingent upon forces largely outside the home region.

Continuing to draw from Nelson (1993), development-from-below perspectives hold that, notwithstanding the extant realities highlighted in the "from above" school,
regional and local agents and institutions should endeavor to take as much control of shaping their own destiny as is possible. Intrinsic to this perspective is the understanding that all regions are not alike, that they cannot be treated as alike and produce similar outcomes, and that a deep understanding of the particular attributes and liabilities of a given region must be taken into account in order to produce well the results being sought. Examples of these perspectives include regional development theory, wherein planners attempt to promote greater interaction between the various nodes of vitality within a given region and a more intentional investment in the intra-regional hinterlands. On a larger public- or national-works scale, functional development theory looks to stimulate regional growth through the development of large-scale projects such as ports, airports, massive water projects, and the like (Nelson, 1993).

There are additional spatially-derived theories, one being central place theory and another being product life-cycle theory. Central place theory hypothesizes a continuum or hierarchy of settlement densities where higher order economic activity is argued to require greater overall market scale. This is so because of the economies of scale most often required to cost-efficiently invest in more innovative processes, to attract or train higher-skill labor, and to access larger capital markets so as to cost-effectively expand production capacity (Howland, 1993; Florida, 2008). Typically, few or none of these scale-dependent production factors are available in lower density rural communities.

Alternately, it is hypothesized that as one moves up the market density continuum, each larger settlement retains all the economic attributes of smaller settlements, but adds to that base new attributes not available at lower scale (Howland, 1993; Florida, 2008). Product life cycle theory views the creation, evolution, maturation,
and eventual standardization of a given product as being – for causes not dissimilar to those outlined in central place theory – typically contingent first on the higher order innovative processes available only in the dense generative environment of urban or industrial centers. As a given product matures and moves down this continuum of innovative/proprietary creation to standardization, and then into mass production, the earlier high-skill specialization is no longer required and the product can eventually be produced in a low-skill environment, whether rural or overseas (Howland, 1993).

Contrary to the simplifying (indeed, simplistic) assumptions at the core of neoclassical economic theory – fundamentally that of self-correcting, self-equilibrating markets, and perfect information – circular and cumulative causation models view rural and peripheral economies as being fragile, under-developed, lacking more fully developed information resources, and therefore highly susceptible to self-perpetuating cycles of disinvestment and subsequent infrastructure decline. Alternately, the cycle can be of a positive reinforcing nature, whereby a new plant, critical new infrastructure, or other significant investment catalyzes follow-on development (Howland, 1993).

Finally, there are demand-side and supply-side theories of development. Through the use of targeted tax credits, fiscal stimulus, and/or looser credit markets, demand-side strategies seek to enhance aggregate demand in the expectation that subsequent to such stimulus, organic market functions will again take over on the road to continued growth (Howland, 1993; Minsky, 2008). Demand-side stimulus can be particularly useful in times of economic weakness when the private sector is choosing to forgo new investment or is actually disinvesting, but as a practice it is generally reserved for the federal government by way of deficit spending, or those few other states that can spend down
rainy-day funds in time of need. Supply-side strategies, on the other hand, seek to stimulate the economy by a different set of credits and spending targeted more to the entrepreneurial and production factor side, or the input side, of the overall economy. Properly understood and applied, supply-side investment can reduce overall production costs through a variety of means, thus lowering final market cost and/or allowing for potentially greater profit margins, capital accumulation, and reinvestment. Misdirected, demand-side policies can contribute to inflationary pressures or market distorting outcomes, while the potential benefits of supply-side policies are also susceptible to market distorting outcomes, not least by being narrowly captured by well-connected elites, and so becoming essentially little more than a system of feeding at the public trough (Minsky, 2008; Phillips, 2002).

While perhaps not typically framed in such a manner, another input or supply-side strategy is to focus on education and workforce training. When the products of older industries have become mature, standardized, and susceptible to low-cost outsourcing, those industries must either innovate and capture new market niches, or face cyclical decline (Fitzgerald, 1993). If the path of innovation and higher value production is chosen, the basic education and advanced labor skills necessary to support such a path must be in place or they must be developed in a timely manner. Typically, rural and peripheral enclaves neither develop nor attract these assets on a scale-significant basis, with the possible and recent exception of regions known for their natural amenities, but even here scale remains low (Fitzgerald, 1993).

Summarizing the more relevant of these theoretical insights, from a location theory perspective, quality of life and natural amenity migration will continue to drive an
in-migration of more affluent and potentially entrepreneurial residents to La Plata County and Bayfield. But in order to fully break out of a truncated circular causation mode and into a more positive cumulative causation mode, natural amenity migration must be further supported with ongoing local investments in public and business enabling infrastructure, including robust hi-speed fiber networks. Taking ownership and driving change at the local level is a general expression of the "development from below" perspective, and should more specifically pursue the current best-practice insights of regional development theory, including the fundamentals of economic gardening. To fully realize its potential, Bayfield and La Plata County will have to contend with the primary countervailing factor of central place theory, a factor that will never be present locally – that of scale. Relative to large metropolitan centers, La Plata County and Bayfield will remain small and distant enclaves, and so must focus on quality of place and of life experience, business enabling infrastructure, and in purposefully attracting or developing a more technologically-skilled work force. Nowhere did the literature suggest a general practice of providing direct local "incentives" to specific businesses; in fact this is strongly discouraged (Bartik, 2003; Markuson, 2009). Rather, scarce local resources are best used to provide broad, general benefits through high-quality basic public infrastructure in roads, water and sewer, parks, public safety, and, in partnership with the private sector, the critical business backbone of hi-speed fiber infrastructure. Some additional theoretical frames are briefly outlined in Appendix D.
5. Examples of Existing Economic Development Strategic Plans

Returning to the broader review of literature, the last remaining theme needing to be drawn out is that of extant examples of ED plans that were examined for this research. Only a brief encapsulation is warranted.

The quality and density of the ED plans examined covered a substantial continuum, ranging from the very professional, high-quality, and analytically dense product of the City of San Ramon, CA. (2005), to the home-grown and far more modest outline of a plan created by the City of Ouray, CO. (Armstrong, et al; 2008). The resources available to our own effort would in no way allow for the pursuit of the caliber of the former, but we certainly could and should aim to meet or exceed that of the latter.

All of the plans examined contributed in some manner to informing this author. I also examined earlier Town of Bayfield products, including the 2001 downtown revitalization report, and the 2005 comprehensive plan. Each of the latter provide tangible local benchmarks against which to measure contemporaneous progress and to identify still future goals.

The City of Davis (2005) strategic goals 2006-2010, represent a simple outline of strategic goals, but an outline clearly derived from a much more extensive strategic plan and process through which these goals are but one primary outcome. As mentioned above, the City of San Ramon, CA. (2005), Economic Development Strategic Plan, is just such an extensive and professional product and includes sections delineating demographic and employment trends and retail market analysis. All three of these elements represent critical data if one expects to accurately capture the subtle dynamics of a given local economy. Downtown Colorado (retrieved 2008), provides a four-point
policy and an eight-point outline of principles for revitalizing Colorado's rural and historic downtown districts. Markuson (2009) provides an "economic gardening" template for growing local entrepreneurial capacity and for effectively allocating scarce local resources to the collaborative endeavors that have proven to be highly effective in communities such as Littleton, Colorado, and in Markuson's own Pueblo, Colorado.

As the particular attributes, resources, and liabilities of each community remain somewhat unique, the referencing of these and other plans was pursued mainly in order to identify appropriate templates, to better understand the local process of creating such a plan, and to see the end results and the various goals so identified. This was a fairly simple but informative endeavor.
CHAPTER III

Methodology

The primary methodologies employed in this project were those of 1) document analysis in a largely independent research process; 2) community outreach and stakeholder engagement in a process of collaboratively determining the structure and process to be followed, in assessing the local context, defining community needs, assets and deficiencies, and establishing ultimate goals; and 3) intermediate application of various elements of the literature to the specific local context and established processes. Some additional research focused narrowly upon drawing forth informational elements from the local market.

Secondary document analysis focused upon five areas of research, as outlined in the review of literature: Process and organization in local economic development; assessing the local context; economic fundamentals; theories of local development; and finally a cursory examination of some existing economic development plans. This research eventually contributed to a solid understanding of both the fundamental principles of economics as they play out at the local and regional level, and to an appreciation of the discrete and limited points of leverage shown to be most effective and available to public and private agents operating at the local/regional level, e.g. intra-regional collaboration, local market information development and the "economic gardening" model. As the document analysis portion of this research is fairly well explicated within the review of literature, I will dedicate the balance of this section to drawing out the community engagement and project development side of this endeavor.
With direction from Bayfield Town Manager Justin Clifton, this project began with a preliminary document search in the first-quarter of 2008. That initial research process essentially followed the thematic outline of the literature review included above, and produced the following outline, drawn from Shively (2000): 1) Include all local groups involved in the economic development process; to leave critical players out or to accept duplication of efforts from competing quarters is to invite a dissipation of limited resources; 2) Encompass all economic development efforts in the community; again, avoid unnecessary duplication or dissipation; 3) The governing body of the economic development organization must include members of the power structure of the community, from both government and the private sectors; 4) Ideally, this broadly representative community body should have a high degree of autonomy, it must be able to take independent action – execute contracts, acquire or dispose of property – without specific approval of a given stakeholder, whether the local chamber or town administration, or other potential veto holder; 5) While continuity of membership is important, one must endeavor over time to bring new energy into the program; 6) The governing body must meet regularly and frequently, preferably once a week, at least in the beginning; and 7) The organization must be adequately funded. Shields and Farrigan (2001), Bleiker (2000), the University of Illinois (n.d.), and the Municipal Research and Services Center of Washington state (n.d.) each promote a similar organizational structure and processes.

In April of 2008, foundational resources had been identified that illuminated the path forward by way of 1) organization and process (immediately above); and 2) beginning the assessment of our local context (Town of Bayfield, 2001; 2005; Region 9,
outlining for the stakeholders a brief but concise description of basic market operations together with some possible avenues for private-public collaboration (Weissbourd & Bodini, 2005a; 2005b; Bartik, 2003). On political economy more broadly, this author had either previously or was contemporaneously drawing upon Heilbroner (1961), Prindle (2006), Garfinkle (2006), Minsky (2008), Wolf (2008), Hayek (2006 [1944]), Friedman (2002 [1962]), and Galbraith (2008), among others. Theories, it must be said, were more of an afterthought; it was principles and pragmatism that we sought. Much of the above was distilled into the background paper titled "Comprehensive Economic Development Packet," dated April 2008, and included here as Appendix A. With that document as our focus, and with the "Proposed Outline of Process" therein our roadmap, the first community-wide stakeholders meeting was convened in April 2008. There were some 35 community members, elected officials, and staff in attendance.

Following Shively (2000) and others, from this first meeting came our primary organizational structure and identity, the Bayfield Economic Development Planning Council, which initially consisted of a broad cross-section of area private and public sector individuals. Together with Town Manager Clifton and Town Planner Joe Crain, I acted as the primary organizing force behind most of what was to follow. This may well prove to have been the single greatest deficiency in the overall project; more on this in the conclusion.

After the first three meetings, the Economic Development Planning Council committed to meeting on the third Thursday of each month, which we did for the months of June and July. We then determined that the center of focus needed to shift to a set of
separate, area-specific working groups, and that those groups would need to be defined and to meet on at least a monthly basis. Over a few subsequent meetings, and much more in personally working independent of the nascent groups, staff and several dedicated individuals focused on "working the Outline," as time and resources allowed.

Drawing from the Town's 2005 Comprehensive Plan, other sources, and stakeholder discussions, we established and adopted a Needs assessment (July 2008), we researched, developed, and adopted a more locally-targeted Strengths, Weaknesses, Opportunities, and Threats (SWOT) analysis (July 2008). And finally, through an informed consideration of the Needs assessment and the SWOT analysis, we began to consider the overall goals that we might target.

At this point the devolution to more narrowly focused working groups was established. After consulting with the Region 9 Economic Development District of Southwest Colorado, and others, we adopted and then revised to better suit our needs the ED organizational template offered by Region 9. The result is our six working groups: 1) Land Use, Infrastructure and Transportation; 2) Business Development, Retention, and Recruitment; 3) Workforce Development, Affordable Housing, and Early Education; 4) Historic Mill St. Revitalization; 5) Community Development, Parks and Rec, Special Events, and Tourism; and 6) Finance, Planning, and Project Implementation.

