El Paso County, Colorado
Economic Development Assessment Team Report
October 2014
This report was prepared by the US Economic Development Administration with assistance from the Federal Emergency Management Agency through the Economic Recovery Support Function (RSF). Additional assistance was provided by the Colorado Recovery Office, Colorado Department of Local Affairs, Colorado Office of Economic Development and International Trade, El Paso County, the City of Manitou Springs, the City of Colorado Springs, NOVACES LLC, and the International Economic Development Council (IEDC).
Contents

I. INTRODUCTION ........................................................................................................................................ 1

II. DISASTER BACKGROUND ............................................................................................................................ 1

   Waldo Canyon Wildfire ......................................................................................................................................... 2
   Black Forest Wildfire ............................................................................................................................................... 3
   September 2013 Floods ......................................................................................................................................... 3
   Housing Damage from the Disasters ..................................................................................................................... 6

III. ECONOMIC DEVELOPMENT ASSESSMENT TEAM METHODOLOGY ................................................................. 7

   Objectives, Panelists, and Process ......................................................................................................................... 7

IV. MANITOU SPRINGS .................................................................................................................................... 8

   Economic Overview ................................................................................................................................................ 8
   Demographic Trends ................................................................................................................................................ 9
   Labor Force and Commuting Patterns .................................................................................................................... 11
   Economic Development ......................................................................................................................................... 12
   Key Challenges for Manitou Springs ..................................................................................................................... 13

V. EL PASO COUNTY & THE CITY OF COLORADO SPRINGS .............................................................................. 35

   Economic Overview ............................................................................................................................................... 35
   Labor Force ............................................................................................................................................................. 38
   Businesses and Industries ...................................................................................................................................... 39
   Commuting Patterns ............................................................................................................................................... 42
   Key Challenges: Colorado Springs & El Paso County .................................................................................... 43

APPENDIX ...................................................................................................................................................... 67

   General Resources ................................................................................................................................................ 67
   Alternative Funding Matrix .................................................................................................................................... 68
   Entrepreneurship Resources: Online and in the Field ..................................................................................... 70

EDAT BIOGRAPHIES ........................................................................................................................................ 72
I. Introduction

Growing local and regional economies is a complex and long-term effort, which requires broad engagement and professional dedication to the betterment of the community. The uncertainty introduced by a major disaster, the sudden loss of a major employer, or another rapid shift in the local economy amplifies these complexities considerably. In 2012 and 2013, El Paso County experienced an unprecedented series of natural disasters, which caused extensive damage and significantly impacted the pre-existing patterns of economic activity.

Recognizing that sustaining economic recovery after these major disasters would pose unique challenges, the State of Colorado, FEMA, and El Paso County jointly requested assistance to further the recovery effort. In particular, additional assistance was required for Manitou Springs and its surroundings, the area where the September 2013 flooding had caused the greatest losses. In response to this request, the U.S. Department of Commerce, Economic Development Administration (EDA) convened an Economic Development Assessment Team (EDAT) composed of representatives from Federal Emergency Management Agency (FEMA), the State of Colorado, El Paso County, NOVACES, LLC, and the International Economic Development Council (IEDC). The team's mission was to undertake a four-month study and meet with public and private sector officials of the region to discuss their economic recovery efforts and key challenges. The visit to the County took place over a period of four days from Tuesday, June 24 through Friday, June 27.

This report presents the EDAT’s findings and suggestions related to disaster recovery, as well as a number of general economic development strategies, case studies and best practices. The team is submitting this report in the hopes that the information it contains will be of value to these communities and used in future planning and implementation efforts to improve the economies of the City of Manitou Springs, City of Colorado Springs and El Paso County.

II. Disaster Background

El Paso County and the cities of Colorado Springs and Manitou Springs, located in central Colorado, faced multiple disasters over the years 2012 and 2013 that have affected the economy. During their recovery from the national recession, which bottomed out in 2008 and 2009, two wildfires in the County caused mass evacuations and extensive damage to residences and businesses. Subsequent flooding in 2013 inundated the downtown of Manitou Springs during the rainy season, cutting off this and several other mountain communities from tourists and essential commerce. The information below discusses these disasters and their aftermath.
Communities in El Paso County and neighboring Teller County that were impacted by the fires and floods include Colorado Springs, Cascade, Chipita Park, Green Mountain Falls, Crystola, Manitou Springs and the U.S. Air Force Academy of Colorado. Although the EDAT visit incorporated input from several communities in Teller County, the report goes into greatest depth into economic recovery issues for El Paso County, Manitou Springs and Colorado Springs, which hosted the EDAT visit in June of 2014.

El Paso County has previously released two “After Action Reports” citing their fire recovery efforts. In addition, Colorado Springs and El Paso County published the Final Flash Flood Risk Analysis Maps for Fountain, Ute and Camp Creeks, which are available online on both the City and County’s websites.¹

**Waldo Canyon Wildfire**

*Disaster Declaration: Colorado High Park and Waldo Canyon Wildfires (DR-4067)*

*Incident period: June 9 through July 12, 2012. Major Disaster Declaration declared on June 28, 2012*

The Waldo Canyon Wildfire (“Waldo Canyon” henceforth) produced insurance claims totaling more than $453.7 million and at the time was the most destructive fire in Colorado state history, as measured by the number of homes destroyed at the time. The Black Forest Wildfire, discussed below, eclipsed the Waldo Canyon’s level of destruction one year later. The Waldo Canyon wildfire began approximately four miles northwest of the City of Colorado Springs on June 9, 2012. After a month, the fire was 100 percent contained when smoke plumes were no longer visible on a small portion of the containment line on Blodgett Peak.

The fire was active in the Pike National Forest and adjoining areas, covering a total of 18,247 acres (29 square miles). It caused the evacuation of more than 32,000 residents of Colorado Springs, Manitou Springs and neighboring Woodland Park, several small mountain communities along the southwestern side of U.S. Highway 24 (a major east-west road), and partial evacuation of the United States Air Force Academy. All residents of Manitou Springs were required to evacuate for a 24-hour period, and the fire destroyed 346 homes. U.S. Highway 24 was temporarily closed in both directions.

The Waldo Canyon fire dramatically increased the probability of flash flooding in Ute Pass, Manitou Springs, and portions of Colorado Springs. Homeowners and businesses along drainages connected to the burn scar will need to continue to take precautions to protect life and property from flooding which can occur over the next eight years as vegetation returns to the area.\(^2\)

Manitou Springs’s downtown and residential areas continue to be vulnerable. The city will continue to have limited protective resources until storm water infrastructure can be completed at higher elevations in the mountains and ravines above the City. Danger also passes downstream to Colorado Springs whenever the natural waterways carry debris, building material, trees, and other items at a high velocity. Even one inch of rainwater can send debris lodging under bridges—often heightening an already dangerous situation.\(^3\)

**Black Forest Wildfire**  
*Disaster Declaration: Colorado Black Forest Wildfire (DR-4134)*  
*Incident period: June 11 through June 21, 2013. Major Disaster Declaration declared on July 26, 2013*

Surpassing the Waldo Canyon Fire, the Black Forest Wildfire became the most destructive forest fire in Colorado’s history in June of 2013. The fire began near Colorado State Highway 83 and Shoup Road in Black Forest, on June 11. By June 20, 2013, when the fire had been declared 100 percent contained, it had killed two people, burned 14,280 acres (22.31 square miles), and destroyed at least 509 homes. The Black Forest area is characterized by middle- and high-end residences — correlating to high damage amounts quantified by insurance companies. A countless number of home-based businesses lost their ability to function and too many lost vital records. In total, the evacuation area covered 94,000 acres (147 square miles), 13,000 residences, and affected 38,000 residents.\(^4\)

There is unfortunately no data available reporting the exact number of businesses affected by the Black Forest. However, anecdotal accounts obtained from the County and local economic development organizations estimated that the area was home to many single-employee home and internet-based businesses. Many of the owners of these businesses were restricted from re-entering their homes during the area’s evacuation. In the wake of the disaster, owners returned to find destroyed workspaces, business data, and other assets.

**September 2013 Floods**  
*Disaster Declaration: Colorado Severe Storms, Flooding, Landslides, and Mudslides (DR-4145)*  
*Incident period: September 11 through October 31, 2013. Major Disaster Declaration declared on September 14, 2013*


\(^3\) Pre-Disaster Mitigation Plan. El Paso County, Colorado.

Record-breaking rainfall, reaching 17 inches, caused Colorado’s Big Thompson, St. Vrain and South Platte rivers, as well as their tributaries, to breach their banks and carve new channels throughout three major watersheds in the state. Flooding and subsequent mudslides took the lives of 10 individuals and resulted in the largest domestic evacuation operation since Hurricane Katrina. The disaster spanned more than one-third of the state, from Rocky Mountain National Park to grasslands and agriculture centers on the eastern plains. The previous forest fire scars contributed to an unexpectedly rapid collection of rainwater and accompanying erosion.

By the end of September 2013, the storm events had destroyed more than 1,800 residential structures, 200 nonresidential/commercial properties, and 2,000 other minor structures, and had damaged more than 16,000 residential structures and 50 other minor structures across the state. The disaster caused infrastructure damage to nearly 500 miles of roads, 50 bridges, and irrigation and municipal water systems.

In El Paso County, the record-breaking rainfall, extensive flooding, and landslides produced both direct and indirect economic impacts. In addition to the loss of life and personal property, 765 commercial structures in the County sustained damage while 203 were destroyed. Infrastructure loss was one of the key factors cited in causing indirect business impact. The most acute realization of this impact resulted from the lack of transportation access due to major damage on Highway 24 – the only access to numerous mountain communities. In addition to the economic impacts of the September floods, businesses across the affected area continue to recover from the recent recession and wildfire damage.

Most of the flood damage in El Paso County was located within the cities of Colorado Springs and Manitou Springs. Colorado Springs residents registered more than 500 damaged homes. Many flooded homes experienced interior water levels above four feet.5

The repeated business interruptions caused by successive threat and impact from wildfire— as well as continued vulnerability for future floods -- pose significant economic and psychological challenges for many businesses and residents. Evacuations, hand-in-hand with business closures, produced some of the most negative immediate impacts on local residents. Though Manitou Springs residents and

---

5 Mission Scoping Assessment, Federal Disaster Recovery Coordination, FEMA DR-414, December 2013.
businesses were taxed by the flood, they expressed a clear loyalty to their community and the natural environment of the mountains, despite the threat nature poses to their homes and businesses. Unlike most natural disasters in other parts of the country that have a discrete beginning and ending, daily rain clouds forming over the adjacent mountain tops continue to threaten Manitou Springs with flooding every day through the rainy season. As one resident stated, “Quite frankly, one three-inch rain could ruin our downtown again.”

While visiting Manitou Springs, the EDAT heard countless stories of community, personal, and business impacts of the disasters. For example, shortly before the evacuation, one restaurant owner in Manitou Springs reportedly purchased $20,000 of food items, which then spoiled while the owners were required to be away from the premises of the business. One local café used sand bags to save their business, nevertheless had to shut down their operations for four weeks after the floods until they could relocate completely to a new, safer location.6

The disaster also resulted in workforce sector impacts. The retail and food industry sectors were some of the hardest hit. For instance, one Manitou Springs’ restaurateur reported that after the flood, she had not been able to open because of a lack of employees, despite the restaurant’s physical readiness to open. The flood damaged many workers’ homes. Many employees did not go to work, either because damaged roadways prevented their attendance or because they had to assist with recovering their family’s damaged property. Some small businesses reported a decrease of 15 to 20 percent in revenue from 2012 to 2013, forcing them to lay off seasonal staff.

For the initial three months after the disaster, the 18-member Manitou Springs Public Works Department worked overtime to deal with urgent issues of flood clean up. Once FEMA officials came in to help, the municipality was able to contract out some of the work. The State of Colorado and the federal government provided leadership and funding for longer-term recovery solutions for major infrastructure repairs and improvements, but the experience has engendered an interest in local hazard mitigation as well. Community members, state and federal officials have held extensive discussions concerning the priorities for infrastructure and economic growth, and the challenges for future mitigation efforts.

Teller County, which is primarily rural, and the small communities up the mountain from Manitou Springs in El Paso County shared many of the same concerns about uncertain transportation access. These communities struggled with not only the economic and psychological stresses of recurring floods, but also those of unexpected closures of Highway 24. Community stakeholders cited repeated instances of communication challenges about the status of the corridor whenever weather signals the potential for heavy rains. Businesses attested that the daily threat that afternoon storms would close the highway and trap tourists in a vulnerable area was leading to a significant decline in tourism. The

6 On a positive note, this particular business did receive funding from Pikes Peak Bank and the Urban Renewal Authority provided funding for renovation of this and some other properties.
significance of Highway 24 as a major travel route was highlighted at multiple meetings with team members. This is certainly understandable, as the highway serves as an essential lifeline to Colorado Springs (a major location for local shopping, schools, entertainment, and employment). It is also the principal travel route to a historic gold mine and casino where hundreds of local residents are employed. As the result of this uncertainty, community leaders cited their worry about the potential for workforce losses, and potentially even depopulation if the Highway 24 closures cannot be addressed -- or at least the weather more accurately predicted and road closures more expeditiously resolved.

**Housing Damage from the Disasters**

The two fires damaged 983 homes in El Paso County. Owners occupied approximately 65 percent of the units; 35 percent were renter-occupied. Property damage for owner-occupied housing reached $3 million, and losses on rental property totaled over $800,000.

Local permitting officials noted differences in the rebuilding capacity of different areas. Whereas Mountain Shadows, an affluent community, had reportedly 100% rebuilt, another hard hit residential area, Black Forest, lagged far behind. This lag may be attributed to the fact that the Black Forest fire occurred in 2013 versus 2012 when Mountain Shadows fire occurred. Officials estimated that in Black Forest 230-250 homeowners had obtained permits with another 60 access permits in the pipeline, yet only 80 had so far completely rebuilt. Some stated that insurance was more readily available in Mountain Shadows, and that residents in Black Forest were debating whether to rebuild at all. Other community members stated that hundreds of small cottage businesses had been destroyed in Black Forest, but these businesses were unregistered and no proof of their existence, nor of how many there were, is left.

Manitou Springs had 57 owner-occupied housing units with damage, and 44 renter-occupied units with damage. The total damage to all units was $439,976. Residential damage was relatively low because Fountain Creek flows primarily through the commercial areas of Manitou Springs, which resulted in greater damage to the businesses and buildings located there.