Our original intent was to have each of our six elected town board members, plus our elected mayor, participate directly in one or more of these sub-committees. Town staff would then support these committees with the town planner and public works director sitting on land use and infrastructure; the mayor, the town manager and I would sit on business development; I would cover workforce; and the town manager, in his
existing capacity as board member for the Regional Housing Alliance (RHA), would cover housing; I was the town's existing representative to the downtown business group, so I would head the Mill St. revitalization group; our parks and recreation director would sit on the community development, parks, special events, and tourism group; and the mayor, the town manager, and I would sit on the finance and implementation committee. Private sector individuals would continue to step forward and participate on the committees most of interest to them. This, at least, was the plan/hope.

These working groups were then tasked with each taking our mission statement, the background documents, the Needs assessment, and the SWOT analysis and, informed by these controlling documents, identify a draft set of practical, actionable goals related to their respective purviews. Some of the committees benefited enormously from being able to merge with pre-existing efforts, particularly the land use and infrastructure group. In the end this process did provide for the creation of an extensive and soundly analyzed set of goals and some strategies for achieving those goals.

From the ongoing research and analysis outlined above, through a comprehensive community engagement process – an engagement process that certainly had its stronger and weaker moments, with the active collaboration and support of Mayor Rick Smith, Town Manager Justin Clifton, Town Planner Joe Crain, and other staff, the preceding elements were synthesized into the Economic Development Strategic Plan for the Town of Bayfield, Colorado, ratified by the Economic Development Planning Council in December 2008, and formally adopted by the elected Town Board of Trustees, in January 2009. This plan is attached as Appendix B.
CHAPTER IV

Conclusions

This research project has yielded important and specific insights across a range of topic areas important to the economic health, diversification, and long term economic sustainability of the greater Bayfield area, and it has identified specific actionable goals, and strategies for accomplishing those goals.

From a location theory perspective, it is clear that quality of life considerations and natural amenity migration will continue to drive an in-migration of affluent and potentially entrepreneurial residents. But in order to fully break out of Bayfield's relatively truncated circular causation mode of development and into a more positive cumulative causation mode, natural amenity migration must be further supported with ongoing local investments in high-quality public and business enabling infrastructure, most critically that of robust hi-speed fiber networks. Taking ownership and driving change at the local level is merely "pulling yourself up by your own bootstraps." It is also an expression of an autonomous "development from below" perspective. But in order to fully realize its potential, Bayfield and its sister communities within La Plata County must act together in overcoming the primary countervailing economic factor of central place theory, a factor that will never be present locally – that of significant industrial and market scale. In order to do so we must continue to collaborate in streamlining our common processes, reducing duplication of effort, and in working to identify and bring to market under-developed local resources, most notably that of latent market information. Relative to large metropolitan centers, La Plata County and Bayfield will remain small and distant enclaves, and so we must focus on our inherent "quality of place" and
business enabling infrastructure, the purposeful development of a more technologically skilled home-grown work force, and then elevate our brand in the broader regional market.

More specifically, this research identified and put forth to the community a succinct outline of the three fundamental market functions: the production, exchange, and consumption functions, and a delineation of the six constituent factors making up those functions – essentially, a description of how seemingly organic markets operate, whether at the local, regional, or global level. Also put forward were brief examples of the targeted alteration of one or more of those six factors in seeking to impart lasting, positive change to the local economic base. Our community must act to identify and target these local market information gaps.

Drawn from the community itself and codified was a concise inventory of the community's broad economic needs. We developed also a clear understanding of our community's unique set of strengths and weaknesses, and we took more than a fair whack at identifying the external trends that are likely to impact the region in the future, producing both opportunities and threats. Informed by our mission statement, our needs assessment, and our SWOT analysis, and taking into account the fundamental principles of market operations, the Bayfield Economic Development Planning Council eventually succeeded in creating an extensive inventory of area specific goals. Across critical public service and planning domains including land use, basic infrastructure investment, business development, workforce development and affordable housing, old town revitalization, and community development, stakeholders and critical actors have been identified, goals have been established and priorities set. Some of the most important of
these goals have already been accomplished, while others are in the process of being
developed and invested in. A listing of all goals by working group area of focus can be
found in the body of the adopted ED Strategic Plan (Appendix B), while goals and their
respective progress to date (October 2009) are reported in Appendix C.

For the purposes of this conclusion I will put forward that the single, durable core
strength of our region is found in its inherent attractiveness in the realm of amenity
migration (McGranahan, 1999; Johnson, 2006; Levy, 2008). La Plata County, primarily
through the "Durango" brand, has attained a nationally recognized status for having a
high quality, active, outdoor oriented quality of life, a full four-seasons of mild climate,
and so has become and will remain an amenity migration destination for both mobile
professionals and active retirees. Long after natural gas development has waned in the
area, this natural amenity attraction will continue to draw mobile individuals and
entrepreneurs, couples and families into the area. For those who are priced out of the
Durango market, Bayfield will remain one of the top choices in the Four Corners region.
Indeed, actually attaining many of the higher order and sustainable economic outcomes
sought herein, will require potentially significant shifts in both the general mind-set and
the specific skill-sets of the local populous, and some continuing elevation of the local
socio-economic base. While locals will certainly continue to adapt and learn new skills in
response to new national and global realities, much of this shift will necessarily come
from new in-migrants bringing a higher educational attainment, the higher socio-
economic means that typically correlates, and a more encompassing national and global
perspective. A few of Richard Florida's "creative class" can go a long way in initiating
new trends and new economic possibilities in their adopted new home region, and keying
on those dynamics through existing programs such as the Growth Company Initiative (more below) will remain central to our overall goals for years to come. One possible threat therein is to our presently viable middle class becoming ever more squeezed by a rising cost of living brought on by a more upper-middle class driven growth trend. Therefore, explicit and active policies that promote affordability of both home ownership and employment transportation options are key to offsetting the otherwise market-based cost inflation that is likely to occur. Such policies are called for in the adopted plan.

One of the most important areas of new commitment is that of interagency cooperation. The key area agencies in this new collaboration are La Plata County, the City of Durango, the Town of Bayfield, the Town of Ignacio, and the coordinating private-public coalition La Plata Economic Development Action Partnership (LEAD). Also included in these efforts are the respective Chambers of Commerce of the three municipalities plus that of the Vallecito Lake resort area, the Region 9 Economic Development District of Southwest Colorado, the State of Colorado Small Business Development Center at Fort Lewis College, and the Durango Area Tourism Office (DATO). Within this consortium is found the Growth Company Initiative (GCI), which is focused upon identifying those three to five percent of all local businesses that are realizing exceptional levels of growth, supporting their respective development through the mentoring efforts of a small and focused cadre of locally retired professionals having prior national and international business experience.

At the conclusion of a May 2009 ED summit of all the entities above, the group was generally pleased with the first iteration of the summit and was casting about for closing summations. The participants, however, got bogged down on too much detail in
too many areas, from too many disparate perspectives. Summing the key points as I had heard them, I offered to the group that the way forward was upon three related tracks: 1) Continue to develop the collaborative commitments coming out of this meeting so as to a) streamline our common processes, eliminate redundancies, and so maximize return on common investment and effort; and b) clarify who was to be the central or preeminent agent on each function we sought to execute, and then define the structure and operation of both the lateral and subordinate relations; 2) Focus upon both the GCI and our fledgling "Economic Gardening" development models. Focus on the GCI because these targeted firms, by very definition, produce 70-80% of all new jobs (Markuson, 2009), and the "gardening" program for all other businesses because, if we can assist all of our viable businesses in developing their respective capacities, and if even only half of them were to then add one new employee per year, the aggregate will be tremendous; and finally 3) Work to identify, develop, and deliver the latent market information that is presently manifesting as informational gaps that impede a fuller realization of area economic potential. Durango City Manager Ron LeBlanc leaned over and confided "I think you hit the nail on the head." And La Plata County Manager Shawn Nau smiled and slid one of his business cards to me from across the table. With that, the meeting was adjourned. Our general priorities at both the town and the county levels are just those so outlined.

With the County, we are working closely with their planning department in supporting the department's efforts in crafting the new 2010 County Comprehensive Plan – within which future land use codes must come to be better aligned with expressed ED goals. Existing patterns of development – being essentially incoherent sprawl – are both significantly more costly in infrastructure maintenance liabilities and produce lower
overall economic productivity and wealth (Muro & Puentes, 2004). When the County completes their 2010 Comp Plan process, Bayfield and Ignacio can then each embark upon the update of their own plans. And we are collaborating with the County through the common ED efforts presently centered within the private-public partnership LEAD.

Together with LEAD and the Ignacio Chamber, the Bayfield Area Chamber of Commerce is working to establish a new shared, full-time position that will allow for 40 hours of coverage across the three entities, thus allowing for real-time response to phone and email inquiries, a streamlining of common processes, and a first-time professionalization of each Chambers' support operations. The initial linkages at Bayfield's end of this collaboration are primarily through the seat I hold in each organization; it is imperative that these fledgling connections remain active and invested in.

Another public entity that is a potentially critical partner, and always present whether engaged or not, is the Colorado Department of Transportation (CDOT), with whom each of the primary agencies identified above is negotiating in some manner to alter and better optimize – in the terms of today's understanding – the controlling transportation plans adopted, in some instances, a decade or more ago. Those plans continue to occupy a central place in defining current and future transportation "solutions," even as some of the local agencies have come now to question whether those earlier solutions remain appropriate in today's changing world. We are working to better partner with CDOT in a mutually respectful and responsive manner, while understanding that even CDOT remains somewhat constrained by federal highway requirements.
Finally, there are three later goals that did not specifically make it into the adopted economic development strategic plan: One tangible; one instrumental; and one evocative. Each is aligned with or otherwise supports directly the central theme of amenity migration; I offer them here: Value-added agricultural processing, bicycle races, and changing the town's name.

Value-added agricultural processing is known to be one of a small handful of industrial activities available to many rural communities (Leistritz, 2000). Additionally, part of my own professional background includes a dozen years in the natural foods industry, from the early 1980s to the mid-1990s, including engagements in warehousing and trucking, as both a wholesale and a retail buyer, in wholesale and retail management, and ultimately business ownership encompassing all of the above. That experience clearly demonstrated to me that one of the few avenues open to a predictable living income for many smaller agricultural growers and producers was to commit to producing a tangibly superior product, "branding" that product in an identifiable and informative manner, and then develop the market networks that access the discerning consumers who seek such products and are able to offer a premium for them. In this context, these "brands" are the "natural" and "organic" market segments, which have – over the years of my professional engagement and since – grown at an annual rate of twenty percent and fifty percent, respectively, for much of the past thirty years. The creative class that we seek to attract in the amenity migration process also cross-correlates strongly with this natural and organic consumer population.

As the greater Bayfield area – the Pine River Valley – is home to significant beef production, and as the vast majority of these local growers simply sell at auction into the
industrial beef processing stream, local ranch income suffers commensurately from the relative lack of local value-added processing and branding opportunities. Local beef growers who can commit to raising their beef without antibiotics and without animal by-products added to feed rations, need only a certified processing plant, a large frozen warehouse, a marketing program, and distribution management. La Plata County appears to have the former in the Sunnyside/Zink federally certified processing plant, one that already specifically caters to the naturally-produced grower segment. Needed then is the business plan that will outline the development of the latter three items. Established as a cooperative, limited shared enterprise, the net local area benefit would be appreciable and would also likely be able to pay back initial capitalization costs in a reasonable time frame. This is a real and significant opportunity that has been in the back of my mind for several years, and it is re-affirmed as being worthy of further investigation by Leistritz (2000). For more background on this market segment, see Appendix E.

Regarding bicycle races, Durango and La Plata County are already known globally as a bicycling Mecca, attracting active, healthy, and generally affluent recreational tourists in significant numbers. Recreational tourism is also often the front door through which the next local entrepreneur "locates" their new home. Bayfield can better position itself in taking advantage of this precursor element of amenity migration. So even as the major league cycling events are well anchored in Durango and other established area venues, there remain great opportunities to develop lower tier events that can key off of both local and regional enthusiasts, and gradually elevate the "Bayfield," or better, the "Pine River" brand. The Pine River Valley, particularly between the towns of Bayfield and Ignacio, offers a very attractive setting for hosting seasonal bicycle
events. The road network between the two towns is already configured to allow for an approximately 20 mile loop, one event was successfully staged in 2008, and there is no reason to believe that a continued investment in such events would not further establish our two east-County communities within a broader recreational and bicycling awareness, with spill-over into non-biking populations as well. Developing such events is an instrumental means to elevating community branding and creating a positive marketing platform that could eventually achieve a national scope, if desired. And riders typically bring other family members or supporting individuals that can boost total attendance numbers into the several hundreds or more, all of whom are potential local customers and possible future residents.

Finally, even as I concurrently complete the editing of Bayfield's new historic downtown walking tour brochure, and have in the process become now rather fond of the founding Bay family, I strongly believe the Town of Bayfield should change its name, indeed reclaim that of the first European settlement in the area, *Los Pinos*, or rendered here as *Pine River*, Colorado. A brief search of current, known Colorado communities turns up no Pine River, so the name appears to be available. And as critical aspects of our future prosperity and economic sustainability are shown above to be contingent upon the ongoing in-migration of educated, affluent professionals, preferably entrepreneurial in disposition, all that we can do to enhance the branding and attraction of our community to those who have not yet arrived, not yet seen the area first-hand, nor as yet even heard of "Bayfield," we will be well served in doing so, and it is more critical today than ever before. Therefore, and put quite simply, for an colorful and evocative picture of the real beauty that surrounds us everyday, the natural beauty that is central to why most of us
émigrés have come here, and why most locals stay, a contrast between the two names of "Pine River" and "Bayfield" is almost embarrassing to consider. From a marketing standpoint, there could be few stronger and more attractive names than "Pine River," and equally few as colorless and devoid of imagery as is "Bayfield." Additionally, as the first European settlement in the area was but a few miles upriver from present day Bayfield, and as it was called, both evocatively and accurately, *Los Pinos, The Pines,* our community today has every right to reassert claim to that exquisite and seminal name, and all the better to do so before some up-start bedroom suburb of Denver appropriates it. If we seek to put Bayfield on a broader regional growth map, change its name *back* to Pine River, Colorado.

I therefore propose that the elected Town Council of Bayfield adopt a resolution commending to the citizenry, for the period of one year, the question: Should the Town of Bayfield, Colorado, change its name to Pine River, Colorado; to be answered by the citizens, by formal ballot on the day of national elections, November, 2010. The school district should also establish formal debating curriculum in which students will produce research and reasoned argument, both pro and con, in response to this question, and certainly the local papers can play their part.

* * *

Regarding any contribution to the broader field of rural and small town economic development, it cannot be said that this project has contributed substantial new insight. The reason for this not unanticipated outcome is simply the inherent nature of economic development at the local, and particularly the rural, level: Beyond the fundamentals of productive and counter-productive public policy, effective private-public partnerships,
and of markets and their manifest incentives, the day-to-day of economic development is largely a contingent exercise of acting within the locally bounded array of particular assets and liabilities. Each community is somewhat unique in its history, current circumstance, assets and liabilities, and therefore in its present trajectory. This research project was never operating at a level targeting broad new insight; it was from the start an exercise in the possible, the pragmatic, and the local. The extensive literature review does offer a broad introduction to important ED resources and I would hope that others can benefit from its presentation here. Beyond that, this project speaks to "Pine River" and to La Plata County, Colorado.

On a more personal level, this project must also be critiqued for the manner and quality that I have developed it, managed it, and contributed to its present realization, or relative lack thereof. I feel that the fundamental economic research brought to the community is immensely valuable, but presently under-utilized. We need to more fully develop our area-wide collaborative efforts, particularly in regard to our small-business community and the "economic gardening" model. Overall, the local Bayfield area project elements have suffered from a relative dearth of human investment. I take some responsibility for this. On implementation and follow-through, it must be stated that while the independent research side of this project played to my strengths, indeed to some of my strongest interests, the community engagement and network development side, the ongoing personal outreach – ultimately the more important side – suffered substantially from my lack of personal and professional interest in this area. The simple fact is that I have rarely manifested a group orientation, I care not for crowds nor for the glad-handing of public networking, and given any opportunity to do otherwise, I will. This project has
undoubtedly been diminished because of this personal trait on my part. Aside from these deficiencies, significant goals have been realized, and many others are progressing well; see Appendix C.

In the end, however, the only factor remaining significantly in need is just that: Human will and commitment. It is therefore imperative that the goals outlined herein, and the collaborative processes begun and continuing to be invested in presently, are driven forward with renewed determination and personal commitment on the part of ordinary citizens, members of the private sector, and Town and County staff.

* * *

As for this academic paper, it ain't perfect, but it's good, and it's done.

Jack McGroder, University of Colorado – Denver
Political Science Graduate Management Intern to the Town of Bayfield (Pine River), Colorado. November 2009.
Appendix A

Comprehensive Economic Development Packet - April 2008

The Town of Bayfield is initiating a committed effort to foster broad and lasting economic development, diversification, and resiliency for our community. The first phase of this effort encompasses the period of calendar 2008 and 2009. This effort begins with community- and region-wide outreach and engagement strategies, a comprehensive strategic planning process, and a determined focus. Today's forum is part of the formal launch of this process.

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2-7) Review and update of Bayfield's 2005 Comprehensive Plan, including current progress comments from the Town Manager
8) Bayfield Economic Development: A Proposed Outline
9) Small Town Economic Development: Principles of Organization (Outline)
10) Turning Around Downtown: 12 Steps to Revitalizing Downtown (Outline)
11) Local Economic Background and Fundamentals:
   11) Positive Local Growth Factors
   13) Preliminary Strengths, Weaknesses, Opportunities, and Threats
15) La Plata County Employment Sectors: Recent Winners and Losers
16) Market-Based Economic Development
18) Some Economic Development Considerations (Bartik, 2003)
21) Recreation, Tourism, and Rural Well-Being (Reeder & Brown, 2005)

Below is an initial review of and report upon our current status in relation to the Town's 2005 Comprehensive Plan. *Asterisked notations are those of the Town Manager, Justin Clifton, February 2008; additional notes added March 27, 2008 by intern Jack McGroder. Comprehensive Plan Priorities (Comp Plan pg. 7)

1. Community Economics
   Economic issues were identified as the number one issue by community members. The development of local businesses and the capture of resident spending are deemed critical to this issue.

2. Fiscal Issues
   The Town should maintain current levels of quality citizen services in regard to: Parks, Roads, Law enforcement, Schools, Public Utilities and Town Hall.

3. Future Land Use
   Existing (prior to 2005?) Land Use Codes are/were in need of some revision and allocation regarding annexations and variable densities of future developments.

4. Parks
   The development of a comprehensive trail system (walking/biking) and the completion of a high quality community park are current priorities.

5. Transportation
   Thoughtful, comprehensive planning and priority improvements to be pursued.

Specific Policy Recommendations

- Policies 1-3 are broad and not specific policies (see Comp Plan pgs. 6, 12, 16)

Community Economics: Policies 4 – 11 (Comp Plan pgs.16-18)

- P4 Ensure adequate spectrum of commercially zoned land exists to accommodate new businesses.

* This may have been accomplished. There is still ample space for commercially zoned in the business park, Mill St. and Town Center zones that allow for business use. The comprehensive plan also identifies key street frontage areas available for business use.

- P5 Capture 50% of local and regional spending
  Actions mandated:
  - Retail market demand analysis
  - Define mkt. area; income; leakage; shopping trends; local demand; market opportunities
* We are way off on this one. We have never really had a good conversation about what areas of retail sales are viable in this area. The grocery store is an obvious attempt at addressing this issue but I don't think we’ve identified thresholds for other retail sector capture such as apparel, jewelry, appliance etc. We could probably extrapolate from consumer spending data, juxtaposed to our sales tax collection to get a percentage. (March 2008: we have recently acquired a very comprehensive local market analysis from private sector interests; dating from May 2005, this report needs to be updated; we are in discussion with those interests over funding this update; total cost may be $15-20K, to be split among several parties, including the Town)

- P6 Partner with local business and development groups to recruit new businesses
  
  Actions mandated:
  
  o Formal and continuous joint Chamber – Town "Business Commission"
  o Business Recruitment Strategy: Town, Chamber, Region 9
  o Establish marketable definition (branding) of our assets, identity, core appeal, for future businesses and residents

* The grocery store is again the only real example of this. The Chamber and Town have been disconnected, there really is no “strategy” and no real branding. (March: the Town has initiated a Comprehensive Economic Development Program that will encompass all existing and future economic, and community, development goals. We are partnering with the Bayfield Chamber [Town Manager has joined the Chamber], other local business and development interests, and we will actively involve both the broader community and regional entities. Examples of the latter are La Plata Economic Development Action Partnership (LEAD) and the Region 9 Economic Development office. First formal public meeting is scheduled for April 29th.)

- P7 Encourage continued, managed residential development

  Actions mandated:
  
  o Encourage Tier 1 property owners to be annexed
  o Managed growth plans to be integrated with existing land use code: i.e. development fees, aesthetic regs, subdivision phasing requirements, etc.

* We have accomplished many of these action plans. We do encourage annexation before development and our draft joint planning IGA with La Plata requires tier 1 properties to request annexation. There is not an overarching managed growth plan per se, but we have appropriate fees and we have refined our subdivision approval and phasing process as well as commercial building permit process.

- P8 Promote commercial/industrial development that returns significant out of area income, and that provide product and services for local residents

  Actions mandated:
  
  o Land use codes monitor/review process - streamline
  o Is a specific district promoting local resident services desirable?
Tax increment financing, bonding impact fees, special districts for resident-serving businesses may be desirable?

* We have not done anything different for direct based economic entities. Steamworks was the first of these companies to come in and ask for special treatment in the way of some kind of incentives. There was a great deal of concern on the Board that because Steamworks was also a restaurant that they might give an unfair competitive advantage. The Town floated the bonds for the business park and would probably consider doing that again in the future. There is no land use that addresses resident services so they would likely be limited to one of our business uses. It is common for people to ask for waivers to put small low impact businesses (such as day care) in one of the residential zones. (March: Actions envisioned in this policy are a central focus of the Comprehensive Economic Development Program.)

• P9 Local Lodging facilities will be encouraged
  o Water and sewer tap fee abatements may be desirable
  * Lodging is mentioned as a priority by many community folks second only to a grocery store. Water and sewer tap abatements are possible but we would need to reconsider the rate of those fees to incorporate the amount not collected under the abatement. (March: private sector efforts are in contact with at least one, possibly two, lodging interests regarding a possible future Bayfield motel or extended-stay.)

• P10 All Future Municipal Buildings to be located on or adjacent to Mill St.
  * Town Hall.

• P11 Mill St. Revitalization
  o Mill St. common parking
  o Two additional annual events on Mill St.
  o Land use and building code streamlined for commercial interests
  o Mill St historic survey
  o Aesthetic regs for Mill St.

* The historic survey is on its way and this might lead to historic designation and possible aesthetic regs. We have not talked much about parking except to say that it is way too soon to discuss a parking problem. There are a few events on Mill and I think the DBA (Downtown Business Assoc.) would like to put more together this year. (March: the DBA has one evening event scheduled for each of June, July, and August; A cultural/historic survey is underway, to be completed by March 2009.)

Future Land Use (Comp Plan pages 19-23)

Other than the Future Land Use Map and all that it represents, no new policy recommendations specific to land use are included in Comp Plan

* The comp plan zones have been codified. The first attempt to apply a new zone failed (although the applicant was asking for use of the zone in contradiction to the
comp plan). (March: Staff believes some further land use updating and/or streamlining will prove beneficial to fostering desired development and in mitigating its more undesirable aspects. Building aesthetics and landscaping codes, particularly within the Hwy 160 commercial corridor, are critical and timely issues to consider)

Parks, Recreation, Open Space, and Trails: Policies 12 – 22 (Comp Plan pgs. 24-28)

- **P12** School Board park sharing
  * Not sure exactly what this means but the Town Board / School Board relationship is really good for the first time in 7 years. (March: Promoting neighborhood use of school fields, etc; eastside developers are in discussion with school board concerning such public/neighborhood use upon anticipated new eastside school grounds.)

- **P13** Focus investment upon existing community and neighborhood parks
  * This has certainly happened. We have invested heavily in Joe Stephenson Park and Eagle Park and we have a grant this year to invest in one of our many small neighborhood parks.

- **P14** Parks facilities Fair Share development impact fees
  * We continue to collect fees in lieu of land dedication but have not issued any fair share agreements.

- **P15** Codify park land dedication for all new subdivisions and annexations
  * I believe this is done. There is a formula for parks fees and/or land. Thus far people have opted to pay the fee, which is good if enhancement of existing parks is the priority. We have not added any inflationary increase to the fee nor have we considered adjustment of fee or land obligation in light of preference for one over the other. (March: staff is scheduling a review of park assessment fees.)

- **P16-17** (Parks etc; pg 27)

- **P18** Trails development high priority: linking schools, trail systems, commercial centers, parks
  * Trails continue to be a part of every development requirement. We are also pursuing new trails. Over the next 2 years we will build a trail up CR 501 from the business park to Dove Ranch Rd. We also built some soft trail improvements in Eagle Park to create better river access.