As of August 2014, eight applicants in El Paso County have received a total of $7.2 million in Public Assistance funding from Federal Emergency Management Agency (FEMA).7 FEMA has also provided 1,466 applicants in El Paso County with $1.8 M in Individual Assistance. The U.S. Small Business Administration has loaned $2.2 million to 96 applicants to repair damaged homes and businesses.8

---


III. Economic Development Assessment Team Methodology

Objectives, Panelists, and Process

The Economic Development Assessment Team (EDAT) visit to El Paso County, Colorado was based upon a successful model of an expert panel advisory process intended to deliver technical assistance to disaster-impacted communities. This incorporated a panel site-visit and analysis, and consisted of four steps:

- Background economic and demographic research
- Site visit preparation
- Site visit with interviews and facilitated focus groups
- Final report

The EDAT drew on a network of experts in economic development and business recovery in post-disaster situations partnered with a group of federal officials with expertise in disaster recovery, infrastructure development, labor, rural development, and community development. The combined team spent four days in Manitou Springs, Colorado Springs, and El Paso County, conducting a site visit, holding thematic focus group meetings, and interviewing a wide range of local stakeholders. The purposes of the visit are outlined below:

- **Meet with local community and business leaders.** The meetings included qualitative conversations with stakeholders, and provided key insights on the local economy.
- **Assess the current and emerging economic issues.** Primary issues identified during the meetings would then be further examined and considered along with facts and statistics.
- **Identify new and existing resources to leverage.** The EDAT would review the community’s economy development capacity, and identify possible public and private resources.
- **Provide economic development strategies.** Develop a report with recommendations for each community that would outline both short-and long-term strategies for economic diversification and resilience.

On-site, this EDAT sought to act in an advisory and problem-solving capacity. At the culmination of the visit, the team provided a brief presentation of observations and preliminary recommendations. This final report analyzes the various challenges, as discussed by local stakeholders, and presents economic development strategies and activities for short- and long-term economic and business recovery.

Brief biographies of the EDAT are located in the Appendix.
IV. Manitou Springs

Economic Overview

Manitou Springs, a mountain community of 5,245 residents, has a local economy that was developed on, and continues to be based on tourism. The municipality has scenic natural and historic assets. As many EDAT team members observed, Manitou Springs’ key advantages are its ambiance of a small, scenic mountain town and its authentic charm. For residents of Denver and other cities in the region, Manitou Springs is the gateway to the famous Pikes Peak and offers both restorative and extreme sports experiences.

According to local officials, Manitou Springs enjoys significant return tourism by repeat, often multi-generational, groups of visitors. The municipality benefits from many locally owned restaurants (its policies discourage franchise chains), small retail gift shops and art galleries. It offers visitors a variety of lodging options: bed and breakfasts, motels, cabins, vacation rentals, and a campground. The City has colorfully eclectic and historic architecture, set against a dramatic mountainous backdrop. The main street runs along Fountain Creek, which has traditionally been a favorable asset, adding to the ambiance as numerous buildings are sited right alongside and even overhanging the creek bed where water reached historic levels in the flooding events.

Another asset, the local arts and cultural sector, has attracted a high number of creative people to live in this small community. Many other year-round residents work at the military bases or are retirees, many of whom have both useful skills and valuable connections with business and government leaders.

Dependence on tourism, however, presents some drawbacks, particularly when the warm weather ends each year and visitors shift to ski resort areas. The community has helped extend the tourism season, attract visitors and appeal to the local community by sponsoring more than 60 special events each year. Many of the events draw visitors from outside the region, and some simply provide ambiance and enjoyment for those who stay and reside in the city. However, the attendance at special events is insufficient to fill the available inventory of hotel rooms year-round.
A rapidly growing attraction for sports-minded visitors is the “The Incline,” a steep vertical trail a mile up a mountain, visible from many parts of the County. In June 2014 alone, 44,696 people climbed the Incline. Many climbers and their traveling companions stop to dine or shop in Manitou Springs; some even stayed overnight. However, while the trail is free for users, the City provides for maintenance and safety at considerable cost. At public expense, the trail is scheduled to close for four months of renovations beginning in August of 2014.

According to community stakeholders, Manitou Springs has stayed much the same over the years, and many people seem to love visiting and living in the City just as it is. However, in recent years, the successive disasters and competition from other, more aggressively marketed tourist areas with newer attractions have affected the economy. One lodging establishment reported that advance bookings were significantly down as customers were wary of another disaster. Another Manitou business owner speculated that ski destinations had captured the affluent visitor demographic that used to come to Manitou Springs, causing a significant negative impact on their business.

**Demographic Trends**
From 2000 through 2012, median household income rose from roughly $40,000 to over $49,000 per annum in Manitou Springs. As demonstrated in the adjacent table, per capita income has also increased remarkably.

<table>
<thead>
<tr>
<th></th>
<th>Median Household Income</th>
<th>Per Capita Income</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manitou Springs</td>
<td>$40,514</td>
<td>$49,432</td>
</tr>
<tr>
<td>El Paso County</td>
<td>$46,844</td>
<td>$57,531</td>
</tr>
<tr>
<td>Colorado</td>
<td>$47,203</td>
<td>$58,244</td>
</tr>
</tbody>
</table>

*Source: U.S. Census Bureau, 2000 Census, 2012 American Community Survey*

Median housing prices in Manitou Springs ($332,900) were substantially higher than in greater El Paso County ($217,500) and the State of Colorado ($236,800). Manitou Springs also had the lowest average household size compared to that of El Paso County and the state.

<table>
<thead>
<tr>
<th></th>
<th>2012 Median House Price</th>
<th>Avg. Household Size</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manitou Springs</td>
<td>$332,900</td>
<td>2.03</td>
</tr>
<tr>
<td>El Paso County</td>
<td>$217,500</td>
<td>2.56</td>
</tr>
<tr>
<td>Colorado</td>
<td>$236,800</td>
<td>2.49</td>
</tr>
</tbody>
</table>

*Source: U.S. Census Bureau, 2010 Census, 2012 American Community Survey*
According to community analyst software by ESRI, Manitou Springs had 651 businesses that employed 2,085 people in 2014. As seen below, the greatest share of the business community is in service or retail stores related with tourism as the primary export and economic driver.

![Business Summary Table]

Source: [ESRI Community Analyst, Copyright 2014 Dun & Bradstreet, Inc.](source-url)
**Labor Force and Commuting Patterns**

Attesting to the importance of Highway 24 as the sole transportation arterial to provide job accessibility, the diagram below, sourced from the U.S. Census’s “OnTheMap” program, illustrates that Manitou Springs experiences a net daily outflow of residents (1,440) compared to those who travel to the town (1,037). Only 214 individuals live and work within Manitou Springs.

The high inflow and outflow of labor reflects the close economic relationship between this mountain community and Colorado Springs. Though housing prices and incomes in Manitou Springs are higher than in the surrounding areas, the City has a preponderance of retail and hospitality industries, which pay lower wages and offer only seasonal work. Workers in these industries tend to live in lower cost surrounding areas. Because Manitou Spring is an attractive place to live, some who work at higher paying jobs in Colorado Springs have chosen to commute in from the mountain town. Thus, reliable highway access is critical to retaining both the local businesses that are dependent on a commuting workforce and the Manitou Springs residents who work outside the community.

Since the disasters, an important focus of many businesses has been to train their staff in how to deal with a range of new challenges, including:

- Following contingency plans for when Highway 24 is closed
- Ensuring personal and customer safety
- Delivering customer service during disasters
- Managing with reduced financial resources since the disaster
- Protecting inventory and other assets
- Coping with business moves
- Following other business continuity plans
**Economic Development**

Like many other seasonal, tourism-dependent communities, Manitou Springs residents would like to undertake long-term improvements and diversify their economic base.

There were a series of community meetings in 2011 where city residents, supported by the municipal planning office and consultant facilitation, developed *Manitou Springs Forward: A Vision and Planning Guide*. The Manitou Springs City Council adopted the Guide as the City’s Comprehensive Plan.

Several target industries emerged from the economic development vision and were furthered defined through the EDAT’s interviews:

- The Arts
- Recreation and Fitness
- Well-being & Health
- Sustainability

These target industries are consistent with the tourism base that sustains the local economy. The arts center, a new spa under construction across Fountain Creek, and reinvestment in the community park by Fountain Creek at the site of last year’s flooding support the community’s vision.

Some suggested that motels on the fringes between Manitou Springs and Old Colorado City could be used to help connect the two historic towns to create a larger tourist destination. However, many of these motels are no longer available to tourists and instead serve low-income, long-term tenants.

The community has several economic development organizations that compete for limited funding. The city has considered various ways of combining these operations in order to create better-coordinated, more cost-effective initiatives. In 2012, the city merged its Economic Development Office with the Chamber of Commerce and Visitors Bureau.

Yet the small community has limited staffing and funding for a formal economic development program. While there is a downtown redevelopment group that has been working for several years, the Chamber of Commerce manages the greatest range of regular economic development activities throughout the year, serving multiple roles in business retention, economic development and tourism promotion. The Chamber also operates the City’s visitor center.

The recent update to the Comprehensive Plan provides the vision and guide for economic development. Now the community needs the data, economic opportunity analysis and implementation steps to move forward strategically with limited resources. Manitou Springs has not created such a plan in 20 years.10

---

Key Challenges for Manitou Springs

Several key concerns were identified through the community discussions and the EDAT’s study of economic issues in Manitou Springs:

Overall economic development
1. The potential for future disasters and the need to build resilience into the economy
2. The need for an early warning system that is timely and accurate
3. The need to increase capacity to address economic development despite limited planning resources
4. The need to support small businesses with financing and other recovery issues

Tourism
5. Negative media coverage regarding the disasters
6. Changes in visitor demographics and spending habits of visitors
7. Concerns about competitiveness and the lack of new visitor attractions

It was noted that since the disasters have taken place, the State of Colorado is currently looking to assist with long range planning for the entire region.
1. The potential for future disasters and the need to build resilience into the economy

Due to the burn scar left by the Waldo Canyon Wildfire, Manitou Springs faces an increased chance of future flooding. Local officials claim that flora capable of absorbing rainwater will take approximately eight years to grow in the scar, thereby mitigating the risk to Manitou Springs from runoff that can result in flooding within the town.

It was apparent during the EDAT site visit that city officials and residents are anxious and stressed about the loss of business due to recurring road closures and the potential for another disaster. During the rainy season, the town residents appear to be on continuous alert to the sounds of a siren system operated by the Manitou Springs Police Department. The Colorado Department of Transportation (CDOT) controls Highway 24 and closes the highway when the National Weather Service issues a Flash Flood Warning for the area. Manitou Springs Police Department decides when to sound the siren and when to close Manitou Avenue. The system relies on local weather information as well as cameras placed further up on the mountainside on the roadways to gather visual information. Since the flooding, CDOT personnel have begun visual inspections of the creeks during rain events.

Community stakeholders expressed concern that the system, in its current state, is unpredictable and especially concerning during the summer tourism season when rain clouds tend to gather at the mountaintops in the late afternoon. The area is especially vulnerable during the rainy season from August to September.

Some business owners described the devastating short and long-term impacts of the September 2013 disaster as well as the consequence of numerous alarms that have continued into the 2014 tourist season:

**Restaurants:** During the flooding, some restaurants that had been scenically located along the town’s central creek bed had to be evacuated, and thousands of dollars of valuable food and equipment were lost. After the storm had passed, buildings damaged remained; owners reported “cost-shock” from flood insurance premiums that had skyrocketed as much as 1,000 percent. At least one popular restaurant had to relocate, and some buildings were no longer rentable. When flood warning alarms sounded, as they did frequently in 2014, restaurant customers left in the middle of their meals before the restaurants could charge for food already served. Businesses also reported an unreliable warning system that caused false alarms.

**Accommodations:** Hotels, motels and bed and breakfast inns as well as campgrounds reported immediate consequences after the flooding caused reservation cancellation, road closures, and guests were cut off from their rooms and belongings for extended periods when U.S. Highway 24 was suddenly closed. During one incident, the road reopened late at night, but members of the community and hotel guests were not notified until morning. Business owners and employees
could not return to their work places, tourists had to book rooms elsewhere, and the hotels had no choice but to issue refunds to patrons who were already occupying their rooms.

**Retail:** One owner of an art gallery described how she had to remove valuable artwork to another location to secure it from the September 2013 flooding. Although tourists returned to Manitou Springs afterwards, she believed that they were no longer the type that has disposable income to spend on art, reducing her long-term sales. Many of the retail businesses located on the high side of the street have restored their businesses to normalcy, yet storefronts on the creek side remain closed. These vacancies impact all businesses, particularly the owners of the affected buildings.

**DISCUSSION AND STRATEGIES FOR THE COMMUNITY TO CONSIDER**

- Future building permits must take into consideration new flood maps, which reflect the new risks that have been created in the wake of the flood events. Land use decisions should reflect these risks and future construction should be limited, if not entirely prohibited, near these areas. Moving the town of Manitou Springs would entail relocating a large number of residences and businesses, and so is not a viable option. It would disrupt historic structures, commerce, and change the very nature of the historic town that has drawn so many visitors. On the other hand, some businesses should move further away from the creek bed.

- The City should continue to serve as a contact point with State and Federal officials to identify and promote the use of available grants and low-interest loan programs that can help local businesses to relocate or shore up necessary infrastructure.

- Besides the gradual growth of vegetation that will help over a period of years, the steps required for a permanent solution to vulnerability from flooding are to remove silt and debris that has filled the creek bed, and to construct mitigating culverts and other infrastructure further up the mountainsides to divert water away from the City. The City, representing its residents and business owners, should take an active role in the design of all such measures, and manage the smaller infrastructure improvements located within the City.

For example, proactive strategies for flood mitigation, protection, and control could include purchasing vulnerable property, restoring floodplains, and planting vegetation in watersheds. Officials in Nashville, TN assessed the costs and potential damage aversion of the available measures, and then created a priority list. The city then implemented them in a sequence as funding became available.\(^\text{11}\)

\(^{11}\) American Water Resources Council. Proactive flood and drought management. 
• Given that new and critically important mitigation measures are underway and planned, the City should consider formalizing these in a Hazard Mitigation and Resilience Plan. The Plan would serve multiple purposes:
  o Provide a planning framework to cohere the many ongoing public works projects
  o Engage citizens in rebuilding their relationship with the environment
  o Look at land-use patterns and ways in which the community might support zoning amendments that will promote a more resilient future
  o Create a forum for public works to provide and receive direction and priorities
  o Develop project processes, from feasibility to engineering to construction
  o Address capacity. Identify partners that can manage and that can fund projects.

• The City should develop a prioritized list of projects that can take advantage of federal and state funding, as opportunities arise. This list will provide readily executable projects if they’re researched with existing federal and state agencies/programs.

• Through regular progress reports on infrastructure improvements to residents, businesses, visitors, and potential visitors, the City of Manitou Springs can communicate a clear message that is “Building Back Better.”

• It is important to divert water that now runs rapidly down the forest fire burn scars directly into Fountain Creek, which runs through the downtown business district as well as into residential neighborhoods. One such measure is the ongoing construction of a multi-million culvert above the City.

• Wherever possible, the local government should link specific projects to the City’s goals for enhancing resilience that can be funded by federal, state and local dollars. This practice can expand the potential to build roads, bridges and other infrastructure back with greater capacity to allow for business expansion.

Resilience goals can be broadly stated. For example, Leaders in San Luis Valley have named increased economic diversification, enhanced business retention and expansion, and improved business continuity as their economic resilience goals. Lee County, Florida included educational attainment and health indicators as component measures of its economic resilience plan.¹²

- Projects should be identified through long-term disaster recovery planning or a comprehensive economic development planning process, as are recommended in this report or with separate community charrette meetings specifically set up for that purpose. Both the present and future needs of businesses and the visitor industry should be considered.

- Manitou Springs should develop a comprehensive plan for how it will rebuild its economy. The community has an excellent opportunity to follow-up *Manitou Springs Forward*, the 2012 Planning and Vision Guide, with the logical next step, an Economic Strategic Plan. For example, in the Guide, the City identified potential growth sectors such as the arts, fitness, and health. The Economic Strategic Plan would further inquire into the size and composition of markets in these sectors, and then identify the niches available to Manitou Springs based on its characteristics, thus giving the community a clearer picture of its target growth areas. The US EDA offers a variety of grant programs for a community’s economic development plan.

- As a precursor to the Economic Strategic Plan, the City might like to gain a better understanding of its own base in these areas by hosting sector summits, for example a Health and Wellness Summit. The City of Gloucester, MA did this to gain insight into compatible and diverse maritime industries. The city planner and several citizens reached out to the community to find experts to speak on panels on cutting-edge topics. The US EDA provided funding to the regional planning agency to assist with the logistics, but the city itself networked to the businesses and local experts to design an event truly representative of the city’s unique role and contribution to the industry. Manitou Springs similarly offers unique and advanced understandings in its identified growth areas. The City is positioned well to host an event like this, and a two-day event can bolster the local lodging and restaurant trade, especially if held in a shoulder season.

- It will take time, leadership, and resources to develop these plans with buy-in from community stakeholders. The plans must develop specific action strategies and tactics to provide direction on economic recovery priorities including:

  1. **Assessment and analysis of economic assets**, including emerging and declining clusters.
  2. **A phased approach to economic recovery** where clear goals and objectives are set for the short-, medium- and long-term. Emphasis should be placed on long-term goals, for the next 10-20, or more years. This approach could be a stand-alone effort or part of comprehensive strategic economic development planning.
  3. **Assignments for appropriate organizations to take ownership of and carry out each task.** It is important to ensure that identified organizations have the capacity, competency, and financial resources to carry out each task.
4. A focus on existing business retention and expansion. This should be addressed before any recruitment efforts take place. Existing businesses are most likely to rebuild the economy.

5. Strategies and actions are clearly worded, specific, and with measurable outcomes to provide a basis for monitoring progress.

6. A section of the plan to address communication issues, incorporating protocol, and an effective communications strategy.


2. The need for an early warning system that is timely and accurate

During the site visit, the EDAT learned that there is an urgent need for more accurate, real-time information on flooding and road closures which should be addressed in the shortest time possible. Officials and business owners expressed their frustration not only with the technology of the communication system, but also in the delivery of communications. They reported that had it not been for late and false warnings, extended road closures, and delayed notification of road re-openings, they would have been able to restore normal business operations much sooner.

The Colorado Department of Transportation (CDOT) currently provides information on road closures and message boards. However, the community perceives that the warnings are overly cautious, and perhaps not based on the most reliable weather information, resulting in frequent unnecessary closures. In addition, some community members are concerned that the information provided does not reach everyone at the same rate because cellular telephone signals are unreliable or weak in certain locations.

The lack of reliable real-time information presents a recurring challenge. Based on business feedback, local officials expressed a belief that tourists have cancelled their hotel reservations and are reluctant to visit Manitou Springs and adjacent mountain towns when storms are approaching. Storm clouds have come to represent the possible closure of U.S. 24, a perception reinforced by the media, giving those residing in Colorado Springs and elsewhere in the region a reason to delay travel.

Because U.S. Highway 24 is the sole thoroughfare connecting adjacent mountain communities, when it is closed, commercial activities in these areas are immediately brought to a halt. People can become stranded on either side of the closure. Consequently, some tourists delay their trips or choose other locations to avoid uncertainty and the potential for inconvenience.
DISCUSSION AND STRATEGIES FOR THE COMMUNITY TO CONSIDER

- Uncertainty related to highway closures should be addressed through the implementation of an improved early warning information system as part of a larger, organized emergency communications plan. The Department of Defense and technology sectors could help with ideas or cost estimates for an application, and the community could apply to the US EDA for the funding.

- Both low- and high-tech solutions are available. The City should take advantage of the regional presence of the NORAD military facility, which has the most current weather information and technology available in America, if not the world. They should also begin with consultation with the State and Department of Defense on the possibility of improving the emergency warning system as a service to the community. In addition, soliciting assistance in the form of a challenge or competition in the academic space could provide for compelling STEM education opportunities at the K-12 level and professional experience for students in the local universities. US EDA funding

- Lower-tech solutions include tapping into the local hobby ham radio and trained weather spotter communities. A way of organizing these individuals would be to form a committee where these individuals can help monitor real-time Fountain Creek levels or Highway 24 closures. Part of the strategy should include guidelines for when to send out warnings or notices, incorporating a distribution list.

- Alternative technologies such as text message alerts, which work in more locations than cellular telephone calls, should also be used. If citizens remain uncertain of the reliability of the text messaging, the City should request the protocol from the Colorado Department of Transportation (CDOT) that identifies when messages are sent and the chain of responsibility for ensuring messages are sent.

- Mobile alert systems can be made more effective when information is succinctly communicated in easy-to-understand, non-technical language. Emergency workers should monitor response to their alerts to reduce false alarms and the improve effectiveness.\(^\text{13}\)

- One possible higher-tech solution would be to use crowdsourcing for data gathering. The city could tap local individuals with programming skills to design a Smartphone application that allows residents to report their observations of creek bed levels and weather. This data could be then displayed directly to residents or communicated to the media. The City could also work with existing crowdsourcing platforms, such as the website CrowdHydrology. CrowdHydrology creates freely

\(^{13}\) SciDevNet. Early warning of disasters: Facts and figures.
available data on stream stage in a simple and inexpensive way with crowdsourced data. Information on stream stage (water levels) is gathered from anyone willing to send a text message of the water levels at their local stream.14 Signs with water gauge levels could be posted in streams with a phone number to text.15

- Until a more reliable and timely system can be put in place, the City should continue to coordinate closely with State transportation and emergency management officials and take an active role in disseminating “all clear” signals to ensure that stakeholders are made aware that they can return.

3. The need to increase capacity to address economic development despite limited planning resources

Partially due to the small tax base and the smaller local government, there appears to be a shortage of capacity for economic development planning, implementation, and disaster preparedness in Manitou Springs. In attempting to expand and diversify, the City faces the additional difficulty that mountainous terrain limits the available land for development. Without a clear economic strategy and implementation plan, there will likely continue to be limited funding, personnel and growth locations for businesses. Local government will have more difficulty taking advantage of incoming state and federal support and funding without a plan.

Because the town’s last comprehensive plan was written approximately 20 years ago) Manitou Springs lacks a contemporary guide that stakeholders could use to plan future economic development, disaster recovery efforts and resilience. Although the City’s 2012 Visioning and Planning Guide expresses some economic development objectives, including a desire to diversify into new industries, the Guide does offer the technical, highly specific implementation plan with which to attain these goals. During the EDAT visit, local officials and residents exhibited enthusiasm to rectify this shortcoming.

Business owners cited a gap in comprehensive community planning as well as individual business preparedness as challenges to their recovery efforts. Many small business owners admitted feeling overwhelmed in trying to understand the terms and limits of their commercial insurance policies, and reported feeling that they were caught off-guard after the flood. As impacted business owners were striving to return to regular day-to-day operations, in most cases, they acknowledged the necessity of preparing for the possibility of future disasters. This indicates that the time is right to incorporate small business training and disaster plans into a new comprehensive plan for the City.

---

15 One downside to this, however, is that it will require someone to review and filter unnecessary information.
DISCUSSION AND STRATEGIES FOR THE COMMUNITY TO CONSIDER

- The recent disasters suggest the need for economic and community resilience. Much as community members felt the need in 2011-2012 to make their voices heard in guiding the city’s future, creating Manitou Springs Forward as an updated guide for the Comprehensive Plan, the community could now, in 2014-2015, update its Comprehensive Plan with the two detailed action-oriented plans recommended earlier in this section. A Hazard Mitigation and Resilience Plan would provide a modern and relevant frame to the traditional land use section in the comprehensive plan. An Economic Strategic Plan would buttress the vision and identified potential for economic diversification with deeper understanding of those markets and the niches within those industries that particularly fit Manitou Springs. Because tourism is an intensive activity requiring considerable attention from the economic organizations, there is less capacity for the efforts needed to diversify. Community members expressed a wish to positively develop the gateways to Manitou Springs. Diversification of the economy will drive that success, but will require focused planning and support. The EDAT recommends that that the City use its convening power to form steering committees for these two initiatives, and work with the Colorado Department of Local Affairs to discuss the availability of resources to support these updates to the Comprehensive Plan.

- Through regional, state and federal partnerships, the City can leverage its limited resources, and expand its economic development function and regular activities to include these key elements:
  - Marketing and attraction of new businesses
  - Ongoing attention to existing businesses and their needs
  - Support, training and advice for entrepreneurs and small businesses
  - Attention to workforce needs, to help coordinate between business-education-workers and ensure there is an adequate labor pipeline and an adequate supply of affordable housing that matches the income levels of workers

- Taking full advantage of small business training and financial assistance offered by through U.S. Small Business Administration and Department of Agriculture Rural Development, the City should take the lead in organizing and centralizing resources into one central location. Using its knowledge of how the local community communicates, it should also reach out through established channels of help make services for small businesses better known and utilized by local business owners.

- The City may wish to consider encouraging development of a few multi-story office or apartment buildings, possibly with ground-level retail. Another space-saving measure would be the development of a two-story parking garage with shared office technology space in levels above the parking, thus providing affordable space for small business.
• The recovery work must be visible and supported by the community, given residents’ need to feel secure within their environment. Regardless of whether Manitou Springs adopts the recommendations for long-term recovery and economic development plans, the City still has a vision for recovery. And it has the urban renewal district that has operated for the past six years. It is important to share information with residents and the business community, and to implement action plans through community collaboration. Opening up the planning trajectory can include public information sessions, creating a publicly accessible website, updating social media with the status of projects or planning process, and distributing meeting notifications through all available media sources to reach all community members.

Additional thoughts on building regional capacity and Public-Private Partnerships

• Manitou Springs benefits from the proximity of Colorado Springs and can build upon regional capacity and public-private partnerships (PPP’s). Officials in Manitou Springs can further engage El Paso County representatives, the Regional Business Alliance, and the Small Business Development Center to leverage their capacity and participate regionally on projects. Given Manitou Springs’ limited resources and capacity, the regional organizations have the ability to provide access to resources that would otherwise be too time consuming or difficult for the City to assemble on its own. Possible regional collaboration projects can include the communication system, strategic planning, and tourism enhancements, –such as visitor driving trails that incorporate historic Colorado Springs, and a regional series of recreation and heritage attractions.

• Throughout this report, there are numerous references to government funding sources. While working to secure available government funding, some locations around the country that have experienced disasters have found it helpful to establish 501(c)3 organizations, which can act as private funding conduits for recovery projects. A 501(c)3 organization enjoys benefits such as federal and state income tax exemption for donors, postal rate discounts, special tax-exempt financing, and increased fundraising opportunities for charitable contributions from investors and donors.\(^\text{16}\) Additionally, a 501(c)3 organization can be useful for other economic development purposes during “normal periods.”

• Working with regional partners to help establish the 501(c)3 can take part of the burden away from Manitou Springs as it continues in its recovery efforts. It is also important to note that

given the disaster declaration of the area, Manitou Springs can receive expedited processing of the application through the Internal Revenue Service.  

---

**Case Study: Creating a 501(c)3 Foundation for Economic & Community Development Purposes in Hancock County, MS**

Following Hurricane Katrina, the Hancock Chamber of Commerce established the Hancock Community Development Foundation, in May 2006, as a 501(c)3 public charity to act as a funding conduit for recovery projects with a broad community focus. The specific purposes of incorporation are to sponsor and support:

- Recovery and rebuilding projects
- Educational and community programs that stimulate job creation
- Foster small business growth and support workforce development
- Scholarships for youth in Hancock County to attain a college education
- Grant research, development and administration
- Coordinate charitable fundraising to support qualified educational and community programs, and community non-governmental organizations.

While the Hancock Chamber was established in 1925, business leaders never saw the need for a 501(c)3 non-profit until the nation’s worst natural disaster struck. If they had not acted swiftly to set up this institutional, financial, technical and legal resource, the community would have been unable to implement critical recovery programs to rebuild Hancock County. Due to Hurricane Katrina, the application to the IRS for 501(c)3 status was expedited through the help of Mississippi Congressional Offices and in three weeks’ time the status was granted.

Some of the initiatives undertaken by the Foundation include:

- Development of the Hancock Housing Resource Center to restore housing lost to Katrina.
- Establishment of the Bay-Waveland Main Street Association for downtown revitalization.
- Incubation of 20 non-profit causes from the arts to education to historic preservation.
- The Job Generation Fund (JGF) for small businesses.