- **P19** Hard-surface trails preferred
- **P20** Require rights of way in all new subdivisions as indicated in 2005 Comp Plan trails map (or subsequent updates)  * Done
• P21  Pursue and encourage development of trails in utility, ditch, and pipeline easements
  Actions mandated:
  o Planner and Attorney to meet with easement owners, state Municipal League attorneys to determine opps and obstacles
  o Meet with and utilize resources of other communities that have acquired ditch-trail access rights

* Nothing has been done that I am aware of to address trails on ditches. However, there is one case where there is preliminary plat approval for a subdivision phase that does contemplate building a trail near or on top of a ditch easement.

• P22  All new development required to connect to and facilitate development of trail plan
* Done.

Fiscal Considerations: Policies 23 – 31 (Comp Plan pgs. 31-35)

• P23  Fair Share development costs for capital facilities and infrastructure to be identified and implemented

* We have at least one location where there was a "fair share" type of arrangement—the intersection of the Buck Hwy and Mars. For the most part, infrastructure obligations are met with impact fees, which most often work on a reimbursement basis anyway. The approach to this had favored global arrangements rather than site specific.

• P24  Revise, clarify "organized use of parks" fees

* This has not been done to my knowledge. For the most part we have invested substantially more in Parks than we have collected in fees so I’m not sure appropriate or efficient use of funds is a big issue.

• P25-28 Account for and include all Town Admin development, building, Marshal's office, parks, and street costs in Fair Share development fees

* This has not been discussed. There is a lot of conversation about having growth "pay for itself" and proponents of that idea would likely be interested in this. However, there are some big questions such as: 1. If "development" pays for every impact known to man in the form of a fee what are property taxes and sales tax for? 2. How does this affect housing costs? 3. How does this affect the rate of development, which will ultimately affect our collection of other necessary impact fees.

• P29  Waiver of such fees in some instances – to be identified (and codified?)

*This has not been done.
• P30  Review and revise Admin fee schedules every three years

* We are in the process of revising admin fees along with new (One-Stop) check-lists and requirements for development and building permits.

• P31  Consider revised school land dedication / fee-in-lieu prepared by school district every two years (March: focus here is making sure our fee tracks real estate inflation rates; see pg. 34)

* The School District has to initiate this so it is strange to be in the Town’s comp plan. However, the School District increased their fee within the last 2 years and the Town always asks the District for input when we consider the annexation of large tracts of land or sub-area planning efforts such as the east side developments.

Transportation: Policies 32 – 36 (Comp Plan pgs. 36-41)

• P32  Enhance traffic circulation by planning adequate north-south, east-west circulation

* Intersections are being planning with this in mind. (March: May eventually need east side connector between Shell station and Buck Hwy south, by-passing current eight-corners? May need eastbound 160B – southbound Buck Hwy truck by-pass of Mill St, south of existing town boundaries? Presently, heavy trucks often use Mill St.)

• P33  Enhance connectivity between current and future development

* This is done whenever possible.

• P34  Enhance connectivity between all future developments

* Done.

• P35  Mitigate off-site impacts of future development on existing roads and intersections

• P36  Future Development required to pay Fair Share of capacity related system-wide streets improvement made necessary by such development

* Done
Proposed Outline of Process
Phase One ~ 2008 - 2009
(Adapted from University of Illinois Center on Economic Development)

1: Establish and Maintain a fully representative Economic Development Planning Council
   Timeframe: April – May, through Phase One (December 2009); Ongoing

2: Define the most appropriate Mission for this Council in serving the economic development
   needs of our entire community
   Timeframe: April – May 2008

3: Assess and summarize Bayfield's general Needs within this domain
   Timeframe: April – May 2008

4: Evaluate our Community's Strengths, Weaknesses, Opportunities and Threats (SWOT)
   Timeframe: April – June 2008

5: Establish the Economic Development Goals that best serve our Community
   Timeframe: May – June 2008; Ongoing

6: Identify Practical, Cost Effective, and Attainable Objectives and Strategies to reach these Goals
   Timeframe: May – June 2008; Ongoing

7: Identify, Establish, and Grow the funding streams necessary to Implement these Strategies
   Timeframe: May 2008 – December 2009; Ongoing

8: Prepare a Written Report encompassing all of the above
   Timeframe: July – August 2008

9: Implement these Strategies
   Timeframe: July 2008 – December 2009; Ongoing

10: Monitor, Assess, and Manage the intermediate- and longer-term Outcomes
    Timeframe: July 2008 – December 2009; Ongoing

11: Thrive as a Rural Community in Southwest Colorado
    Timeframe: Now – In Perpetuity

For the time being, we will reference this outline simply as "the Outline."

*** *** ***
Small Town Economic Development: Principles of Organization

The following outlines seven principles to the organization and operation of a local Economic Development Planning Council, as called for on the Outline (above, pg. 8, #1).

PRINCIPLE 1:
Include all local groups involved in the economic development process.

PRINCIPLE 2:
Encompass all economic development efforts in the community.

PRINCIPLE 3:
The governing body of the economic development organization must include members of the power structure - the decision-makers - of the community, from both government and the private sectors.

PRINCIPLE 4:
The governing body must have a high degree of autonomy, that is, be able to take independent action without specific approval of a participating group such as the chamber of commerce or city government.

PRINCIPLE 5:
While continuity of membership is important, make sure to infuse new blood into the program.

PRINCIPLE 6:
The governing body must meet regularly and frequently, preferably once a week. (Every other week is desirable in the early stages; once a month may suffice later.)

PRINCIPLE 7:
The organization must be adequately funded. (This is far easier said than done.)
Turning Around Downtown: Twelve Steps to Revitalization

Note: These 12 steps were originally directed toward larger scale urban renewal projects, and less immediately to small town development/revitalization projects. However, in examining a substantial cross-section of current literature on economic development, these 12 steps reflect much of what we in Bayfield need to pursue and accomplish if we are to succeed in our own economic development goals. Most of what follows is quite relevant; some will need a bit of adjustment; one or two items may ultimately be abandoned as inappropriate.

Generally, items 1-6 below overlap or run parallel to proposed Outline (above) items 2-7, while the balance below remain a part of all else we must consider.

1) Capture the Vision
   (As a start, see 2005 Comp Plan and 2001 Mill St. Revitalization Plan)

2) Develop a Strategic Plan
   (The primary focus of the Outline)

3) Forge Healthy Private/Public Partnership

4) Make the Right Thing Easy
   (Revisit codes, fees, potential incentives, etc; but avoid subsidizing growth that is going to occur anyway)

5) Establish Business Improvement Districts and Other Non-Profits

6) Create a Catalytic Development Company

7) Create an Urban Entertainment District
   (Historic Mill St.?)

8) Develop a Rental Housing Market

9) Pioneer an Affordability Strategy

10) Focus on For-Sale Housing

11) Develop a Local-Serving Retail Strategy
    (Sooner rather than later)

12) Create a Strong Office Market
Local Economic Background and Fundamentals

Positive Local Growth Factors

Southwest Colorado commands three critically desirable "natural" growth factors: We are recognized nationally as being a destination for citizens seeking 1) quality recreational opportunities; 2) natural amenities (climate and beauty); and 3) eventual relocation or retirement potential. Natural amenities as used here include generally mild winters with abundant sun, generally mild summers without excessive humidity, topographical variation (mountains, valleys, mesas, etc.), and water resources for fishing, boating, and scenic beauty. Over the past 35 years, counties with all three of these attributes have grown at a rate of not less than twice, and often at more than three to four times the national average.

The regional production of natural gas is also no small part of our recent growth, and will continue to be so for the next 15-20 years. In this regard, we are also immediately adjacent to the fastest growing county in all of New Mexico, San Juan County. However, San Juan County is far more dependent upon gas production as its primary driver of growth than is Bayfield or La Plata County dependent upon either tourism or natural gas. Long after the gas is gone, people will continue to come here because it's a great place to live.

Additionally, each of our immediate regional neighbors (Ignacio, Durango, Pagosa Springs and Archuleta Co.) is struggling to cope with some form or another of specific growth challenge. Therefore, with these natural factors providing both our physical backdrop and our economic foundation, and with our regional neighbors facing significant growth constraints that we are not, it is no wonder that "Bayfield… has become the fastest growing municipality in southwestern Colorado" (Region 9, Southwest Colorado Economic Development Office). And, as most of these factors are expected to remain in place for some time to come, it is reasonable to conclude that Bayfield will continue to be the fastest growing municipality in Southwest Colorado… provided we can avoid making any major mistakes or omissions in public planning and investment.

One such critical mistake would simply be failing to plan and invest; another would be to allow given aspects of development – development that is surely going to take place – to produce immediate or long-term physical or visual impacts which significantly diminish our attractiveness as a community. The most immediate potential for such negative and lasting impacts is to be found in how we promote and allow the commercial buildout of our front door, the Highway 160 commercial corridor. The second may be how we manage (even, how we are able to manage) the physical impacts of local gas production.

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With most of these organic and fundamental factors playing to our favor, what are some of the specific Strengths, Weaknesses, Opportunities, and Threats (SWOT) facing both greater La Plata County and, more specifically, facing Bayfield? And, where has the job growth and loss been over the first half of this decade. These assessments (below) are also drawn from Region 9 (2006), and supplemented by Town staff.
(Preliminary – April 2008))

**Strengths**
- La Plata County’s visibility on the statewide and national levels in terms of quality of life (natural amenities), thus drawing: recreation, tourism, and retirement dollars
- Current oil and gas development: 15-20 year direct and indirect income stream; presently keeping property taxes low
- Highly educated workforce (I would question this, to some degree; see below: workforce)
- New Casino (operates parallel and as enhancement to recreation, tourism draw)
- Bayfield very positively positioned in relation to regional development alternatives

**Weaknesses**
- Increasing reliance on tourism and amenity migration sectors (this is actually more of a strength than weakness; has many long-term benefits; see Recreation, Tourism, and Rural Well-Being [2005], Conclusions; attached as Appendix B. Actual weakness here is relative lack of diversified economy, not that of one of our strongest sectors remaining strong.)
- Lack of livable wage jobs and diversification of the economy (Yes, but... gradually, as affluent and mobile recreators/tourists and early retirees chose to permanently relocate to our region, some choose to establish new businesses, while all contribute to new critical mass which fosters new opportunities for others. See Employment Winners, below.)
- Growth and the county’s ability to "keep up" with resulting infrastructure demands
- Loss of open space and a decline in the agriculture sector
- Lack of telecommunications infrastructure in the outlying areas
- Identification of and cost of land for commercial, and business recruitment and/or expansion (private-sector process underway in Bayfield specifically targeting these issues)
- Improvement of workforce to meet business and community needs (I have questioned just this, as stated above, under strengths: "Highly educated workforce"? … yes and no)
Opportunities

- Geographic proximity that serves as a regional “hub” (more generally Durango / La Plata Co)
- Healthy lifestyles (attracts natural amenity/recreation seeking, and affluently mobile)
- Development of telecommuter businesses (positive overlap with above…)
- Widely diverse, well-educated population contributing to sustainability and growth of anchor businesses and institutions in the community in areas such as education, health care, higher education, agriculture, etc.
- Continuous stream of college graduates who would like to stay in the area

Threats

- Future decline of oil and gas development (12-20 yrs out; Farmington housing market will likely collapse; we should be ready for a well earned breather…)
- Funding cuts in higher education, transportation, public health and human service programs (we all have a say in this – its called voting; basic "pocketbook issues" cut both ways)
- Aging population
- Natural Resource Management
- Drought and other natural disasters
- National Healthcare crisis
- Locally (Bayfield), the imminent buildout of the 160 commercial corridor is one of the single biggest opportunities/threats we presently face: Do it well, with appropriate architectural and landscaping codes, and our doorway remains attractive and welcoming for decades to come, and secures everyone's property values; Do it carelessly and without sufficient consideration for appearance, and Bayfield will suffer the consequences for those same decades to come.
### Winners

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<th>Employment Category</th>
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<th>Total Emp'd 2005</th>
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Gross New Jobs* 3401

### Losers

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<td>77</td>
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Gross Lost Jobs* -951

Net Jobs* 2450

* from selected categories

**may represent opportunity

I have excluded categories that showed relatively limited absolute change in employment numbers.
Market-Based Approaches to Economic Development

Markets are comprised of three primary functions, or components. These functions are the Production, Exchange, and Consumption functions of a given market. Each of these market functions has its own specific factors, or "levers," which impact or allow for its operation. These factors or levers are, in Production: input costs and output productivity; in Exchange: the transaction factors of finding costs and measurement/assessment costs; and in Consumption: consumer preference and income. Alter, impede, or enhance any of these six factors and you alter, impede, or enhance the functioning of the local market. Obviously, regional, national, even global changes can effect the local market. National income issues are certainly a present concern. Bayfield and other rural communities have generally had gaps to close, at the least, in the areas of finding costs and measurement costs: We may have assets and opportunities that we feel are being under-utilized by various markets. Market forces are failing to identify and access these opportunities because they have deemed it simpler and cheaper to ignore or forego the effort. One of our jobs is to identify and target these market weaknesses.