For more information on Hancock County, visit their website at [http://www.hancockchamber.org/development-foundation/](http://www.hancockchamber.org/development-foundation/)

---

17 "Examples - Organizations Qualify for Expedited Processing of Exemption Applications." Internal Revenue Services. Internal Revenue Services, 13 Mar. 2014.
19 Ibid
20 Ibid.
4. The need to support small businesses with financing and other recovery issues

The economy of Manitou Springs is characterized by many small businesses, which have had difficulty sustaining cash flow, adopting management strategies, and finding access to necessary capital to rebuild after repetitive business interruptions. It was reported during this study that:

- Many small businesses lack overall business and financial management capacity to endure sustained and long-term disruptions.
- Small businesses generally have relatively small private capital savings.
- Business owners face barriers in accessing capital. Many have inadequate relationships with banks.
- When asked, local banks stated that given the back-to-back disasters, they would work with businesses to help with loan modifications and cash flow. Financial statements of some businesses that have worked closely with their banks have improved since the floods.
- Paperwork can be burdensome and intimidating, especially for micro businesses.
- Many businesses prefer not to take on more debt and prefer grants to loans. This unfortunately slows down the pace of recovery and growth, and in some cases jeopardizes cash flow to run a business.
- There is a general lack of knowledge about the terms and limits of commercial insurance policies. The cost of flood insurance has skyrocketed since the disaster and many businesses and property owners are experiencing “rate shock.” Third party flood insurance may cost much less than government insurance; information on alternative sources of insurance is now desperately needed in order to help keep businesses open. Businesses without flood insurance are not able to get Small Business Administration loans.
- The Small Business Development Center (SBDC) has focused on education and consulting businesses regarding available opportunities and disaster preparedness, made possible by a disaster grant funded through the Department of Local Affairs of the State of Colorado. With these funds, the SBDC has been able to provide small grants of $1,000 and the United Way has provided $10,000 grants. The agency provided 15 small grants worth a total of $105,000 and 16 grants worth $10,000 each. They have nearly $146,000 in pending requests. During the disaster period from 2012-2013, the SBDC provided consultation services to 185 businesses, which were 62 percent women-owned, 15 percent veteran owned, and 10 percent minority owned.
- Several respondents expressed the need for a business emergency relief fund. Although donations were provided to assist the community, only non-profit organizations, not businesses, were able to receive them.
- In the past, business owners perceived that disaster preparedness was not needed, as the frequency of incidents seemed relatively rare. This attitude would be likely different today.
DISCUSSION AND STRATEGIES FOR THE COMMUNITY TO CONSIDER

- It is common that business owners and managers often do not see a role for themselves in the community’s disaster preparedness planning efforts, and that they do not take the time to develop their own efforts. While local government has the legal responsibility to address disaster risks and make emergency management plans, a business owner or manager’s busy schedule will often translate into minimal involvement with a business continuity plan. Many business owners in the recent disasters unfortunately learned the hard way that they did not have the right level of insurance and/or that they needed contingency plans for storage of valuable or perishable items.

- Delivering information on preparedness and recovery can help businesses be ready and better equipped to recover from the next disaster. Manitou Springs should consider holding workshops, webinars or other events to disseminate important disaster-related information such as business interruption insurance and business continuity planning. These events should be organized for a time, location, and format convenient and conducive to businesses, so that the maximum number of small business owners can participate.

- Businesses would greatly benefit from training on business continuity planning. Ultimately, businesses -- both large and small -- should regularly execute a comprehensive situational assessment of the organizational processes and procedures that would be affected by a disaster. While large firms typically have the resources to hire staff to write the company’s business continuity plans, a small business owner is typically working in the business and has limited time to devote to contingency planning. Simple steps the City can take to help are to sponsor continuity workshops focused on encouraging business owners to plan for resilience. For example, the City could use and replay the monthly disaster preparedness and recovery webinars that are produced by the IEDC and recorded on the website www.RestoreYourEconomy.org.

- Manitou Springs should assign someone to research third-party flood insurance, and then make this information available to businesses. The City should also consider approaching financial institutions and insurance companies about interest rates or insurance discounts for local businesses that successfully perform disaster preparedness activities, so as to incent local business to get involved in these efforts. These discounts provide a financial incentive for local business to engage in disaster preparedness activities (business continuity planning, employee training, mitigation, data backup, etc.), which will speed recovery.

- Develop a ‘one-stop’ center equipped with the resources businesses need to prepare for disasters and plan continuity. These resources could be delivered by the SBDC on a door-to-door basis, given the small size of the community.
• Establish a revolving loan fund (RLF) expressly designed for local disaster recovery. The RLF should be seeded with both private and public funds to meet the cash flow needs of businesses immediately after the disaster. Provisions should be incorporated to ensure the funds stay in the community. Loans could become grants if businesses stayed, or alternatively departing businesses might face a higher interest rate. A local loan fund allows for flexibility and tailoring of criteria to meet specific challenges of the community. Once those guidelines are in place, a loan committee can review and approve loans with consistency. The Lyons Business Recovery Fund may provide a useful example.

• In a recent business survey, the Urban Renewal Authority in Manitou Springs found that the lack of affordable housing presented workforce recruitment and retention problems. During EDAT’s discussion, affordable housing came up as a priority. Currently, many employees tend to live in Colorado Springs due to the lack of affordable housing in Manitou Springs, and because the closing of Highway 24 causes major problems for employees to get to work. Affordable housing should be prioritized in the City’s economic development plans to help ensure that there is an adequate workforce.

Additional Resources:

• The Institute for Business and Home Safety’s Open for Business Basic is a free guide to business continuity planning for the small to mid-sized business with 13 thematic checklists, including one on property protection checklist.

• Ready Business was created to educate and empower individuals, small businesses and interested parties to prepare for and respond to emergencies. This resource is focused specifically on business preparedness.

• SBA & Nationwide Insurance’s Small Business Preparedness Guide helps business leaders to better handle a disaster situation. This guide provides common-sense solutions to protect assets.

• Prepare My Business is an SBA website that provides small business resources for disaster and business continuity planning and testing, as well as to provide free educational resources on key topics to reduce your business’s risk and quickly recover following a disaster situation.

• Guide on Engaging Small Businesses in Disaster Preparedness from IEDC is user-friendly guide for business support organizations with practical tips on engaging small businesses in disaster preparedness.

The USDA Income and Property Eligibility Site provides a list of USDA loan programs available for businesses and residents in parts of the Ute Pass area, with an interactive mapping tool to determine specific eligible locations.
5. Media coverage of the disasters

Although updated tourism data are not yet available, there was widespread perception among stakeholders that the media coverage of the disasters of 2012 and 2013 has negatively affected Colorado’s tourism industry, most particularly in small mountain communities like Manitou Springs. National and international media covered the flooding extensively,21 but have not reported on the recovery. According to stakeholders, this lack of coverage has left many people believing the region is still in a disaster state – or at least vulnerable to future occurrences.

During the site visit, stakeholders told the EDAT that even residents of Colorado who have seen more balanced news coverage of the recovery efforts in the local media are wary of visiting the impacted mountain communities. The coverage has led people to question whether it is safe.

DISCUSSION AND STRATEGIES FOR THE COMMUNITY TO CONSIDER

- External messages need to dispel common myths and promote opportunity. It is important to inform key markets outside of the impacted region that local businesses, especially its tourist attractions, are still functioning, and that the City has largely recovered.

- The City should not rely on media outlets to report that Manitou Springs is open for business. It is the nature of the media in attracting readership that dramatic negative stories and disaster will get much larger play in headlines. Positive news is often placed in feature sections of newspapers, for example, which have far lower readership.

- Through positive marketing and publicity, the negative media image of a dangerous and decimated community can be reversed occur more quickly. Officials should plan and execute a post-disaster media strategy, which can be leveraged by local businesses. Residents of Manitou Springs are well aware of the effect media portrayals can have on tourism. Developing a post-disaster media strategy should be part of a long-term disaster plan, but given the concern with this issue, the EDAT team recommends this strategy be given urgent attention.

- One of the first steps in building a media strategy should be to determine the audience for its messages and setting aside funding to plan and execute the strategy. To maximize limited resources, it is critical to understand the demographics and characteristics of the target audience and how to effectively reach them. The lead organization, with its partners, should construct and distribute a recovery story that is attention-getting and affirmative. For example, it would provide for a timely publicity opportunity to mark the one-year anniversary with publicity that feeds media positive stories on recovery and resilience.

• Paid advertising is expensive and the City of Manitou Springs has very limited means. However, local stakeholders can take advantage of State grants for tourism marketing, available from the Office of Economic Development and International Trade (OEDIT) as well as from the Department of Local Affairs that administers the Community Development Block Grant Disaster Recovery funding. Tourism marketing can use various free Internet and social media channels including Facebook, Twitter, Yelp and other websites to disseminate positive “open for business” messages and photos of current conditions in Manitou Springs. To offset the costs of staffing these efforts, students in internships and local businesses can be recruited to help the City in its organized campaign.

• An additional helpful resource is The Disaster Resource Guide (2009/2010), which features an example of a media strategy, “Plans and Exercises to Build a Timely Communication Response”. Download the pdf or online version.

Case Study: Post-disaster marketing in Gippsland, Australia
A Monash University study after the 2009 Black Saturday Bushfires in the Gippsland region of Australia by researched what works in post-disaster marketing. 672 interstate tourists were surveyed. The study’s findings are helpful in identifying key aspects of disaster recovery marketing: 22

• In the wake of a disaster, the majority of tourists will return to the destination within 12 to 24 months.
• Having previously visited has minimal influence on a tourist’s propensity to visit the region after a disaster.
• Regular visitors (five or more past visits) are more likely to return within six months of the disaster than irregular visitors (fewer than two past visits).
• Festivals and events immediately or soon after a disaster are not the most effective post-disaster communications strategy. Event promotion is more likely to encourage tourism 12 –24 months after a disaster.
• Post-disaster advertising is more likely to capture the attention of those whose knowledge of the region is limited.
• Advertising messages designed to encourage visits via curiosity enhancement (i.e. regenerating landscape) are unlikely to be effective.

Case Study: Using Social Media to Counter Negative Media Portrayal
The Town of Canmore is a recreational tourist destination in the Canadian Rockies with a population of 12,000 and an additional 5,000 secondary vacation home occupants who visit seasonally. The tourism

22 More information and results of the study can be found at http://tourism.uq.edu.au/docs/Disaster.pdf.
industry benefits from Canmore’s proximity to Banff National Park and Kananaskis Provincial Park, directly employing 40 percent of the community and operating 3,000 hotel rooms.

Canmore was one of the first Albertan communities impacted by heavy flooding when the usually dry Cougar Creek transformed into a raging river on the evening of June 19, 2013. Saturated with debris, felled trees, and boulders, the floodwaters damaged dozens of homes along the Creek’s edges before destroying a section of the four-lane Trans-Canada Highway, Canmore’s primary connection to Calgary.

Though the flooding caused an estimated $50 million in damages in Canmore, the extent of the damage was limited to five percent of the town’s area.23 Yet, dramatic media coverage of the intense but localized flooding left townspeople scrambling to restore its image.

Almost immediately, local businesses and elected officials convened conference telephone calls to delineate a strategy to salvage the remainder of the summer tourism season. The most significant challenge to this strategy was to reverse the impacts of the media portrayal of Canmore, including:

- Regional visitor uncertainty about the flooding impact on upcoming travel plans,
- International visitor cancellations, and
- Concerns in the business community that they would have to layoff seasonal employees.

Tourism Canmore Kananaskis (TCK), a public-private partnership between the town and local businesses, developed marketing and communications measures both during the crisis and throughout the recovery process to address these three critical issues. Because 80 percent of Canmore’s visitors come from within Alberta, TCK prioritized the regional market. Nor did the town did miss the opportunity to celebrate an early victory, the reopening of the Trans-Canada Highway on June 26. In a showcase of resilience, TCK tweeted an image of the first cars arriving to Canmore while the Canada Day parade went on as scheduled the following day.

![Image](image.png)

*Image courtesy of Tourism Canmore Kananaskis.*

---

23 CBC News, May 2014
TCK added frequently asked questions and status pages to their website to dispel misinformation and update residents and visitors on the condition of local roads and attractions. The website became a trusted information portal across the region, attracting 20,000 unique visitors. TCK also disseminated updates through social media, growing its Twitter and Facebook following by 360 and 100 percent, respectively.

![The TCK website status page. Image courtesy of Tourism Canmore Kananaskis.](image)

**Leveraging Marketing Partnerships**

Officials in Canmore, in partnership with the Calgary Hotel Association, Travel Alberta, Tourism Calgary, and Delta Hotels and Resorts, launched a regional “open for business” marketing initiative, which adapted the unique slogan of “Alberta’s Backyard. Back Open.” to reflect Canmore’s regional significance. As part of the initiative, two videos capturing impressive recovery progress were posted, attracting over 7,000 combined views.
The organization also targeted regional and international media outlets with a local version of the provincial government’s “Heroes of the Flood” initiative. The “Search for Heroes” video went beyond changing the Canmore story from one of destruction to one of resilience; the video honored the extraordinary efforts of citizens and captured the town’s strong sense of community.

Canmore set an ambitious goal of matching its 2012 summer season occupancy figures following the flooding that hit during the peak of the 2013 tourist season. Despite the damage inflicted by the media portrayal, Canmore set records for hotel occupancy in July, August, and September of 2013. The persistent online and social media campaign enabled the Canmore business community to emerge strong from what would otherwise have been a devastating summer tourism season.

6. Changes in visitor demographics and spending habits

During the EDAT visit, local business owners discussed their personal observations that tourist spending had declined. They reported that after the disasters—possibly due to more upscale market segments being diverted away by resort destination advertising—visitors seemed to have lower incomes than before, although it was not clear if data supported this claim. However, in any event, at least one owner stated that if this trend does not reverse, their business would no longer be sustainable.

While this trend cannot be validated through current data, it did resonate with generalized earlier reports that tourist spending in downtown Manitou Springs has recently declined. Retail sales data would provide greater certainty over whether this has or has not occurred. However, without data and a tourist survey, there is no sound way for the business community or the local government to track trends in the demographics of visitors and their spending habits. This is a hindrance to focusing limited resources in marketing and making the best use of opportunities to maximize the benefits of tourism.

DISCUSSION AND STRATEGIES FOR THE COMMUNITY TO CONSIDER

- At the current time, the data to make considered decisions about tourism is lacking. As part of an effort to maximize economic benefits of tourism and track visitor trends, the City of Manitou Springs should periodically sponsor a tourist survey. To maximize the budget, the survey can be conducted online.24 To gather the most accurate results, an identical visitor intercept survey should also be conducted in person, using local volunteers, students, or paid interns.

- Ideally, the survey should be carried out over multiple seasons in order to better understand who visits the City at what times of the year, their demographics, what they do when they stay,

---

24 Survey Monkey offers free and low-cost services at [www.surveymonkey.com](http://www.surveymonkey.com)
whether they stay overnight and in what types of accommodations and how much money they are spending. Additional questions can capture information regarding the size of travel parties and how they heard about Manitou Springs. Having such information would greatly aid the City, Chamber of Commerce, and businesses in targeting their advertising.

- The survey should be repeated and data compared every few years, especially if local businesses detect changes in the market that are affecting commerce.

- Another important benefit of tourism surveys is that they can be used to gather feedback and plan public and private investments on improvements to tourist sites and attractions. Providing tourist survey information to existing and new businesses would help reinforce the City’s reputation as “business friendly.”