There are four steps in the process of assessing local market-based intervention options.

A) Determine whether or not there is a market solution at all? Some challenges do not have direct market solutions, for instance, a lack of local economic investment due to a high crime rate. If it is determined that there is or should be a market solution to a given challenge, what specific market/s could affect the development goal, and can the operation of those market functions be developed so as to more constructively align with community development goals?

B) What are the specific components of the market that currently prevent it from meeting the development goal? What are the current "market failures" precluding local transactions? They are located in some combination of the functions outlined above.

C) What factor or lever in each component might be targeted to help develop more efficient and less costly market operations, and so achieve the development goal?

D) What products or activities are necessary to move those levers?

Three simple examples: An increase in workforce skills will likely result in increased productivity, resulting in lower unit production costs and a more competitive or profitable product. A comprehensive local market analysis, together with an updated commercial properties inventory and a complete schedule of business start-up costs, can help bridge a market exchange gap in finding and measurement costs. And an increase in average local household income, for instance, through a gradual in-migration of more educated and affluent individuals, can shift local consumer preferences to where entirely new types of businesses become viable for the first time.

Thankfully, most of what Bayfield needs to accomplish in economic development is to be found in some combination of these broad market solutions. We can be thankful that our underlying local and regional fundamentals are all generally very positive, even if temporarily weakened by the significant national downturn.

* * *

Our immediate needs are then to create or update a comprehensive Inventory of current local Capacities: Workforce numbers and capabilities; Land type, cost, and availability; Infrastructure assets, rate schedules, and ongoing needs; Capital availability and local partnering opportunities; etc. Some of this is underway.

In market areas of identified local weakness, what and how do we target for our community Needs? How do our workforce skills compare to those that the markets are demanding? What specific information exists within the community and has market value, but is currently not being delivered to or accessed by the markets? What might we do to encourage a stronger consumer preference for shopping locally?

All of this is far more than simple "marketing." It is understanding precisely what is failing to operate efficiently in producing or bringing together the local skills, information, investment, goods and services, and consumer preferences that will produce the Bayfield we all want.

Going forward, we must identify and target each specific deficiency with the most appropriate type of intervention. Most often, these interventions will be market-based, or market-oriented, as outlined above. Sometimes, it will require private-public partnering – such as to enhance specific workforce skills. Sometimes, it will be private-public partnering to raise capital for business recruitment, incubation, or expansion. And sometimes, it will be straight public investment in critical infrastructure, such as the new sewer plant.

These are some of the challenges and processes we have before us. Now let’s have some fun.

* * *
Fiscal benefits. One rationale for public subsidy of economic development is possible fiscal benefits. New jobs will result in increased local profits, wages, sales, and property values, all of which will enhance local tax revenue. Some governments erroneously assume that this is the only fiscal effect of new jobs, for example Michigan does so in evaluating the fiscal effects of its tax incentives. A better—but still incomplete—approach also includes the increase in public services and infrastructure that is directly required by the new or expanded businesses. Most studies suggest that at regular tax rates, the typical business generates significantly more state and local tax revenues than the public expenditures it requires—in one study, $1.70 in taxes for every $1 in required public expenditure. However, the true fiscal impact of local economic development policies is more complicated than this analysis suggests. Additional factors must be considered to determine the true fiscal impact of local economic development.

Factor 1: New business and new jobs will attract additional households, and the fiscal impact of new households must be considered. The typical household consumes more in public services than it pays in state and local taxes. This is less true of wealthy households than of low-income households, and less true of childless households than households that use public schools. Therefore, the fiscal benefits of economic development will be greater if more jobs go to current residents rather than in-migrating households, and greater if the in-migrants are upper income.

Factor 2: The fiscal benefits of new business and new jobs will tend to be greater if one is only concerned with the fiscal well-being of the local government in which the business is located, as fiscal benefits of new business accrue to that local government, while fiscal costs of new households occur for other governmental units in the local labor market. In addition, much of the public service costs of new households are the costs of public education for additional students, and these costs will typically not be paid by the local government that attracts the business. From a national or even state perspective, considering the fiscal effects on all government jurisdictions is preferable. However, a financially hard-pressed local government will sometimes have to focus on its narrow fiscal self-interest.

Factor 3: The fiscal benefits of economic development will be greater if it is possible to ignore effects on the need for additional infrastructure. If there is excess capacity in local infrastructure (for example, the local highway system can accommodate more cars without increased congestion) then additional infrastructure will not be required, and fiscal benefits will be greater. The need for additional infrastructure will be less apparent in analyses that consider one business expansion at a time, rather than the cumulative impact of many business expansions, as each project may appear to have a negligible impact on congestion in the use of local infrastructure even though the business expansions taken as a whole will strain local infrastructure. Another issue is whether the local government is willing to accept some losses in public service quality that occur as infrastructure
capacity is strained (for example, is the local government willing to accept some increases in travel time as local roads become more crowded). A fiscally troubled local government may downplay the congestion costs of additional business activity.

**Factor 4:** The net fiscal benefits of economic development assistance will be greater if in all cases the economic development assistance was decisive in inducing the new business activity. Otherwise, a comprehensive fiscal analysis will have to consider that in some cases the local economic development program has subsidized new or expanded business activity that would have occurred in the local area even without the program. If the new activity would have occurred anyway, the fiscal effects are clearly negative and equal to the subsidy cost. Such subsidies should be avoided, but this is easier said than done. Program managers will rarely know for certain which subsidies were decisive and which were not. A complete fiscal analysis will make some assumptions about what proportion of economic development subsidies were decisive, and weigh the fiscal benefits (if any) of such decisive subsidies against the costs of providing unneeded subsidies.

Evaluating the fiscal effects of economic development requires the use of an econometric model… But such a computer model only supplies a methodological approach; the actual fiscal effects depend on the jurisdiction’s tax structure, the capacity of local infrastructure, and the particular project.

For a local government manager willing to adopt a short-run perspective, to only look at the well-being of his or her own jurisdiction, and able to ignore effects on local infrastructure, local economic development will often provide sizable fiscal benefits. On the other hand, if a local government manager adopts a long-run perspective, considers fiscal benefits to all local governments, and considers the true long-run costs of providing infrastructure services of a given quality, then the fiscal benefits of local economic development will depend on its "employment benefits": that is, whether it raises employment rates and wages. Over the long run, most public finance studies suggest that local public services, including infrastructure, are provided at constant average costs beyond a modest population size; that is, the cost of providing a given quality of service to household and businesses is the same per household and business as the local area grows. Thus, in the long run, if employment and population both increase by the same percentage, public service costs should also increase by the same percentage. If tax revenue went up by the same percentage, long-run fiscal benefits would be nil. However, tax revenue will increase more if local wages go up, and public service costs will increase less if population increases less than employment, which allows for fiscal benefits if economic development raises wages and employment rates (the ratio of employment to population).

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(Note: the following all speak to the Production function of markets)

**Market failures.** The productivity of local businesses may be efficiently increased if we can identify "market failures" in which inputs to business production are inefficiently provided, so that these inputs are not optimally supplied even though such supply would increase productivity by more than the input cost. These market failures may include the following:

- Information on how to improve business productivity, particularly basic information, may be insufficiently supplied by the private market. For example, businesses may have difficulty identifying a reliable consultant who can tell them how best to integrate the latest computers and telecommunications into their production process; the available information is often unreliable and self-serving, and evaluating the claims of different "experts" is difficult.
• Research and development in business, and particularly more fundamental R&D, may be underproduced because some benefits of R&D accrue to other businesses that imitate any successful breakthrough.

• Business capital may be insufficiently supplied because many [policies in]… capital markets inhibit loans to business ventures with high expected returns but high risks.

• The training of labor may be insufficiently provided by businesses because of fears that trained labor will move to another employer and, in some small businesses, difficulties in obtaining financing for the training investment.

• Land may not always be optimally provided to private businesses because land use is heavily regulated by zoning, and individual landowners may have market power to hold out against selling a land parcel to a developer seeking to assemble many parcels for a sizable business development.

• Public infrastructure may be underprovided to businesses—and households—without public intervention, because in many cases such infrastructure would simultaneously provide services to many users, and it may be difficult to fully charge for such usage [or, some businesses resist paying the costs of infrastructure improvements that clearly, and most directly benefit themselves].

• Business regulations… may be inefficient in the overall level of regulation, the flexibility of regulation in responding to specific cases, or the ease of businesses understanding the regulations. The last area is the least controversial for reform, because it involves no diminution of regulation’s benefits for the public.

• These possible market failures only indicate that there may be benefits that exceed costs from some different arrangement. For public policy to help, we must be able to design and implement a government program that results in the input being more efficiently provided, through the government providing the input or encouraging private sector provision. In some cases, it may be impossible to set up such a program. But if such a program can be arranged, it gives the public sector another economic development tool to increase economic efficiency, and is a cost-effective way of assisting export-base businesses.

***   ***   ***
Conclusions
This study provides quantitative information on how tourism and recreation development affects socioeconomic conditions in rural areas. Specifically, we wanted to address economic issues related to employment, income, earnings, and cost of living, and social issues such as poverty, education, health, and crime. A summary follows of our main findings on the socioeconomic impacts of rural recreation and tourism development.

Employment. Our regression analysis found a positive and statistically significant association between recreation dependency and the percentage of working-age population with jobs. We also found that, with the exception of the older (65 and over) population, recreation dependency positively affected the change in this employment measure during the 1990s.

Earnings. We examined earnings per job and earnings per resident to measure the value of the jobs associated with rural recreation development. We found that the average earnings per job in recreation counties were not significantly different than in other nonmetro counties, and we found no direct (linear) relationship between local dependency on recreation and local earnings per job in our recreation counties. However, our regression analysis found a positive relationship between recreation and growth in earnings per job during the 1990s. Thus, the trend seems to favor the pay levels for jobs in these recreation counties. These findings concern earnings of all who work in the county, including nonresidents. They report earnings per job, not per worker—an important distinction because workers may have more than one job, and the availability of second jobs (part-time and seasonal) may be greater in recreation counties than elsewhere. When we focused on total job earnings for residents of recreation counties, we found these earnings were significantly higher ($2,000 more per worker) than for residents of other rural counties. The regression analysis also found a significant positive relationship between recreation and resident-worker earnings. So the earnings picture for recreation counties appears positive for the average resident.

Cost of living. Our research suggests recreation development leads to higher living costs, at least with respect to housing. We found that the average rent was 23 percent higher in recreation counties, and it was positively and significantly associated with the degree of recreation dependency in our regression analysis. While this may reduce some of the economic advantages for residents of recreation counties, it does so only partially. Median household incomes, on average, were $3,185 higher in recreation counties than in other rural counties. Annual costs associated with rent were $1,080 higher in recreation counties, offsetting only about a third of the recreation county income advantage.

Growth strains. We found recreation led to significantly higher rates of population growth. In theory, this can aggravate social problems, such as school crowding, housing shortages, pollution, and loss of identification with the community. The one growth-related social problem we addressed was road congestion. Examining the time it takes to commute to work, we found
little evidence that congestion was presenting undue problems for residents in recreation counties. Moreover, our regression analysis found that recreation was associated with smaller increases in average commute times in the 1990s than in other rural counties.

_ Poverty._ Another social problem that appeared to be reduced in recreation counties was poverty. Our regression analysis found recreation was associated with lower poverty rates and with larger declines in the poverty rate during the 1990s.

_ Crime._ There may be some cause for concern with regard to crime. We found crime rates (for serious crimes) were higher in recreation counties than in other rural counties, and our regression analysis also found a statistically significant positive relationship between crime rates and recreation dependency. However, crime statistics may be biased in recreation areas because crimes against tourists and seasonal residents are counted in the crime rate, while tourists and seasonal residents are not counted as part of the population base upon which the rate is calculated. Thus, even if people in recreation areas do not face a higher chance of becoming victims of crimes, the crime rates of these areas will appear higher than elsewhere. Nonetheless, one may still argue that recreation-related crime adds to the local cost of policing and incarcerating criminals, just as recreation-related traffic—even though it may not create congestion—adds to the cost of maintaining roads.

_ Education and health._ Our analysis found that recreation is associated with a more educated population, particularly with a higher percentage of college-educated people. We also found relatively good health conditions (measured by age-adjusted death rates) in recreation counties. This might be expected from the higher numbers of physicians per 100,000 residents that we found in recreation counties. However, our regression analysis did not find a statistically significant relationship between recreation dependence and the local supply of physicians. So some other explanation must be posited for the general good health in recreation counties, such as greater opportunities for physical exercise or residents who are more health-conscious.

_ Variations by county type._ Conditions vary significantly by recreation county type. For example, Ski Resort counties have among the wealthiest, best educated, and healthiest populations of all recreation county types. Ski Resort counties also have relatively high rates of crime. In contrast, Reservoir Lake counties and South Appalachian Mountain Resort counties have among the poorest and least educated residents of all recreation county types, along with relatively high age-adjusted death rates, but they have relatively low crime rates. Casino counties—which had among the highest rates of job growth and the largest absolute increases in earnings per job during the 1990s—also had among the highest rates of growth in employment per person for seniors, perhaps reflecting the greater need for jobs among those over age 65 in these relatively high-poverty communities.
Appendix B

Town of Bayfield – Economic Development Strategic Plan

Begins on the following page.
Bayfield Economic Development Planning Council

Economic Development Strategic Plan

Ratified by the Community
December 11, 2008

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Adopted by
Bayfield Town Board of Trustees
January 20, 2009
Bayfield Economic Development Planning Council
Outline of Process – December 2008
(Adapted from the University of Illinois Center for Economic Development)

1: Establish and maintain a fully representative Economic Development Planning Council.
   Timeframe: May 2008; Ongoing
   * Need to formalize and strengthen

2: Define the most appropriate Mission for this Council in serving the economic development needs of our entire community.
   Timeframe: April – June 2008
   Completed.

3: Assess and summarize Bayfield's general Needs in economic and community development.
   Timeframe: April – June 2008
   Completed.

4: Evaluate our Community's Strengths, Weaknesses, Opportunities and Threats (SWOT).
   Timeframe: April – July 2008
   Completed.

5: Establish the Economic Development Goals that best serve our Community.
   Timeframe: July – Oct. 2008; Ongoing
   Completed.

6: Identify Practical, Cost Effective, and Attainable Objectives and Strategies to reach these Goals.
   Timeframe: Jan. – Feb. 2009; Ongoing

7: Identify, Establish, and Grow the Funding streams necessary to Implement these Strategies.
   * The next priority

8: Prepare a Written Report encompassing all of the above.
   Timeframe: August – October 2008
   Completed – this is the Strategic Plan.

9: Implement these Strategies.
   Timeframe: August 2008 – December 2009; Ongoing

10: Monitor, Assess, and Manage the intermediate- and longer-term processes and outcomes.
    Timeframe: August 2008 – December 2009; Ongoing
Bayfield Economic Development Planning Council

Mission Statement

It is the Mission of the Bayfield Economic Development Planning Council to create Partnerships between Citizens, Businesses, and Government that promote the Economic Health, Diversification, and long term Economic Sustainability of the greater Bayfield area.

* * *
Bayfield Economic Development Planning Council

Needs Assessment - Distilled

This compilation is a refinement of our full Needs Assessment.5

Bayfield needs:

1. More good jobs; more base industry employers
2. More basic and specialty retailers and consumer services, including family medical services
3. Local business retention and management development services
4. Affordable/Attainable workforce and family housing
5. Workforce development:
   a. to improve our basic workforce quality
   b. to target the local development of business-defined skills
6. Effective private/public partnerships to define, fund, and build current and future infrastructure needs, including high-speed broadband
7. Proactive and responsive marketing by way of websites and other methods
8. Updated comprehensive plans for land use, traffic, commercial and residential development
9. Updated development standards and streamlined development processes
10. Dedicated funding for Economic Development efforts

* * *

5 Complete Needs assessment will be attached to the final document as an appendix.
Bayfield Economic Development Strategic Plan – December 2008

Bayfield Economic Development Planning Council

SWOT Analysis

Top Five Strengths, Weaknesses, Opportunities, and Threats

Bayfield's Strengths

- Quality of Life: Attracting recreation, tourism, and retirement migration and income
- Bayfield's central location and proximity to other communities, highways, regional medical center, airport, national forests, and developing gas fields
- Quality public amenities: Award-winning School district; new Library, Town Hall, and Senior Center; our growing system of parks and trails; and state-of-the-art water and sanitation plants
- Town government as a proactive, accessible, and responsive business partner
- Bayfield well positioned in relation to more costly or less attractive regional development alternatives; should remain fastest growing community in SW Colorado

Bayfield's Weaknesses

- Ongoing leakage of local sales revenue to Durango, Farmington, and beyond, due to a relative lack of full and competitive retail services (grocery, lodging, etc.)
- Shortage of livable wage jobs and a more diversified local economy
- Shrinking base of affordable/attainable housing for both families and workforce
- Challenge of keeping up with infrastructure demands: Schools, Roads, Water, Parks
- Workforce deficiencies in meeting business and industry needs

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6 Complete SWOT analysis will be attached to the final document as an appendix; these rankings are the subjective consensus of your Town Staff: J. Clifton, J. Crain, and J. McGroder.
Bayfield's Opportunities

- Prioritize development of existing businesses, and business networking opportunities (Economic Gardening model)
- Developing options to meet underserved market segments (grocery, lodging, medical services, etc.)
- Private / Public Partnerships that target identified needs, including new industrial growth models focused on Gem Village, Bayfield's existing Enterprise Zone status, and new industrial park development in Bayfield
- Mill St. redevelopment as catalyst for downtown revitalization
- Update of Comprehensive Plans and Building Standards to promote new development models consistent with community values and new economic realities

Bayfield's Threats

- Near-term (2009-2010): National and global economic weakness; Longer-term: Energy-based Inflation: Transportation, food, other necessities, will all be more expensive, with discretionary spending shrinking in relation
- Ongoing leakage of local sales revenue to Durango, Farmington, and beyond
- Future decline of local gas production (5 - 15 years)
- Challenge of keeping up with infrastructure demands: Schools, Roads, Water, Parks
- Distance to Interstate Hwy system and mass markets

* * *

- Finally, we have entered and will remain in a period of fundamental global transformation: The rise of China, India, the rest of Asia, and their new demands upon energy, food, and raw materials is here to stay, as are the higher prices

* * *
Bayfield Economic Development Planning Council

Strategic Plan Goals

It has been the task of the working groups and Town staff to utilize our Mission Statement, our Needs assessment, and our Strengths, Weaknesses, Opportunities, and Threats (SWOT) analysis to develop this set of practical, area specific Goals. The Goals are prioritized within each area of focus.

Land Use, Infrastructure and Transportation

Land Use Goals
- Create new land use plan for West side: CR 501 to Gem Village
- Partner with Gem Village business community to expand industrial overlay
- Establish new architectural and landscaping design standards for Hwy 160 corridor
- Identify potential new industrial park locations within Bayfield
- Update Codes and expand full comprehensive Land Use Plan
- Implement Eastside Land Use Plan
- Prepare for update of area Comprehensive Plan in 2009 – 2010
- Engage Pine River frontage property owners in discussions on long-term plan for riverfront and valley floor use; examine conservation and public access easements

Infrastructure Goals
- Secure necessary funding and build Gem Village sanitation Lift Station
- Inventory existing infrastructure and establish long-term maintenance and replacement schedules (5 & 10 year plans) for roads, water, sewer systems, etc
- Actively pursue broadband access to the greater Bayfield area
- Develop Storm Drainage master plan; incorporate Mill St. before repaving
- Finalize construction standards for privately built public infrastructure – Done?
- Riverside Park waterline upgrade

Transportation Goals
- Define Local Area Assumptions for meeting w/CDOT
- Resolve CDOT/Commerce Dr. issues
- Define, fund, and complete:
  - Hwy 160 corridor traffic study/access control plan
  - Bayfield/Gem Village/Ignacio Gas Development traffic impact study
  - Internal Bayfield traffic study and model
- Pursue long-term funding options for construction of both Hwy 160B intersections
- Examine options and liabilities (bridges) in taking over from CDOT Hwy 160 B
- Continue to work with Road Runner to build ridership; park and ride options
Bayfield Economic Development Strategic Plan – December 2008

- Consider development of traffic "level of service" standard
- Extend pedestrian/bike trail master plan to include Homestead Trails and Gem Village
- Maintain and enforce safety on all roads, intersections, and school zones
- Advocate for Bayfield's interests and priorities with all transportation agencies

**Business Development, Retention, and Recruitment**

Business Development and Retention Goals

- Develop a critical "business needs" survey; target business-defined goals
- Partner with Chamber, Small Business Development Center, other agencies, to develop local management and business capacity – "Economic Gardening"
- Identify upstream supply chains and downstream markets of each business or sector; promote local efficiencies and networking development
- Promote common branding, marketing, website options
- Partner with existing area "Buy Local" marketing and education programs
- Work with CDOT to establish enhanced Hwy 160 commercial sign program

Recruitment Goals

- Actively Pursue:
  - Expanded, more cost competitive grocery options
  - Lodging options
  - Family medical options
- Engage Retail Recruiter
- Inventory all commercially zoned property, including contact information
- Identify all businesses in Bayfield; include type of bus; sq. ft; other criteria
- Identify and maintain current Bayfield area demographics
- Catalog all Enterprise Zone incentives available to new or expanding businesses
- Identify all possible Town incentives and circumstances of application
- Establish single-desk for information, marketing, and initial recruitment products; establish linkages across all local information access points
- Develop funding/personnel to operate Chamber Visitor Center with regular hours
- Pursue Business Incubator and new business park options
- Examine options for redevelopment of old Middle School property as business incubator
- Pursue local campus development for San Juan Vetch
- Explore potential for alternative energy business development; partner with existing local energy firms and entrepreneurs
- Define/Develop local Energy Rebate programs for homes and businesses; promote training of local insulators, installers

**Workforce Development, Early Education, and Housing**

Workforce Development Goals

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7 Traffic LOS: Possible criteria: Wait time at intersections; maximum acceptable travel times, points A to B; etc.
Bayfield Economic Development Strategic Plan – December 2008

- Continue working with Region 9 ED sponsored workforce assessment group
- Survey local employers for workforce needs; enlist Chamber, Rotary, others
- Partner with area schools, colleges, vow-techs, and agencies to target workforce improvement and needed skills development

- Recruit local campus for vow-tech training
- Examine workforce daycare needs and options

**Early Education**

- Secure funding for acquisition and development of dedicated Early Ed space
- Identify and acquire land for Early Ed facility
- Define daycare needs and options
- Examine possible elder care synergies

**Housing Goals**

- Continue to work with Regional Housing Alliance to develop and reach goals
- Continue to develop Town standards that promote affordability options
- Examine new models for Green codes; higher-density development; affordability/sustainability on full life-cycle cost basis
- Streamline and clarify development and builder permitting processes, fee schedules

**Historic Mill St. Revitalization**

- Define general and specific renewal goals - Done
- Finalize code revisions for higher density second floor residential
- Engage design services in updating comprehensive streetscape design plans
- Incorporate Storm Drainage master plan considerations into redevelopment plans
- Continue outreach and engagement of Mill St. business and resident community
- Enroll in and utilize resources of Colorado Main Street program

**Community Development, Parks and Rec, Special Events, and Tourism**

**Parks and Recreation Goals**

- Secure funding for one new staff position for senior center operations and programs
- Complete final design plans for Joe Stephenson Park (or merge with Mill St plans)
- Develop Master Park Plan
- Continue to develop new athletic tournaments
- Develop River Trail plan; pursue easements and future funding options
- Identify location and facility needs for new northeast park
- Explore Ditch-to-Trail easements for trail development

**Community Development & Special Events Goals**

- Enlist Heritage Days group as basis for this working group
- Reinvigorate existing events; develop new events
Bayfield Economic Development Strategic Plan – December 2008

- County Fairgrounds: Identify potential locations and advocate for area location
- Create one common Pine River Valley Community Calendar: Vallecito to Arboles
- Delineate Town (staff time) contributions to facilitating various special events
- Enlist Bayfield High School events and boosters
- Examine development of equestrian-oriented recreation and tourism assets

Tourism Goals
- Websites, Websites, Websites
- Area, County, and Regional collaboration (Bayfield Heritage Days and 4th of July, Vallecito and Navajo Lakes, Pagosa Hot Springs, Sky Ute Casino, Durango & Silverton Railroad, Mesa Verde N.P., Purgatory at DMR and Wolf Creek Ski Areas, Ignacio Bike Week, Ironhorse Bicycle Classic, Ride the Rockies, Bayfield 3000 Soapbox Derby; etc.)