- Businesses might consider providing incentives for visitors to take the survey, such as 20% off an entrée or 10% off an item in a store for a completed survey.

7. Concerns over competitiveness and the lack of new visitor attractions

Given the importance of tourism in the economy, it is understandable that the Manitou Springs government and other local organizations and businesses are concerned about seasonal fluctuations in visitors, increasing competition from other destinations, and possible changing demographics of visitors. Businesses cited concerns that negative media reports and a lack of new local attractions to attract interest cause visitors to choose other destinations. There has been a concerted effort to expand upon the arts image, promote the development of a spa based on a natural spring in the City, and to do niche marketing through special events.

Another one of the proposed “solutions” is to try to diversify the economy, so that it is not so dependent upon tourism revenue. Successful diversification of industries matched to the assets of the community is a very good long-term goal; strategies to pursue that goal are discussed above. But diversification need not imply an abandonment of the city’s sustaining core industry- its thriving tourism economy. Many stakeholders suggested they enjoy living in Manitou Springs because of the factors that make it a tourism destination, and the city’s ability to attract diverse businesses will also rest partly on that appeal. There are also opportunities to diversify the tourism assets themselves, so that they draw from different user markets.


**DISCUSSION AND STRATEGIES FOR THE COMMUNITY TO CONSIDER**

- The previous section discussed how having much more information about existing visitors, including their demographics, characteristics, and spending habits, would greatly assist the City in planning. It would also be a valuable exercise to regularly survey and ask tourists what kinds of attractions they would like added. Such information could be invaluable in tourism product development and master planning.

- The EDAT team noted that the targeted tourism demographic differs between Colorado Springs and Manitou Springs, but both communities might benefit from increased collaboration and synergy between their marketing efforts. Jointly tracking tourism data might be a way to develop an ongoing relationship following initial meetings.

- The size and importance of the tourism industry to the economy warrants the creation of a tourism strategic plan, if not a master plan that also incorporates land uses and locations of tourism assets. A master plan should incorporate community input and incorporate the following types of information:
  - The vision for tourism
  - Characteristics of key tourism markets, both existing and potential
  - Niche markets that could be tapped into
  - A description and analysis of various types of accommodations, their capacity and performance over time
  - A review of the key tourism assets and their “visitor readiness”
  - Tourism workforce analysis and training needs
  - Analysis and prediction of what tourists are looking for today and what they will want in the future (it is helpful to consider competitive destinations and what they offer as benchmarks)
  - A summary of key issues affecting tourism that should be addressed (this could involve policy and regulatory issues, available funding for promotion, community branding and place making, aspects of the community vision that need attention
  - An in-depth analysis the media channels, resources and messages used to promote tourism
  - A listing of potential new products (attractions) that could be offered by Manitou Springs, including both public and private projects that will complement existing assets. Consideration should be given to recovering part of the cost of these improvements— for example, a maintained and improved Incline might warrant the collection of visitor entry fees to use it
  - An action plan for the development of short and long-term products that the City and tourism stakeholders believe will offer the greatest return for investment
• As with a comprehensive economic development plan, the City may be able to apply for grants from the State and federal government to help fund the development of the tourism plan. The community should work with Colorado’s Department of Local Affairs to apply for Community Development Block Grant Disaster Recovery funding.

• The rollout of any plan should involve both the public and private sector. A good technique to ensure implementation is for the Mayor to appoint project leaders to head up different projects and to have periodic meetings to receive update on progress and keep the forward momentum. In this manner, the City can maximize its full potential as an attractive tourist destination. Further, any rollout should be structured with both small, readily attainable goals as well as near term “big targets” that can raise the visibility of the communities efforts to a wider audience.
V. El Paso County & the City of Colorado Springs

Economic Overview

El Paso County and the City of Colorado Springs, together with Teller County, make up what is known as the Pikes Peak Region. As of the last U.S. Census in 2010, the population of El Paso County was 627,232, of which the population of Colorado Springs was 420,529. The potential workforce of these areas is approximately 75% of these figures. The County and City combined unemployment rate was approximately 8.1 percent as of March 2014, according to the Colorado State Department of Labor and Employment. This was 1.4 percentage points higher than the U.S. unemployment rate, which stood at 6.7 percent during the same period.

The region’s current primary industries include:

- Aerospace/Defense
- Clean Technology
- Customer Support / Financial Services / Back Office
- Healthcare
- Higher Education
- Information Technology
- Local Business
- Manufacturing
- Medical Innovation & Technology
- Nonprofit
- Sports Economy

---

Stated goals for future diversification and expansion of existing economic assets include the following:

- **Sports** – Colorado Springs is home to the United States Olympic Committee and an Olympic Training Center, and athletes come to train in the area
- **Healthcare** – The Pikes Peak Region’s healthy climate and lifestyle are a natural fit with healthcare and wellness
- **Aerospace/Cyber** software and hardware - As home to United States Air Force Academy, NORAD/Northcom, and Air Force Space Command, the region is an important hub for military technology
- **Manufacturing** - Aerospace equipment and medical device manufacturers are developing clusters
- **Higher education institutions** – Partnerships between these institutions and industry offer targeted workforce development for skilled labor and “lifelong learning” opportunities

**Aerospace and Defense**
The U.S. Armed Forces is the top employer of the region, employing approximately one-fifth of the region’s workforce and contributing an estimated $5.7 billion in direct impact. Fort Carson, a U.S. Army post, maintains more than 15,000 local residents on its payroll. In addition, the spending power of personnel stationed at Fort Carson is an indispensable stimulus to the local service industry. The U.S. Air Force Academy, Peterson Air Force Base and NORTHCOM, Schriever Air Force Base, and the Cheyenne Mountain/North American Aerospace Defense Command (NORAD) are also major employers. Additionally, hundreds of military contractors cater to these five regional military facilities.

As a high altitude, mountainous city with many Defense facilities, Colorado Springs is also a center for space research. It is the site of the Combined Services Space Center and the Consolidated Space Operations Center—both crucial divisions of the Strategic Defense Initiative. These centers handle military missions related to the Space Shuttle Program. The U.S. Space Foundation and the Air Force Space Command at Peterson Air Force Base also provide a support services for developing future space-related projects. Growth of the aerospace industry growth has attracted several high-technology firms to Colorado Springs, including Hewlett-Packard and 17 other major electronics companies, which together currently employ nearly 10,000.

Given this strong dependence on Defense, local representatives expressed the concern that if the federal budget for defense were to be cut during the current period of sequestration, the local economic impact would be severe.

---

As reported by local County workforce officials, already an average of 500 service members at local bases left the military every month over the past year. Many of these former military personnel have expressed a desire to stay in the Colorado Springs area and are seeking to jobs that make use of their specialized military skills.

Tourism
Tourism is the second largest economic driver and a major industry cluster within the Pikes Peak region. Approximately five million people each year come from outside the County, providing vitally important export revenue. Grouped within the broader tourism industry are about 10 types of businesses that benefit from visitor spending, including accommodation providers, retail, restaurants, attractions, transportation companies, tours, parks, wholesale, insurance, banking, advertising, maintenance, landscaping and a variety of service firms.

Peak tourism season generally runs from Memorial Day through Labor Day but can extend into the shoulder seasons when prompted by special reasons to come – namely, local special events. In 2013, El Paso County generated 12,450 tourism-related jobs. The industry handled over $1 billion in sales of services to tourists in 2013, $33.4 million of which were taken in as local taxes and $29.9 million as state taxes. All of the spending resulted in $285.6 million in net earnings for the County and City.27

The mountain and valley region that makes up El Paso County has a number of highly attractive tourism assets, which appeal primarily to those interested in scenery and outdoor recreation. The Garden of the Gods Park, which is locally maintained and owned by the City, has earned the distinction of being named the top municipal park in America. Tourists also visit a number of military sites, including an Air Force Museum and the NORAD facility. Additionally, numerous local events attract tourists each year for organized sports and other cultural activities. However, tourism remains highly seasonal and is subject to weather conditions.

Over the past few years, El Paso County tourism has experienced increasing competition from other areas of Colorado and other states in the Rocky Mountain region. Local businesses have reported increasing competition from well-known Colorado ski resorts, such as Breckenridge and Aspen, which have increased their investment in year-round marketing of high-value packages. Given concerns about the forest fires, flooding disasters, and whether roads are open; community stakeholders believe that these packages have enticed some of the traditional repeat visitors away from Colorado Springs, Manitou Springs and other destinations in El Paso County.

To help maximize the tourism market and add opportunity for growth, the City has proposed a long-term $100 million initiative which it is seeking approval and funding for called the “City for Champions.” This is a tourism development project, which will add jobs and bring in an estimated 500,000 additional

tourists each year to the County and City. The project will capitalize on sports and include the construction of four new attractions:

- A visitor center for the Air Force Academy
- A sports medicine center
- An Olympic museum
- A new sports and events center in downtown Colorado Springs

Additional short-term improvements slated for tourism include some improvements to nature trails in various parts of the County. Additionally, there is a plan to expand a World War II Museum at the Colorado Springs Airport. In 2013, the airport lost 20.9 percent of its traffic due to the pull out of service by Frontier Airlines. To help make the airport more attractive, the Airport is working to create special events such as a race on the runway, and is considering other forms of marketing.

**Labor Force**

Given the discrepancy between the local unemployment rate and that of the State of Colorado, El Paso County appears to be recovering more slowly from the recession. The County and City’s unemployment rate of 8.1 percent is also higher than that of Manitou Springs, which is 6.1 percent.

Despite concerted efforts by local colleges and the Pikes Peak Workforce Center, according to local officials, the County still struggles with the problem of a skills gap and transferable skills. Community colleges have an aggressive certificate program for manufacturing and construction operating engineer jobs. These institutions are seeing an interest by members of the military to provide re-training opportunities for those that are now leaving the service and going back to civilian life.

Another concern has been the gradual exodus of younger workers as part of the workforce. Many young workers reportedly have been drawn to the Denver area which provides more options for nightlife and entertainment, while El Paso County and Colorado Springs in particular has earned a reputation as more of an ideologically-conservative community for families.

Perhaps of more immediate concern and certainly adding to the perception of vulnerability of the region’s economy will be the impact of sequestration on the federal budget and specifically the possible reduction of 16,000 jobs – some 60 percent of the personnel at Fort Carson by 2019\(^{28}\). While it is still too early to tell if such a massive reduction will in fact occur, such losses would indeed greatly affect the County economy through the loss of direct and indirect employment by many service personnel and the many local firms, retailers and landlords that depend on business from the base and military families.

\(^{28}\) This was reported in the local newspaper and to the Colorado Springs Business Alliance June 26, 2014 by the Chief Defense Industry Officer.
**Businesses and Industries**

According to community analyst software by ESRI, El Paso County was home to 40,543 businesses that employed 263,173 people. As seen below, many businesses are considered “Services” (21,956) and “Retail Trade” (5,255). These numbers along with hotels and lodging can be considered part of tourism and show how tourism is a key industry driver.

<table>
<thead>
<tr>
<th>El Paso County Business Breakdown</th>
<th>Number of Businesses</th>
<th>Percent</th>
<th>Number of Employees</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture &amp; Mining</td>
<td>1,103</td>
<td>2.7</td>
<td>3,810</td>
<td>1.4</td>
</tr>
<tr>
<td>Construction</td>
<td>3,754</td>
<td>9.3</td>
<td>15,614</td>
<td>5.9</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>1,315</td>
<td>3.2</td>
<td>20,298</td>
<td>7.7</td>
</tr>
<tr>
<td>Transportation</td>
<td>1,046</td>
<td>2.6</td>
<td>6,879</td>
<td>2.6</td>
</tr>
<tr>
<td>Communication</td>
<td>361</td>
<td>0.9</td>
<td>3,985</td>
<td>1.5</td>
</tr>
<tr>
<td>Utility</td>
<td>118</td>
<td>0.3</td>
<td>2,022</td>
<td>0.8</td>
</tr>
<tr>
<td>Wholesale Trade</td>
<td>1,770</td>
<td>4.4</td>
<td>7,376</td>
<td>2.8</td>
</tr>
<tr>
<td><strong>Retail Trade Summary</strong></td>
<td><strong>5,255</strong></td>
<td><strong>13</strong></td>
<td><strong>41,382</strong></td>
<td><strong>15.9</strong></td>
</tr>
<tr>
<td>Home Improvement</td>
<td>244</td>
<td>0.6</td>
<td>3,076</td>
<td>1.2</td>
</tr>
<tr>
<td>General Merchandise Stores</td>
<td>100</td>
<td>0.2</td>
<td>5,753</td>
<td>2.2</td>
</tr>
<tr>
<td>Food Stores</td>
<td>476</td>
<td>1.2</td>
<td>5,227</td>
<td>2.0</td>
</tr>
<tr>
<td>Auto Dealers, Gas Stations, Auto</td>
<td>441</td>
<td>1.1</td>
<td>4,146</td>
<td>1.6</td>
</tr>
<tr>
<td>Aftermarket</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Apparel &amp; Accessory Stores</td>
<td>291</td>
<td>0.7</td>
<td>1,422</td>
<td>0.5</td>
</tr>
<tr>
<td>Furniture &amp; Home Furnishings</td>
<td>467</td>
<td>1.2</td>
<td>1,849</td>
<td>0.7</td>
</tr>
<tr>
<td>Eating &amp; Drinking Places</td>
<td>1,295</td>
<td>3.2</td>
<td>12,183</td>
<td>4.6</td>
</tr>
<tr>
<td>Miscellaneous Retail</td>
<td>1,941</td>
<td>4.8</td>
<td>7,726</td>
<td>2.9</td>
</tr>
<tr>
<td><strong>Finance, Insurance, Real Estate Summary</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Banks, Savings &amp; Lending Institutions</td>
<td>396</td>
<td>1</td>
<td>3,675</td>
<td>1.4</td>
</tr>
<tr>
<td>Securities Brokers</td>
<td>269</td>
<td>0.7</td>
<td>926</td>
<td>0.4</td>
</tr>
<tr>
<td>Insurance Carriers &amp; Agents</td>
<td>522</td>
<td>1.3</td>
<td>3,604</td>
<td>1.4</td>
</tr>
<tr>
<td>Real Estate, Holding, Other</td>
<td>2,368</td>
<td>5.8</td>
<td>7,409</td>
<td>2.8</td>
</tr>
<tr>
<td>Investment Offices</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Services Summary</strong></td>
<td><strong>21,956</strong></td>
<td><strong>54.2</strong></td>
<td><strong>113,861</strong></td>
<td><strong>43.3</strong></td>
</tr>
<tr>
<td>Hotels &amp; Lodging</td>
<td>224</td>
<td>0.6</td>
<td>4,356</td>
<td>1.7</td>
</tr>
<tr>
<td>Automotive Services</td>
<td>798</td>
<td>2</td>
<td>3,418</td>
<td><strong>1.3</strong></td>
</tr>
<tr>
<td>Motion Pictures &amp; Amusements</td>
<td>923</td>
<td>2.3</td>
<td>4,560</td>
<td>1.7</td>
</tr>
<tr>
<td>Health Services</td>
<td>2,095</td>
<td>5.2</td>
<td>13,097</td>
<td>5.0</td>
</tr>
<tr>
<td>Legal Services</td>
<td>526</td>
<td>1.3</td>
<td>1,639</td>
<td>0.6</td>
</tr>
<tr>
<td>Education Institutions &amp; Libraries</td>
<td>696</td>
<td>1.7</td>
<td>17,528</td>
<td>6.7</td>
</tr>
<tr>
<td>Other Services</td>
<td>16,694</td>
<td>41.2</td>
<td>69,263</td>
<td>26.3</td>
</tr>
<tr>
<td><strong>Government</strong></td>
<td><strong>310</strong></td>
<td><strong>0.8</strong></td>
<td><strong>32,332</strong></td>
<td><strong>12.3</strong></td>
</tr>
<tr>
<td><strong>Totals</strong></td>
<td><strong>40,543</strong></td>
<td><strong>100%</strong></td>
<td><strong>263,173</strong></td>
<td><strong>100.0</strong></td>
</tr>
</tbody>
</table>