Finance, Planning, and Project Implementation

Finance Goals
- Examine tax increment financing (TIF), special districts/authorities, and other Town options for funding these Economic Development efforts
- Partner with County, Region 9, local businesses, to secure various portions of funding
- Identify estimated costs of each goal established herein, whether in human hours, in dollars, in trade-offs, or other costs

Planning Goals
- Finalize Economic Development Strategic Plan by December - DONE
- Continue to actively pursue and enlist support for each goal outlined herein
- Partner with other Pine River Valley communities, City of Durango, La Plata County, and Region 9 Economic Development efforts
- Host ED Meeting in Gem Village

Implementation Goals
- Establish/Grow dedicated ED position
- Define precisely who is committed to and responsible for each goal
- Enlist the many capable individuals and local entities necessary to fulfill these tasks
- Establish reasonable timelines for deliverables

* * *

Bayfield Economic Development Planning Council

Strategic Priorities

An ongoing process –

Prior to the December meeting, Town staff discussed priorities as seen from the vantage point of Town Hall. At the time of ratification, priorities were also discussed among the participants present. An initial compilation of these priorities is represented in the Goals outlined above.

A point to keep in mind regarding our priorities is that we are faced with three general types: 1) The smaller, low-hanging fruit that we can and must accomplish locally, sooner, and by our own means. We see the gathering of important local data and growing it into usable and higher value market information as an example. Building and linking effective websites is another. 2) The larger, tougher, local priorities that will take a fair bit of effort, coordination, and follow-through. An example is working with the Gem Village business community and the County's Planning staff to enlarge the industrial overlay in Gem Village. And 3) The large, expensive, and critical infrastructure needs such as our targeted intersection improvements, the new Gem Village sanitation lift station, or the rehabilitation of the old, downtown middle school property. This type nearly always requires outside sources of capital investment.

All are priorities but require different tools, strategies, and networks to accomplish. As a community, we have all that we need as far as talent, experience, and commitment right here. The capital resources that we don't have we can access through the many area, regional, and state-sponsored partnerships that are a central focus of this Strategic Plan.

The bottom line remains: There is a place within our Economic Development effort for every community member, business, and organization. We ask that you ask yourself, and your organization: What is your role going to be?
Bayfield Economic Development Planning Council
Participating Contributors

Community members who have participated in two or more meetings:

Ron Dunavant
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Brad Elder
Rich Hillyer
Melanie Mazur
Carole McWilliams
Grant Richards
Don Mooney
Rob Rogers

Our thanks to a great many other individuals who have participated or contributed in other important ways.

* * *

Contributing Town, County, and Regional Officials

Mayor Rick Smith – Bayfield
Tom Au – Bayfield Town Board of Trustees
Bob Piccoli – Bayfield Town Board
Dan Ford – Bayfield Town Board
Justin Talbot – Bayfield Town Board
Debbi Renfro – Bayfield Town Board

Kellie Hotter – La Plata County Commissioner
Wally White – La Plata County Commissioner

Ed Morlan – Region 9 Economic Development Office
Jack Llewellyn – La Plata Economic Development Action Partnership (LEAD)

Bayfield Town Staff

Justin Clifton – Town Manager
Joe Crain – Town Planner
Jack McGroder – Graduate Management Intern

* * *
Land Use, Infrastructure and Transportation

Land Use Goals

- Create new land use plan for West side: CR 501 to Gem Village – pending County Comp Plan update
- Partner with Gem Village business community to expand industrial overlay – broader dialog is being sought with both the County and CDOT; one challenge is CDOT’s proposed bypass to the south of Gem Village, which presents current impediments to more active planning, even as that bypass is unlikely to be constructed anytime in the next 15 years. Additionally, the County is in the process of drafting the 2010 Comp Plan, and while the Town is engaged in that higher-order process, our update of our own local Comp Plan must necessarily wait on the completion of the County’s plan.
- Establish new architectural and landscaping design standards for Hwy 160 corridor.
- Identify potential new industrial park locations within Bayfield.
- Update Codes and expand full comprehensive Land Use Plan – 2010.
- Implement Eastside Land Use Plan – Pending traffic study and new intersection.
- Prepare for update of area Comprehensive Plan in 2010 – must wait for County’s plan.
- Engage Pine River frontage property owners in discussions on long-term plan for river-front and valley floor use; examine conservation and public access easements.

Infrastructure Goals

- Secure necessary funding and build Gem Village sanitation Lift Station – Funding secured, under construction.
- Inventory existing infrastructure and establish long-term maintenance and replacement schedules (5 & 10 year plans) for roads, water, sewer systems, etc – Largely Done.
- Actively pursue broadband access to the greater Bayfield area – In negotiations on several parallel tracks.
- Develop Storm Drainage master plan; incorporate Mill St. before repaving
- Finalize construction standards for privately built public infrastructure – Pending Planning Commission/Town Board adoption; a significant amount of recent development has imposed unplanned additional costs upon the Town, often from inadequately constructed infrastructure failing far ahead of schedule.
- Riverside Park waterline upgrade – dropped from 2010 budget cycle (-$$).

Transportation Goals

- Define local area growth assumptions for meeting w/CDOT – Eastside Land Use completed; pending eastside traffic study; westside 160B in preliminary negotiations.
- Resolve CDOT/Commerce Dr. issues – not fully resolved/documente; dialog on hold.
- Define, fund, and complete:
  - Hwy 160 corridor traffic study/access control plan – Eastside study in process.
- Bayfield/Gem Village/Ignacio Gas Development traffic impact study – needed.
- Internal Bayfield traffic study and model – will wait until growth takes off again.
- Pursue long-term funding options for construction of both Hwy 160B intersections - see immediately below.
- Examine options and liabilities (bridges) in taking over from CDOT Hwy 160 B – Town WILL take ownership of 160B from CDOT; Town to receive $6.8million for known 20 year liabilities; funds to be used for permanent local road/bridge fund, and some ED investment, possibly some intersection investment.
- Continue to work with Road Runner to build ridership; park and ride options.
- Consider development of traffic "level of service" standard8.
- Extend pedestrian/bike trail master plan to include Homestead Trails and Gem Village – Planning grant from Nat. Park Serv. awarded to Trails 2000 of Durango to plan Dgo-Bayfield trail corridor; this is the first important step in the process of linking the two towns.
- Maintain and enforce safety on all roads, intersections, and school zones
- Advocate for Bayfield's interests and priorities with all transportation agencies – was doing more prior to Town Planner's retirement; need to re-engage monthly CDOT/Agency meetings.

Business Development, Retention, and Recruitment

Business Development and Retention Goals
- Develop a critical "business needs" survey; target business-defined goals – LEAD/Region9 heading up a county-wide effort; Bayfield is partnered to this effort but will need to expand the effort locally.
- Partner with Chamber, Small Business Development Center, other agencies, to develop local management and business capacity – “Economic Gardening” – The SBDC is now offering monthly one-on-one business sessions in Bayfield; significant ongoing collaboration is occurring between area agencies; next local priority is strong focus on "Economic Gardening" disciplines.
- Identify upstream supply chains and downstream markets of each business or sector; promote local efficiencies and networking development – this will be a part of the targeted business survey being conducted by LEAD/Region 9.
- Promote common branding, marketing, website options – Town and Chamber collaborating on two new brochures (one business focused, the other tourism) and common web content; working closely with LEAD, area Chambers, and Dgo Area Tourism Office (DATO) to promote common products and service delivery.
- Partner with existing area "Buy Local" marketing and education programs – Happening; this has been one of the early successes of Bayfield's collaborative efforts; required only a determination to do so, and allocating some time and dollars to those existing programs.
- Work with CDOT to establish enhanced Hwy 160 commercial sign program – very limited options; a highly state-regulated matter; businesses with 50%+ tourist customers can apply for blue tourist info signs; no other options for general signage on State/Federal Hwys

Recruitment Goals

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8 Traffic LOS: Possible criteria: Wait time at intersections; maximum acceptable travel times, points A to B; etc.

Active Pursue:
- Expanded, more cost competitive grocery options
- Lodging options
- Family medical options

Engage Retail Recruiter – Town priority for 2010

Inventory all commercially zoned property, including contact information – still needs to be consolidated and cataloged.

Identify all businesses in Bayfield; include type of bus; sq. ft; other criteria – targeting a revamped 2010 business license renewal application as the first pass on this; will then cross reference with monthly Colo. Dept. of Rev. sales tax accounts.

Identify and maintain current Bayfield area demographics – updated demographics and market profile produced, see Town website; included in new brochures. 2010 US Census begins next iteration of most accurate demographic inventory: please promote local awareness and full participation – the number one users of US census info are US businesses.

Catalog all Enterprise Zone incentives available to new or expanding businesses – currently available through the Region 9 Economic Development District; or contact Jack at Town Hall.

Identify all possible Town incentives and circumstances of application – Ongoing discussions at the Town Board and staff levels; ED "best-practices” strongly suggest public sector priorities remain in critical infrastructure – roads, water/sewer, telecom partnerships; avoid subsidizing single firms, focus on broad, general benefits to industry sectors; attraction of critical amenities such as a grocery store may warrant more narrowly targeted incentives.

Establish single-desk for information, marketing, and initial recruitment products; establish linkages across all local information access points – LEAD and the Bayfield and Ignacio Chambers are working to fund a shared, 40 hour position that will cover the day-to-day professional support duties of the three entities; additionally, all local agencies are working to establish a common, seamless, first-response network for business and family relocation inquiries; linked also to DATO for tourism inquiries.

Develop funding/personnel to operate Chamber Visitor Center with regular hours – see immediately above for Chamber personnel; the Bayfield Chamber Board of Directors, of whom I am one, has decided to abandon the recurrent attempts to staff the roadside park office. In the absence of dedicated volunteers, and there are none, there is simply no feasible way to staff this building; our limited resources will go a great deal further by partnering in the manner defined above.

Pursue Business Incubator and new business park options – LEAD is looking to establish a business incubator somewhere in the county, but likely placement will be closer to Durango and Fort Lewis College. There are new commercial and light industrial areas defined within the adopted Eastside Master Plan, pending the opening of the north leg of the eastside Hwy 160 intersection; additional discussions are ongoing with property owners between Bayfield and Gem Village.

Examine options for redevelopment of old Middle School property as business incubator – high cost, limited resources, but still a good idea if substantial grant funding could be brought to the project.

Pursue local campus development for San Juan Votech – see below, under Workforce.

Explore potential for alternative energy business development; partner with existing local energy firms and entrepreneurs – opportunities abound, but carbon energy markets need to strengthen before this sector gets going again.
Identify and catalogue Energy Rebate programs available for local homes and businesses; promote training of local insulators, green-tech installers – this is the low-hanging fruit of sustainability; it would be a top priority of a local Votech campus. Local residential program has been administered by Housing Solutions of the SW, in Durango, 970-259-1086 ext 23.

**Workforce Development, Early Education, and Housing**

**Workforce Development Goals**

- Continue working with Region 9 ED sponsored workforce assessment group – Regional workforce group meets quarterly; critical participants hold common goals; new State-sponsored Regional Service Assoc (RSA) addressing similar issues; need to streamline, eliminate redundancies, define priorities and lead agencies.
- Survey local employers for workforce needs; enlist Chamber, Rotary, others – partner with and extend LEAD county-wide (selected) business survey, planned for 2010.
- Partner with area schools, colleges, vo-techs, and agencies to target workforce improvement and needed skills development – center of gravity has, or needs to, shift to RSA, covered immediately above, but local private sector efforts to better integrate schools and employers remain critical; the Business and Education Talent Readiness Project (BETR) has begun a local program that brings teachers into the business environment in order to better illuminate current business needs for educators, with the goal of teachers taking those insights back to the classroom and ultimately into the active curriculum. For more info on the BETR project, contact Steve Otter of San Juan Board of Cooperative Services, (970) 749-6400.
- Recruit local campus for vo-tech training – initial contacts made and interests expressed; we need continued coordination with area energy employers, school boards, Region 9 ED District, RSA, and others, in order to identify best location for possible new/expanded facility.
- Examine workforce daycare needs and options.

**Early Education**

- Secure funding for acquisition and development of dedicated Early Ed space – ongoing.
- Identify and acquire land for Early Ed facility – Bayfield Early Learning Program (BEEP), Carol Blatnick, and others have largely succeeded here.
- Define daycare needs and options.
- Examine possible elder care synergies.

**Housing Goals**

- Continue to work with Regional Housing Alliance (RHA) to develop and reach affordability goals – local programs continue to assist families in buying their own homes in Bayfield.
- Continue to develop Town standards that promote affordability options – understanding that affordability is not solely the cost of a home on closing day but includes all the future utility costs of annual operations; higher standards on the latter can actually produce lower overall annual costs for the family, even if sale price is somewhat higher.
- Examine new models for Green codes, higher-density development, and affordability - sustainability.
- Streamline and clarify development and builder permitting processes, fee schedules – development processes have been examined and these goals are being addressed; new, but not necessarily lower, fees are under consideration; long-time Town Planner has retired and that
position remains unfilled pending clarification of Town financial position in the coming year (1st quarter 2010). Professional planning and smart growth policies remain key to long-term community viability/prosperity.

**Historic Mill St. Revitalization**
- Define general and specific renewal goals – **Done**.
- Finalize code revisions for higher density second floor residential – adopted by Town Board.
- Engage design services in updating comprehensive streetscape design plans – preliminary presentation for Town staff occurred in June; landscape architect continues to develop plans as time and resources allow; in current economic environment new investments of this type are unlikely, pending a significant improvement in local economy, although if substantial outside resources could be brought to the project, the current environment would be an excellent time for downtown renewal.
- Incorporate Storm Drainage master plan considerations into redevelopment plans.
- Continue outreach and engagement of Mill St. business and resident community – several recent projects have brought town staff and members of the Mill St. business community into contact, if not in formal meetings; still need to update all pertinent contact info and establish open, ongoing forum. The pending completion of the long-awaited historic downtown walking tour will be a significant milestone for the district; expected in December, 2009.
- Enroll in and utilize resources of Colorado Main Street program – this program may not, in the end, be the best fit for Bayfield and/or the Mill St. district.

**Community Development, Parks and Rec, Special Events, and Tourism**

**Parks and Recreation Goals**
- Secure funding for one new staff position for senior center operations and programs – **Done**.
- Complete final design plans for Joe Stephenson Park (or merge with Mill St plans) – **In process**
- Develop Town-wide Master Park Plan
- Continue to develop new athletic tournaments – a second iteration of the successful Bayfield – Ignacio loop bicycle race should be pursued.
- Develop River Trail plan; pursue easements and future funding options.
- Identify location and facility needs for new northeast park.
- Explore Ditch-to-Trail easements for trail development.
  - the challenge of all these enhanced Parks and Rec goals is that each new goal comes with a permanent new liability in the way of time and resource requirements: we simply do not presently have the staff to take on more acres of parks, play lots, and ball fields, even as the community benefits so clearly from having these assets in adequate number.

**Community Development & Special Events Goals**
- Enlist Heritage Days group as basis for this working group – the private, volunteer Bayfield Heritage Days committee succeeded tremendously in pulling together one of the best events ever, in 2009; the hours and effort invested were huge; unfortunately, many such efforts appear to fall on the same small group of dedicated individuals, and the longevity of those personal commitments is not unlimited. Together with a thin but equally dedicated Parks and Rec staff, the community and the Town are working to better define the critical roles of each, in relation to
how we can best support the ongoing weekly activities of the department and the various special events that enhance those core offerings; this is an ongoing process.

- Delineate Town (staff time) contributions to facilitating various special events – a clearer understanding of needs and expectations is emerging following de-briefs held subsequent to some of our recent special events; communication and work must continue on this front so that needs, expectations, and performance of all parties, are known in advance and consistent in outcome.

- Reinvigorate existing events; develop new events – Overall, 2009 has been a good year for special events, beginning with the 2nd annual Pine River Classic Youth Basketball Tournament (March), the Bayfield Garage Sale (May), July 4th, the Bayfield 3000 Soapbox Classic (Labor Day; sponsored by the Dove Ranch subdivision), and Bayfield Heritage Days (Sept). On top of the great family fun, all contributed noticeably to our local economy. Re-establishing an annual or twice-yearly bicycle race in the valley could also bring in a considerable number of enthusiasts and their families (no, I am not a bike racer).

- County Fairgrounds: Identify potential locations and advocate for area location – Requires 100+ acres with water and sewer; will likely remain close to the county-center of Durango.

- Create one common Pine River Valley Community Calendar: Vallecito to Arboles – under development; still needs greater collaboration; should benefit from joint area Chamber board meeting scheduled for January 2010.

- Enlist Bayfield High School events and boosters – larger Parks and Rec events typically tap into the high school's sports clubs for staff support and in return contribute to supporting those budgets; Homecoming 2009 coincided with Heritage Days, and while some "competition" for attendees was a concern, it is thought the overlap was likely a net positive for all involved; many more collaborative opportunities remain available.

- Examine development of equestrian-oriented recreation and tourism assets – a good idea in need of a big purse.

Tourism Goals

- Websites, Websites, Websites – Chamber working to launch new website in November; the Town has been co-developing content and will share links and other resources; working also with LEAD and DATO to streamline collaborative efforts and create seamless network of response to all inquiries.

- Area, County, and Regional collaboration opportunities (Bayfield Heritage Days and 4th of July, Vallecito and Navajo Lakes, Pagosa Hot Springs, Sky Ute Casino, Durango & Silverton Railroad, Mesa Verde N.P., Purgatory at DMR and Wolf Creek Ski Areas, Ignacio Bike Week, Ironhorse Bicycle Classic, Ride the Rockies, Bayfield 3000 Soapbox Classic; etc.) – the Town of Bayfield, the Bayfield Area Chamber and our sister Chambers, LEAD and DATO, are all presently collaborating to a greater degree than has ever previously occurred. We all understand that tomorrow's newly arrived business owner/employer will most likely first walk through the front door called "Tourism."

Finance, Planning, and Project Implementation

Finance Goals

- Examine tax increment financing (TIF), special districts/authorities, and other Town options for funding these Economic Development efforts – options under review by Town staff.
Partner with County, Region 9, local businesses, to secure various portions of funding – eastside property developers and Town have now committed to jointly fund traffic study; other co-funding partnerships being actively pursued include regional hi-speed fiber backbone, GIS services, and a shared 40 hour position for LEAD and the Ignacio and Bayfield Chambers.

Identify estimated costs of each goal established herein, whether in human hours, in dollars, in trade-offs, or other costs – all Town programs and investments undergo a rigorous financial critique prior to being pursued or set aside; most of the ED efforts identified above remain centered at Town Hall, and so we at least have a consistent eye and process for integrating goals and establishing priorities for the limited resources at hand.

Planning Goals

- Finalize Economic Development Strategic Plan by December 2008 – Done.
- Continue to actively pursue and enlist support for each goal outlined herein – as can be seen throughout, significant progress is being made across a variety of fronts, but general outreach and engagement efforts have remained weak.
- Partner with other Pine River Valley communities, City of Durango, La Plata County, and Region 9 Economic Development efforts – occurring at highest level ever.
- Host ED Meeting in Gem Village – still need to do this; prior or concurrent CDOT meeting highly desirable; also needed is County's concurrence on expansion of Gem Village industrial overlay, but as the latter is a unique category within the County, and as the County is presently immersed in the thorough updating of the County Comprehensive Plan, actual expansion of the industrial "status" will likely have to wait the completion of the County Comp Plan; we will remain engaged and supportive of those efforts.

Implementation Goals

- Establish/Grow dedicated ED position – Town Manager and staff are spending a considerable amount of time on these matters, particularly in collaborating with County and regional agencies, state-based funding agencies, and in networking between our various local interests.
- Define precisely who is committed to and responsible for each goal – original plan was to have at least one elected Town Board member on each working group, supported by staff, with additional business and community volunteers; in the absence of better outreach and engagement strategies, staff has pursued priorities as time and resources have allowed.
- Enlist the many capable individuals and local entities necessary to fulfill these tasks – ongoing opportunities remain available for all interested parties; see above.
- Establish reasonable timelines for deliverables – the progress outlined above represents about three-quarters of a year's effort; many important programs and relationships have been initiated, and with reasonable levels of follow-through, 2010 should see an even greater tangible list of successes.
Appendix D

Additional Theories of Economic Development

With more than the basics covered in the main text, I will merely outline some of the more interesting of remaining theories of local economic development. In so doing I will continue to draw from Bingham and Mier (1993). Some of what follows may briefly echo certain aspects of the preceding.

The development from above perspectives may draw from price equilibrium, dynamic disequilibrium, product or regional life-cycle models (Nelson, 1993). Of the latter, two of the most prominent, according to Nelson (1993), are that of Rostow's five stages of takeoff, and of Friedman's (John) core/periphery-premised, exploitative/extractive model. (It must be noted of Rostow that he failed to see Stage Six: The post mass-consumption stage. In fairness, others are only getting there presently, and many still don't get it at all.) Variations of the core/periphery dichotomy are Myrdal's leading/lagging continuum, and that of a cumulative causation model, while others conceive of a "growth pole" phenomenon, whereby growth or development spills out in a given direction, toward some resource, whether natural materials or cheap open land.

Theories with their origin in neoclassical economic thought include regional growth theory, comparative advantage, disequilibrium models, aspects of growth pole theory, Weberian location theory, and innovation theory. Theories derived from a cyclical perspective include stage theory, long wave theory, product cycle theory, and finally, theories of "synergistically" propulsive, innovative, and creative regions (Goldstein & Lugar, 1993). The latter set appear to have been largely re-framed and captured within Porter's (1990) clusters and the related ideas that have followed.
From the field of political economy and urban development, there are institutional approaches and "new urban" theory, whereby the actions/behaviors of key actors and institutions determine outcomes. There is a conception of "the city as growth machine" (Molotch, 1976), wherein elites dominate the social and economic structure and drive change for the sake of generating benefits that are narrowly or disproportionately captured by the instigating elites. There are theories of economic development that examine the role of active citizenship; psycho-social theories in which group beliefs and attitudes are seen as mediating first, the apprehension of information, then its processing, and so influencing the action choices and ultimate outcomes that follow. And there remain, for better or worse, the rational calculus theories of neoclassical orthodoxy that "assume" an objective assessment on the part of economic agents, even as these theoretically foundational assumptions have now been shown to be highly flawed and grossly misleading in the results they produce (Dahl, 2006 [1956]; Akerlof & Shiller, 2009; Prindle, 2006; Minsky, 2008). There are technology-based theories that focus on innovation and the diffusion of new ideas and processes, and there are theories of entrepreneurship arising 1) from an economic perspective, wherein entrepreneurial pursuits are argued/assumed to be primarily motivated by the goal of monetary reward; and 2) from a sociological perspective, in which those same creative pursuits are deemed to arise as much from an individual consideration of the social environment, the possibility of status enhancement, and not least a goal of contributing positive, lasting impact to the greater society.
Appendix E

Value-added Agricultural Processing: Naturally Raised Beef

It must be stated that one cannot simply pretend to be different from the rest of the "industrial" beef industry, one must actually be different and superior if one so expects to sustain a premium income stream. This entails a commitment to "natural" production methods, which generally mandate no antibiotics being administered to the animals, and all vegetarian feed (USDA, 2009a; NPR, 2006). Local grass-fed beef would qualify, so long as it is not administered antibiotics. In contrast, industrial beef is nearly always administered sub-therapeutic (low) levels of antibiotics in their feed, in the feedlot finishing stages of growth. This in-feed antibiotic is used to quash natural background gut flora within the beef that otherwise utilize, and thus diminish, the animal's nutrient uptake and consequent weight gain. This allows a given lot to go to processing on the same date with the maximum developed weight gain, in the least amount of time. Additionally, as these feedlot operations concentrate animals in unnatural and often unhealthy conditions, additional therapeutic (higher) doses of antibiotics are allowed, and are administered to vast numbers of animals. The result of these two practices is the unintentional but well-known breeding of antibiotic-resistant strains of pathenogenic gut and other bacteria in industrial beef that have frequently caused severe outbreaks of deadly salmonella and e. coli in the American public (USDA, 2009b; CBSNews.com, 2009; CNN.com, 2009). Worst of all, these tainted production practices are still brought to the consumer under a "natural" label, because this usage presently applies only to post-production, post-processing additives, not to the actual feedlot fattening of the beef (USDA, 2009a, 2009c). But a growing number of American consumers are choosing to pay a little more, even seeking out and buying directly from the grower, beef (and other agricultural produce) that has been grown in the time-tested and traditional manner, and now called "naturally raised."
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