While it is not possible to directly attribute this to the disasters – or to other issues related to the general business climate such as economic development policies, competitive factors, and other causes within the regional economy – it is notable that the total number of all establishments in El Paso County decreased by 5,245 (9.2%) over from 2012 to 2013.\(^{29,30}\)

As seen in the graph below of 1995-2013 establishment growth and reduction for El Paso County, the past few years have not shown growth in the number of establishments since a peak immediately after the Great Recession in 2008-2009. This certainly gives an indication that the economy is under some stress and requires urgent economic development planning and new measures to attract businesses.\(^{31}\)

### Annual Change in Number of Business Establishments in El Paso County, Colorado

![Annual Change in Number of Business Establishments](image)

_Source: Dunn & Bradstreet data as reported on the website [www.youreconomy.org](http://www.youreconomy.org), Edward Lowe Foundation_

When comparing the year 2012 (when the first disaster occurred,) to 2013, other economic indicators worth noting are:

- Resident businesses declined by 9.5 percent
- Non-resident establishments with operations in the County declined by 2.8 percent
- Business expansions within the County declined by 36.9 percent
- Business reduced workforce increased by 66 percent
- Closings increased by 50.4%, which amounts to 3,060 firms

\(^{29}\) Separate figures were not available for the City of Colorado Springs.

\(^{30}\) "Your Economy." [YourEconomy.org](http://www.youreconomy.org). Edward Lowe Foundation, n.d. 29 July 2014. This data is based on Dunn & Bradstreet data, which is self-reported by businesses and may deviate slightly from other data sources.
- New business startups declined by 20.2 percent
- Expansion startups increased by 27.4 percent
- In-migration of business decreased by 25.7 percent

### 2007 El Paso County Location Quotients

<table>
<thead>
<tr>
<th>Industry</th>
<th>Total All Industries</th>
<th>2007</th>
<th>2014</th>
<th>CHANGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total All Industries</td>
<td>247,158</td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Advanced Materials</td>
<td>10,767</td>
<td>1.1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Arts, Entertainment, Recreation &amp; Visitor Industries</td>
<td>10,439</td>
<td>1.07</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Biomedical/ Biotechnical (Life Sciences)</td>
<td>17,887</td>
<td>0.73</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Business &amp; Financial Services</td>
<td>28,723</td>
<td>1.33</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Defense &amp; Security</td>
<td>17,670</td>
<td>1.4</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Education &amp; Knowledge Creation</td>
<td>8,840</td>
<td>1.01</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Energy (Fossil &amp; Renewable)</td>
<td>15,119</td>
<td>1.4</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Information Technology &amp; Telecommunications</td>
<td>21,021</td>
<td>2.22</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transportation &amp; Logistics</td>
<td>3,825</td>
<td>0.5</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Manufacturing Super-cluster</td>
<td>11,080</td>
<td>0.92</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Computer &amp; Electronic Product Manufacturing</td>
<td>6,936</td>
<td>2.99</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Printing &amp; Publishing</td>
<td>4,684</td>
<td>1.04</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Trends in Business Closures from 2012 to 2013 by Size of Business

<table>
<thead>
<tr>
<th>ESTABLISHMENTS</th>
<th>2012</th>
<th>2013</th>
<th>PERIOD AVG</th>
<th>% TOTAL</th>
<th>CHANGE</th>
<th>INDICATOR</th>
</tr>
</thead>
<tbody>
<tr>
<td>TOTAL</td>
<td>6,069</td>
<td>9,129</td>
<td>7,599</td>
<td>100%</td>
<td>3,060</td>
<td>50.4%</td>
</tr>
<tr>
<td>Self-Employed (1)</td>
<td>3,119</td>
<td>3,424</td>
<td>3,272</td>
<td>43.1%</td>
<td>305</td>
<td>9.8%</td>
</tr>
<tr>
<td>Stage 1 (2-9)</td>
<td>2,752</td>
<td>5,394</td>
<td>4,073</td>
<td>53.6%</td>
<td>2,642</td>
<td>96.0%</td>
</tr>
<tr>
<td>Stage 2 (10-99)</td>
<td>191</td>
<td>289</td>
<td>240</td>
<td>3.2%</td>
<td>98</td>
<td>51.3%</td>
</tr>
<tr>
<td>Stage 3 (100-499)</td>
<td>7</td>
<td>18</td>
<td>12</td>
<td>0.2%</td>
<td>11</td>
<td>157.1%</td>
</tr>
<tr>
<td>Stage 4 (500+)</td>
<td>0</td>
<td>4</td>
<td>2</td>
<td>0%</td>
<td>4</td>
<td>0%</td>
</tr>
</tbody>
</table>

*Source: YourEconomy.org based on Dunn & Bradstreet Data for El Paso County*
Commuting Patterns

As seen in the diagram below sourced from the U.S. Census’s “OnTheMap” program, there are approximately 173,448 people in the total workforce in the region. El Paso County experiences a net daily outflow, as 54,177 residents leave the County and 47,848 travel to El Paso for work. Over 170,000 individuals who live in El Paso County stay in the County for work.

Note: Arrows do not indicate the direction of commuting, but are simply used to graphically demonstrate in/out commuting.
Key Challenges: Colorado Springs & El Paso County

Colorado Springs and El Paso County stakeholders discussed several key concerns, some of which are similar to those of Manitou Springs. The summary is included below.

1. The lack of a shared vision, economic development-dedicated financial resources, and coordinated planning to address economic development and infrastructure improvements
2. Perception: Negative media coverage from disasters, cultural perceptions and the lack of a cohesive identity
3. A desire to diversify from dependence on primary industries
4. A desire to foster entrepreneurship and Innovation but a frustrated sense of implementation leadership
5. State-wide competition for skilled workers, investment, and economic growth
6. Concerns that the workforce lacked skills required by industry
7. The potential for future disasters and the need to build resilience into the economy
8. Lack of information on tourism market and tourism development efforts focused largely on long-term projects

**Economic development challenges as expressed in the words of El Paso County and City of Colorado Springs stakeholders:**

“We need one vision, one plan.”
“Where Colorado Springs goes, we all go.”
“There is no roadmap.”
“Attitudes and mindsets are rigid.”
“Economic development doesn’t just happen.”
“The City does not fund or support our resources.”
“We have a difficult time telling our story.”
“We’re competing with the big gorillas (in Denver).”
“The Business community is not connected to 14-18 year olds.”

1. *The lack of a shared vision, financial resources, and coordinated planning to address economic development*

Throughout the site visit, the EDAT heard of a desire to have a singular vision and plan regarding economic development. This sentiment was underscored when local stakeholders talked about recent major shifts in organizations and political structure.

Key organizations associated with economic development have been re-organized and merged in the past two years:

- The City recently changed its governance structure to a mayoral-council form of government in the past 18 months.

---

32 For additional analysis and recommendations on similar issues, please see Chapter II: Manitou Springs within this document
• The Regional Business Alliance, a relatively new public-private partnership was formed in 2012 by the merger of the Greater Colorado Springs Chamber of Commerce and the Colorado Springs Regional Economic Development Corporation.
• The City has established sector teams around several of the target growth and support industries for Colorado Springs to provide guidance to the Regional Business Alliance.
• The municipally-owned utility launched a new Office of Economic Development less than a year ago.

The City Council, which serves as the Board of Colorado Springs Utilities, saw an almost 100% turnover in the 2013 spring elections.

It was discussed that having “one vision, one plan” on a regional level would help align and leverage the capacities of the economic development organizations. This could better help the City, County and private sector to grow and improve the effectiveness of various economic development efforts. Some community stakeholders described the situation as being akin to have many cups filled with a small amount of water, but not any one of them having enough to satisfy the thirst. Many of the “thirsts” discussed included:

• Diversification of industries
• Investments in needed infrastructure to remain a competitive business destination and one that is more resilient to disasters
• Marketing to new businesses to bring investment into the region
• Local business retention and expansion programs to help retain jobs and grow firms that are in various stages of development
• Entrepreneurship and small business services
• Workforce initiatives to help in the forecasting of jobs, skills training and placement
• Building resilience from business interruptions such as disasters

Concerns regarding the possibility of reduced economic development funding
Fluctuating funding is nothing new to non-governmental economic development organizations. It is a challenge though for the area because of the overall smaller amount of economic development funding. During the site visit, the team learned that the Colorado Springs area is facing a possibility of reduced 2015 funding for economic development.

The City dedicates certain funds to economic development. In 2014, the City’s general fund allocated .27 percent of its $250 million annual budget or $678,000 to the municipality’s Economic Vitality office. This office addresses economic development for Colorado Springs and spearheads the City’s work to combat homelessness and the “City of Champions” tourism development project.

---

Currently, economic development organizations also receive money from the ratepayers of Colorado Springs Utilities. The utilities have traditionally funded a portion of the economic development activities in the region. In 2014, that funding was in question due to reservations by the Utilities Board (also the Colorado Springs City Council), but was ultimately extended, with a reduction in funding from $310,000 to $250,000.34

Since 2011, the Lodgers & Automobile Rental Tax (LART) paid by visitors has provided funding for several tourism and economic development organizations. In 2014, $4M in revenues is expected to be generated through this tax. A LART Committee has recently asked the City administration to limit expenditures based on this revenue to only tourism-related activities. What is at stake is that in 2015, $188,000 from LART, which had previously been allocated for regional economic development organizations, may be pulled from the tax. This would leave less than $1 million in economic development investment to be made by the ratepayers and taxpayers of Colorado Springs.35

*Concerns regarding the lack of funding for infrastructure development*

The Colorado Taxpayer Bill of Rights of 1992 has limited the City’s ability to tax. As a result of this, many local stakeholders stated that ongoing investments in roads, streets and bridges have all been underfunded since that time.36 If true, this may put some assets at risk, especially for flooding, wildfire, and drought.

**DISCUSSION AND STRATEGIES FOR THE COMMUNITY TO CONSIDER**

During the EDAT visit, the economic anchors and assets of the region were discussed, along with opportunities to enhance current economic development activities and efforts that can grow the economies and assist in disaster resilience. These assets include:

- Department of Defense presence
- Tourism
- Environment, scenery, easy transportation access
- Quality of place
- Non-profit sector
- Municipal utility
- Family-friendly living – “Welcome home” atmosphere
- Sophistication in economic development efforts
- Airport with capacity to grow in terms of passengers and land capacity / industrial space
- Historic home of high-end athletics, sports, and the Olympic Committee

---

35 Ibid.
36 For more information on the amendment, see http://ballotpedia.org/Colorado_Taxpayer_Bill_of_Rights,_Initiative_1_(1992)
From an economic development perspective, the county already has many key assets that are often attractive to site selectors:

- Access to a skilled workforce
- Access to markets – El Paso County and the City of Colorado Springs are only about 90 minutes from the Denver metropolitan region. The region also provides access to five military bases.
- Transportation access
- Raw materials
- A welcoming business climate and good regulatory framework
- Existence of industry clusters
- Access to research facilities
- Access to higher education
- Access to financial resources for businesses
- A good quality of life and affordable housing

Based on this list, it is clear the region has much to offer businesses and their employees.

Economic indicators, however, show challenges for the economy. The EDAT heard conflicting directions for targeted growth. Colorado Springs would like to keep young workers, and reports losing them to Denver, yet on the other hand sees itself as a more comfortable place for young families. Leaders expressed concern that previous diversification strategies did not bring the returns that the community expected. A successful strategy to attract nonprofits, for example, brought non-taxpaying investment. The recent recession disrupted diversification into the technology sector. Impacts from the disasters include business disruptions, lost tourism revenue, and concerns over future events.

The EDAT was impressed with the depth of economic resources in Colorado Springs, and that very strength, along with the radical restructuring of key organizations, may make this a time to regroup, acknowledge the strengths, and develop an encompassing action plan.

**DISCUSSION AND STRATEGIES FOR THE COMMUNITY TO CONSIDER**

- Develop a framework that recognizes the distinct roles and capacities of the economic development community in Colorado Springs and El Paso County that places the work of each organization in the context of their shared vision for successful economic development for Colorado Springs. A formally recognized framework might help shake out inconsistencies between strategies and visions and reveal missing linkages or supports.

- Gather and analyze long-term economic data and trends for a view of the ever-changing economic development landscape that supports buy-in for a shared vision. Data, such as what has been
provided in this report by various federal and state sources, and the YourEconomy.org website, can provide a clearer picture of shifts in the economy and what programs need additional focus.

- The EDAT heard strong local advocacy for “One vision, one plan,” the concept of developing a singular vision and plan for all of the economic development stakeholders in the region to reference. The City of Colorado Springs and the region face shared challenges discussed above such as the need for industry diversification, regional collaboration, and the assembly of additional resources. The success of these efforts rests upon consistency of vision and direction. The recent disasters have forced a high level of regional cooperation. The City and County can build upon these relationships to support what many reported as a missing shared vision.

The region would benefit from a comprehensive, regional economic development plan based on a shared vision, a clear framework of organizational roles and capacities, and long-term economic data and trends. The Plan would consider the needs of existing industries, entrepreneurship and small businesses, as well as new industries. The Plan should pay particular attention to incorporating the visions of the smaller, neighboring communities into the overall strategy. While the visions of the communities will not be the same, the overall framework of development effort has to align with these assets. To help facilitate the process, the region may wish to engage outside professional facilitators or a consulting firm to help provide objectivity in leading and recording discussions into a high quality plan.

The Plan should include particular attention to the topics of economic diversification, identifying targeting industries, “building it back better” and resilience measures to help recover more quickly from disasters. The EDAT heard from several stakeholders that there have been initiatives undertaken in the past to further diversify the local industrial base. There was also extensive discussion about employing well-established economic development techniques like establishing industry sector coordinating committees. These are good and noteworthy practices the county and City should be quite proud of. Areas where a “one plan, one vision” plan might provide a value add is in three ways:

1. Integrating a strong emphasis on entrepreneurship and economic gardening in addition to business attraction initiatives;
2. Integrating assets and capabilities both geographically (principally from the outlying communities) and organizationally (building coalitions and focusing EDOs on their niche strengths working under a broader framework);

- Colorado Springs and El Paso County have both the opportunity and need to find and grow champions of economic development. These champions can come from the private sector or public sector. One method to identify possible champions is during public meetings, such as those held in strategic planning process. Proactive, energized, and knowledgeable participants should be noted
and relationships nurtured by economic development organizations. Supporting these leaders can mean involving them on task forces or committees, or for those qualified, board positions in organizations. Empowering individuals with responsibilities and participation in projects helps them take ownership to invest in projects, and builds experience for future leaders of economic development projects and initiatives.

- El Paso County and Colorado Springs should consider how they pool the abundance of regional partnerships and local/state/federal resources in the area for future economic development. Regional collaborations on development activities would contribute to aligning and thereby strengthening strategies of included organizations. The commuting patterns suggest that Colorado Springs and the smaller towns in the Highway 24 corridor are highly interdependent.

Colorado Springs and the mountain towns could collaborate on economic development projects to the benefit of both. For example, both Colorado Springs and Manitou Springs identified the health and fitness sectors as potential growth areas. The two communities could jointly develop a list and profile of the existing businesses in this sector. Local colleges with majors in health and fitness might have student help available. The communities could sponsor meet and greets, with a speaker to offer a talk on a latest development in the field to anchor the gatherings.

Colorado Springs, El Paso County and the mountain towns could collaborate on development of a “Healthy Springs” marketing package. One such effort in Oklahoma, called “Livable Tulsa,” specifically targeted the millennials. Although Colorado Springs has noted how it seems to attract a more family-oriented crowd than Denver, the region might find it’s easier to retain college graduates and military personnel who have established relationships in the community than to draw back those who have settled in Denver. In any case, such an undertaking should include companies with an interest in a steady pipeline of talent.

It is important to note that while the County and Colorado Springs should use their convening power to draw together these partnerships, the limited staffing of both requires that the groups reflect priorities of the membership, and thus the membership will put the energy and support into the various initiatives they suggest.

Educational Institutions regularly partner with communities and businesses to assist in economic development strategies, such as workforce training, business support services, or exporting. The Pikes Peak Community College once provided highly valued targeted skills training for job placement, and redevelopment of these sorts of programs is underway.
Another example of this partnership concept is the Michigan Export Growth Program, which assists businesses in their export goals\textsuperscript{37}. In this example, students and faculty of the Michigan State University help the business community, and in return, gain experience that will help them professionally in the workforce.\textsuperscript{38} Projects have included:

- Exploring markets for paint exports in Europe
- Detecting potential acquisitions and partners in the metal forming and machining industry
- Identifying export restrictions for security-based software
- Locating potential buyers of seafood in European markets
- Determining supply chains for after-market automotive components in Asia\textsuperscript{39}

Additional ideas to maximize resources are outlined in the report under the fostering entrepreneurship and innovation recommendation portion.

- The EDAT team heard organizations report fractured and insufficient resources for entrepreneurs. El Paso County and Colorado Springs should consider forming an Entrepreneurship Roundtable. An Entrepreneurship Roundtable is an informal gathering of the various providers of resources and services to entrepreneurs. They should regularly meet (quarterly is common) to build collaboration, keep one another informed about programs and services available to entrepreneurs and to begin to market to entrepreneurs with one voice.

El Paso County and Colorado Springs should also develop a database of existing economic development programs and strategies. A complete database can help spot gaps in services and overlapping services where collaboration may be beneficial. This database also creates efficiency and effective management of resources when implementing a diversification strategy. Programs and resources should align both horizontally and vertically.

- Horizontal alignment: create a full spectrum of resources and services across different organizations. For example, if the local Chamber of Commerce offers networking and training, another economic development organization could focus on financing or providing marketing information. Seek out existing resources from other organizations and find a complementary, comprehensive strategy in how the programs can be administered.
- Vertical alignment: make sure that businesses are supported at all stages of growth and development. For example, fledgling businesses may need access to permitting and

\textsuperscript{37} Michigan Export Growth Program, (n.d.). Michigan State University.
\textsuperscript{38} Michigan Export Growth Program, (n.d.). Michigan State University.
business plan assistance, while growing “second stage” businesses, mature small businesses may need access to angel or venture capital\textsuperscript{40}.

Together, this should form a matrix of programs available within the community and region that is irrespective of business stage and type. An example of this is shown below\textsuperscript{41}:

![Matrix of Programs](image)

2. **Perception: Negative media coverage, cultural perceptions and the lack of a cohesive identity**

The El Paso County and City of Colorado Springs region is sensitive to the negative worldwide media coverage of the local forest fires and floods in 2012 and 2013. As described previously, the world watched as hundreds of homes, including many home-based businesses, were lost as the result of the Waldo Canyon and Black Forest wildfires. Publicity surrounded the thousands of acres of damaged forest that increased the chance of flooding in the County. Although no large businesses experienced damage by the fires or floods, the smoke temporarily shut down a few local manufacturing facilities for several days.

**DISCUSSION AND STRATEGIES FOR THE COMMUNITY TO CONSIDER**

- Over time, the perceptions and memories of the disaster publicity will fade. However, this process can be accelerated by swift and persistent action by local officials and companies to provide positive publicity and marketing of the region, to include both positive business stories, news of new resilience measures, and promotion of tourism. To be most effective, this should be a coordinated effort, perhaps led by the government’s public information office as well as the Colorado Springs Convention and Visitors Bureau.

- Examples of how to use social media to maximize public relations efforts and communicate directly with potential visitors can be seen in the Manitou Springs section on this topic.

- The recent experiences with the national media could serve as an impetus for local travel and tourism and economic development officials to collaborate on building a shared business marketing plan with contingencies for crisis communications. This can build on the latent efforts


\textsuperscript{41} Ibid.
and effects from the recent disasters but ultimately look to building a longer-term capability and responsiveness to the next disruption.

3. A desire to diversify from dependence on primary industries

Public officials in Colorado Springs and El Paso County have long pursued diversification strategies to strengthen the region. The defense and tourism sectors are highly valued core industries but are each vulnerable to sudden shifts beyond local control.

The results of diversification were somewhat mixed. The region successfully diversified into the technology and non-profit sectors, yet leaders reported that both sectors showed unexpected downsides. The technology industry was especially vulnerable in recent years, and the number of technology companies declined recently with the departure of Intel and employment in this sector is not as strong as it was years ago. This is not unique to this region, as the technology sector is changing rapidly throughout the US.

Numerous non-profit faith-based organizations provide thousands of jobs in the County, but there is some concern that this sector has had an impact on the character and branding of the region that may not accurately represent the community as a whole. Being non-profit, development in this sector does not return additional tax revenue to the City, and occupy sites that could otherwise host tax-paying development.

In 2009, a broad coalition of leadership organizations funded the Angelou Report, an economic strategy for the region. The report detailed eleven sectors of the economy that had reached critical mass, and provided steps to implement retention and growth strategies. Given that there are eleven identified sectors, this approach seems to support a more sophisticated diversification strategy in which existing assets and clusters are supported. The Colorado Springs Regional Business Alliance has been carrying forth implementation of many recommendations, including industry focus groups to expand awareness and hone services for several of the target industries.

DISCUSSION AND STRATEGIES FOR THE COMMUNITY TO CONSIDER

- Colorado Springs and El Paso County should incorporate the strategies from the Angelou Report into the framework of economic development organizations. The framework should explicitly recognize where partners to the Colorado Springs Business Alliance are providing services so that efforts align and scarce resources are maximized. Further, it should invite other EDOs and communities to participate and be supportive at a regional level. If the region chooses to pursue a new Comprehensive Economic Development Plan, as a partnership of all the economic
development agencies, then the Angelou Report should help bring partners into a common understanding of opportunities and potential targets.

- The region should continue to build upon identified clusters of key industries. In addition to the named industries, the identified clusters should include tourism. Aligning support for tourism with business development creates an understanding of how the strategies can be aligned to benefit both. Colorado Springs and the surrounding smaller communities might benefit from shared vision and strategies and Colorado Springs business development agencies may have to build a strong and active understanding of the tourism economy to do that. Also, further opportunity might exist in both integrating the planning efforts of Colorado Springs and neighboring communities for tourism, and undertaking strategic planning efforts to build and promote a diverse tourism brand.

- In general, cluster development is a strategy that builds on concentrations of competing and complementary firms within industrial sectors. Efforts in cluster development should be based in data and analysis. In order to diversify, a community can both expand upon existing industry clusters and facilitate the emergence of new regional industrial clusters. Regional clusters foster innovation and knowledge sharing through externalities, linkages, and spillovers. These externalities include technology transfer, access to specialized human resources and suppliers, pressure for higher performance (production and efficiency) due to proximity between firms, and the development of pools of employees with specialized expertise. Sixteen clusters can be linked vertically through buyers and suppliers, and horizontally through businesses that compete in the same market or share resources (such as technology, raw materials or workforce). More specifically, clusters are most easily built around the support services of:

  o Complementary industry segments and interconnected companies
  o Supplier chains and specialized suppliers
  o Venture capital availability and entrepreneurial capability
  o Masses of talent, technology, and capital
  o Research facilities and specialized infrastructure. This point cannot be overemphasized. Shared research facilities that connect universities and businesses in a specialized field of study usually provide a significant draw for innovative companies.

---

To strengthen emerging clusters, Colorado Springs can also nurture an environment that supports spin-offs and supports small businesses and entrepreneurs.

**Example:** Athletic and Outdoor Apparel Cluster – Portland, Oregon. The athletic and outdoor (AandO) apparel cluster in Portland, Oregon is a good example of encouraging cluster-related start-ups. Anchored by large, established firms such as Nike, Adidas, and Columbia Sportswear, the AandO cluster has encouraged entrepreneurship in the region. As the large anchors grew, employees established spin off businesses, and entrepreneurs opened hundreds of smaller firms that offer services to larger employers. Source: Muro, M. (2010, November 29). *This is What a Cluster Looks Like*. Brookings Institute.

- El Paso County and the City of Colorado Springs should investigate means to maximize export activity, in order to decrease the local impacts of national economic downturns. If a region is struck by disaster and experiences a demand shift, exporting industries are less likely to be affected since their customer base is more diverse. An export strategy is two-pronged. It should:
  - Help companies that are already exporting reach new markets (if appropriate)
  - Help companies looking to export enter the export market

The first step for the El Paso County region is to create a regional export plan. The regional assessment should include the role of exports in the overall economy and consider the current top exporting industries. The assessment should also determine what foreign markets should be targeted and how to reach out to them. It may also be useful to begin including export metrics when determining overall indicators of economic performance45.

An excellent resource to reference when looking to develop a regional export plan is the *Ten Steps to Delivering a Successful Metro Export Plan* from the Brookings Institution Metropolitan Policy Program. This publication serves as a how-to-guide for private, nonprofit, and government leaders in metro areas, which are interested in developing effective action-oriented metropolitan export plans and initiatives. Additional resources include survey templates, regional survey analyses, and regional policy memos. An additional resource is *14 Ways to Promote Exports & Investments in Your Region* from the U.S. International Trade Administration.

---

Financing Export Activity. For financing exports, there are multiple avenues. A key federal funding source for the promotion of exports is the Small Business Administration (SBA) and their State Trade and Export Promotion (STEP) program, which was an initiative of the Jobs Act of 2010. Additional funding sources include:

- Export-Import Bank Loan Guarantee Program
- Export-Import bank export credit insurance policies
- The U.S. Trade Development Agency grants


Example: International Partnerships – Akron, OH  Akron, OH, as part of its diversification strategy, made a $1 million investment in an Israeli business incubator in exchange for the understanding that when companies are ready to graduate, they will look to Akron to locate a branch of their operations. Nearly 30 European companies bringing 2,500 jobs have located in the Greater Akron area—about one-third of them within city limits as a result of the City’s international marketing efforts. Akron shows that exports do not necessarily have to be goods, but services and funding as well. Source.

Additional Resources that may be helpful include:

- Economic Diversification after a Disaster. This publication is a chapter of a larger disaster recovery toolkit and covers economic diversification as both a recovery strategy and a tool for communities to increase their resilience for future disasters. The first part of the chapter discusses the steps for creating and planning for an economic diversification strategy. The second offers specific ideas for economic diversification strategies and how to implement them.

- Resource Guide for Building Regionalized Resilience. Regional Disaster Resilience: A Guide for Developing an Action Plan. The Guide was developed by the TISP Regional Disaster Resilience Committee, comprised of more than 100 practitioners, policy makers, and technical and scientific experts from across the nation. The Guide provides a strategy to develop the necessary level of preparedness for communities to manage major disasters in today’s complex and interdependent world.

---

46 See [www.RestoreYourEconomy.org](http://www.RestoreYourEconomy.org), a website developed by the IEDC with financial support from the U.S. Economic Development Administration
- **General Resources** offered by the Colorado Workforce Development Council (CWDC) is another resource. CWDC advises the Governor and the Colorado Legislature on policy matters related to workforce programs and activities. Additionally, under state statute and executive order, CWDC aligns the efforts of economic development, education, workforce development, government and business stakeholders at the local, regional and state levels. ([https://www.colorado.gov/pacific/cwdc/general-resources](https://www.colorado.gov/pacific/cwdc/general-resources))

4. **Continue to Foster Entrepreneurship and Innovation**

The Colorado Springs region has some very strong foundations for the innovation economy. The region has a highly educated adult population (73.3% of the population having some college or more.) It retains a strong foundation of high-tech employment and technology-based knowledge occupations. Worker productivity increased 1.93%, as compared to 1.11% for the country from 1997 to 2011 and the average number of patents awarded per 1,000 workers is higher than the state and country. The region continues to be highly attractive to newcomers as well, with a net internal migration of 47.2%.

![Average High-Tech Employment Share, 1997-2012](image1)

![Percent Change in GDP per Worker, 1997-2011](image2)

Custom Region: Colorado Springs Region, El Paso County and Teller County
[http://www.statsamerica.org/innovation/innovation_index/index_display.asp](http://www.statsamerica.org/innovation/innovation_index/index_display.asp)

47 [http://www.statsamerica.org/innovation/innovation_index/index_display.asp](http://www.statsamerica.org/innovation/innovation_index/index_display.asp)
Yet a .38 ratio of job growth to population growth indicates that the region is not creating as many new jobs as it is attracting new residents. Of similar concern is the unemployment rate of 9.5% between 2010-2012, higher than both the state of Colorado and the country as a whole during the same period. Relative to the innovation economy in particular, two sectors show decline. Although the region retains a strong concentration of technology employment, that sector has experienced a 2.1% decline from 1997 to 2011, likely a reflection of the loss of Intel and multiple smaller tech firms during that period. Venture capital investment is extremely low in the region, with less than $8 per $10,000 in GDP invested in the region as compared to an average of $27 in the state and $40 nationwide.

There has been a 38% increase in the number of proprietorships, coupled with a 52% increase in income derived from proprietorships, totaling $1.178 billion in 2011. Over this same timeframe however, the average proprietor income increased just 0.7%, with an even more marked decline in Teller County of -
2.4%. This compares to a 3.7% increase among wage and salary earners during the same period. Establishment churn is higher in the region than either the state or country.

Gaps in the region’s capacity to support the innovation sector appear to include unmet needs among existing proprietorships, which may preclude sustainable income growth among locally owned firms and may account for high churn in the region. The level of venture capital investment is very low for an area with the talent, assets, innovation products and natural resources of this region. This suggests companies may not be teed up correctly or appropriately marketed to attract investment.

- **Enhance Technical Assistance and Capital to Proprietorships**
  Economic Gardening (EG) offers existing proprietors an advanced set of customized technical assistance services including business research and competitive intelligence, social media optimization, GIS mapping and other business services often out of reach of small and mid-sized
companies. Currently underway in more than 40 regions of the country, EG was founded in Littleton, CO and is now a program of the Lowe Foundation. [http://edwardlowe.org/tools-programs/economic-gardening/](http://edwardlowe.org/tools-programs/economic-gardening/)

- **Engage Investors/Contributors Online Via Crowdfunding**
  Crowdfunding improves connections between proprietorships and capital via online equity investment opportunities that tap into large numbers of investors. There are more than 400 crowdfunding sites in the United States, however a regionally focused crowdfunding site offers an opportunity to engage regional investors and donors directly with proprietorships in their communities.

- **Improve the Commercialization Cycle**
  Building upon existing assets in patents awarded, higher than average educational attainment of residents and worker productivity, consider adopting a program similar to the Innovation Center of the Rockies, which links innovators, private sector research and development and public sector labs and universities to commercialize regional innovation products. [http://www.innovationcenteroftherockies.com/](http://www.innovationcenteroftherockies.com/)

- **Venture Capital- Fill the Pipeline**
  Promote the Small Business Innovation Research (SBIR) and the Small Business Technology Transfer programs (STTR) to innovators and university researchers in the region. This will tee-up companies into the startup cycle with adequate funding and should improve the outlook for venture investors to view the region as attractive. Proposal-preparation technical support is the most common program assistance offered to innovators in support of these federal funds.

  Improve linkages with regional angel investment groups to fully populate the pipeline of companies attractive to venture capital. If there are no formal angel investment networks, the EDO could lead the development of such. If there are existing angel networks in the region, learn what industries and investment preferences are favored. Consider serving as a ‘scout’ to connect private sector innovators with early stage angel investors. Put an angel on the EDO board.

  Consider researching the fewer than 500 venture capital firms in the United States to determine if their portfolio assets align with industry sectors prominent in the region. Establish connections with those VC firms where there may be synergy.

- **Build One-Stop Resources** for business support. The combination of the Small Business Development Center, the Pikes Peak Workforce Center, and the Procurement Technical Assistance Center into one building on Garden of the Gods Road is a significant step in moving
towards a one-stop resource for small businesses and entrepreneurs. The County and City stakeholders should continue to strengthen this resource center and look at integrating additional entrepreneurial services or programs. While it would be impossible to house all these services in one location, the one-stop center should be knowledgeable on programs that are located outside of their facility and have hard copies or electronic access to documents that clients may need to pursue other resources.

In the period immediately after a disaster, it is also helpful to have a one-stop business assistance team that can take its resources on the road and into the community. Advertising or promoting through the traditional local media as well as online social media that such services are available will encourage more home-based entrepreneurs and other small businesses to use the assistance in their recovery efforts.

In today’s economy, entrepreneurs are using online resources to answer their questions, and having a user-friendly site that is easily navigable 24 hours a day and can help reach those who may not have transportation or time to leave their businesses.

- Conduct primary research on the small business community to know more about small business owners in all stages of development and to understand their business experiences in the County and City. A survey should be conducted to identify what business owners need to start or grow in the region. For example, the team learned that there are 65,000 small business owners who are registered to do business in El Paso County, and that list could be adapted as a contact list.

Additionally, marketing the survey to other entrepreneurial-focused groups is critical to ensure representation all stages of a business. If it is possible to find a list of recently closed businesses, or business licenses that no longer exist, a survey oriented to why they closed could help locate any issues in the current system that was a barrier for small businesses. Also, the integration of this data into a Geographic Information System (GIS) potentially one both publically available and one retained confidentially (due to business sensitive information) could track the survey data and analysis could be undertaken to explore spatial trends.

A survey of entrepreneurs and small businesses is timely based on the recent decreases in the number of establishments and those self-employed. This data is included in the chart below where the number of total establishments, self-employed, and stage one businesses of two-nine employees have all decreased from 2011-2013. Targeting these stages of businesses to survey could help discover why the recent decrease in businesses has occurred.
Another method of surveying is a satisfaction survey for a targeted cluster. Questions are often structured around local amenities and their importance to business success. Questions can also include how current amenities rate. The data from the survey can be used to find unmet or inadequately addressed business needs. Incorporating these into a strategic plan can improve the local business climate and increase the region’s competitiveness.

- Re-activate the online resources for entrepreneurs and small business (R.E.A.L). An initiative called R.E.A.L, a portal of online entrepreneurship resources, was brought up during the site visit, but the current status of the initiative was unknown and most of the local stakeholders who discussed this program believed it was defunct. There is a large body of research that suggests online mentoring, information, learning and connections with peers is critical to supporting entrepreneurs, especially after a disaster. The EDAT team recommends that the R.E.A.L initiative, or another similar portal, be established and marketed to local entrepreneurs.

Currently, there is a portal for small businesses called Colorado Springs Small Business Guide, but this website is lacks direct contacts, or guides as the name implies. This website could be used a base and improved upon to provide entrepreneurs and small businesses with more meaningful, easy to find resources.

This effort to create or build upon other current online portals should take into consideration other organization or group plans. An entrepreneurship roundtable could help bring some of the lesser known initiatives or new projects to light and will help in promoting collaboration. For example, the Colorado Springs Entrepreneurship Group website states that it is launching an "Entrepreneurial NemoSystem". The system is intended to create the necessary support services and infrastructure to help nurture local small businesses and entrepreneurs to, "Find Inspiration, Find Innovation, Find Capital, Find Markets, Find Customers, and ultimately Find Fulfillment in their lives!" Meeting with the group leaders to learn what they are doing and seeing if collaboration can occur can help meet the portal need without duplicating efforts.
5. **State-wide competition for skilled workers, investment, and economic growth**

It is clear from discussions that local stakeholders feel some competition from the City of Denver and other localities statewide, especially given its wide range of assets and opportunities for both residents and businesses. In particular, there were frustrations that many of the younger workers are finding themselves drawn north. In addition, there was a sentiment expressed that statewide business attraction initiatives may draw more firms to areas other than El Paso county. While this frustration may be long-standing and may have valid examples attributed to it, there should also be recognition that those who choose to live in El Paso County do so for a reason. All things being equal, those reasons tend to be positive. The challenge, of course, is in communicating and demonstrating that reason both internally and externally.

**DISCUSSION AND STRATEGIES FOR THE COMMUNITY TO CONSIDER**

- Colorado Springs and El Paso County should not strive to compete with Denver and other parts of the state but should focus its resources on developing its own unique identity, improving its infrastructure, and creating a supportive environment for businesses to thrive.

- The quality of life that the County offers is excellent for families and while this may not be a draw for everyone, incremental changes can be made over time to promote the growth of more amenities which will keep young people entertained and engaged, and tourists coming back for more visits.

- Colorado Springs should consider a bicycle and pedestrian plan. The City has significant assets such as river trails that lack comfortable connections for residents and for visitors. A Plan, signage, maps, and short connectors are relatively low cost investments that greatly improve the attraction of existing amenities.

- The City for Champions project, while expensive and long-term in expected return on investment, will tie in well with an ideal identity for the region based on the outdoor assets and interest in recreation. It also holds promise to draw athletes, which in turn could be encouraged to train locally and help develop elite sports products in the region. The presence of a local sports culture tends to draw young, healthy people to live in the location.

- The County has beautiful scenery that is more quickly accessible that than of other areas such as Denver. There is great opportunity to capitalize on this strength, as well as the training opportunity for athletes. The desire to capture the energy that the sports
community brings to the area is a strength that will also draw interest by younger demographics.

- There is an important need for more comprehensive regional planning to make this the best business and visitor destination it can be, and to maximize opportunities that are already present to expand tourism. As stated previously, there is a need for a well-articulated vision and plan for the region. A concerted effort should be made to incorporate the views of different segments of the population, including families, youths, and military personnel who may be soon be joining the civilian workforce or retiring in the community.

6. Workforce concerns

Colorado Springs has an adequately sized population, is within commuting distance to another major market, and has numerous educational institutions. The City and county should be able to create a sustainable workforce pipeline. It also has a one-stop center that provides many services within the Pikes Peak Workforce Center area. The major problem at this time, however, is the reported gap in skills for jobs that are being created. There are also legitimate concerns over the significant number of retiring military service personnel from the bases and how to best assist them in entering the local workforce.

DISCUSSION AND STRATEGIES FOR THE COMMUNITY TO CONSIDER

- Short to long-term: The Pikes Peak Community College is considered one of the best locations for non-credit, fast track business and industry customized curriculum and training. It is recommended that this college utilize State of Colorado Business and Industry Training dollars – if it is not already doing so – to assist businesses in non-credit training, which can get staff quickly on the job, with the right skills.

- Long-term: There is a need for a regional forecast of projected jobs and required skills to fill the needs of businesses and industries that the City, County and economic developers wish to target. Without any type of forecast, the people who are involved in workforce development in higher education and the Pikes Peak Workforce Center can only react to the needs of today. The difficulty with this is that training and recruitment takes time.

- Investment in a customized job and skills forecasting system may be a worthwhile competitive opportunity. The faster needs can be anticipated by talking with businesses, the faster resources can be aligned and people can be trained and placed, the faster businesses can grow. A coordinated program that is highly responsive to business needs would also convey a significant advantage in business attraction over other areas of the country. If local expertise
does not exist to create a system that is customized for this region, then it may be advisable to hire a consultant.

- Additional practices the local universities and community colleges might consider to capture the post-military retirement skills of those seeking local employment could be a renewed focus on innovation and entrepreneurship training for recently retired vets (or anyone). The American Association of Community Colleges developed a “Virtual Incubation Network Toolkit” to assist community colleges in designing and implementing their own incubation network. The materials are available at:
  
  [http://www.aacc.nche.edu/Resources/aaccprograms/cwed/vintoolkit/Pages/tableofcontents.aspx](http://www.aacc.nche.edu/Resources/aaccprograms/cwed/vintoolkit/Pages/tableofcontents.aspx)

- Alternatively, while full and detailed customization for the region is not possible on the site, the [www.onetonline.org](http://www.onetonline.org) website offers a wealth of information about jobs and skills they require, demand in various industries, how to consider the transfer of skills between positions and resources for training. This includes a section that identifies comparable positions between the military and private sector.

- Additional tools to review military positions can be found online on these sites:

  **Veteran Employment Center**

  The North Carolina eastern region has a heavy military presence and has worked to attract employers in advanced manufacturing and aerospace. As a result, they were able to keep much of the highly-skilled ex-military members in the area.

  **Eastern Carolina Workforce Dev. Board Military Occupation Translator**
  [http://www.ecwdb.org/mocsoc.cfm](http://www.ecwdb.org/mocsoc.cfm)

  **Military Transition Assistance – North Carolina**

  **Military Occupational Classification (MOC) – Workforce Solutions Alamo, San Antonio**
  Since San Antonio, Texas, has several military bases in its city, the Workforce Solutions Alamo developed several strategies and programs that target the military workforce. Specifically, they host “Hiring Red, White, and You” job fairs and promote Veterans Manufacturing Technician Training. Workforce Solutions Alamo uses MOC to crosswalk military job skills to public and private job occupations.
7. **The potential for future disasters and the need to build resilience into the economy**

The successive disasters that struck El Paso County and Colorado Springs in 2012 and 2013 were a shock to residents and businesses. However, this effect may not show up with clear definition in current data, as it is still early in the recovery process as discussed in the economic section at the beginning of this chapter. However, data will need to be reviewed to evaluate the trends over time. Regardless, the impact of these incidents on the local economic development environment, county-wide, are difficult to ignore. While their impacts may be more subtle they are not insignificant. Impacts felt in the mountain towns, or areas facing extreme drought, or the broader malaise many attributed to persistent negative media attention are all indicators of a deeper vulnerability to disruption. With these incidents fresh in the minds of many, they could be used to “pivot” and create an impetus for greater regionalism and collaboration.

**DISCUSSION AND STRATEGIES FOR THE COMMUNITY TO CONSIDER**

Similar to the recommendations in this report for Manitou Springs for “building back better,” Colorado Springs and El Paso should identify a complete list of projects that can take advantage of incoming federal funding from FEMA and the EDA, which will position them with a more resilient infrastructure.

In the context of resilience, the EDAT also recommends considering “infrastructure” as a series of programs and initiatives that will be the structure to carry Colorado Springs and El Paso County through any future disaster or major business interruption. The recommendations below are offered to help create the economic resilience infrastructure and cover topics raised as concerns during the site visit.

- **Build an alternative finance network.** Many small businesses affected by the disasters are averse to taking on additional debt at conventional terms. One challenge discussed is the need to secure alternative financing outside of banks, and bridge loans. To build a network of alternative finance mechanisms will take more than assembling hyperlinks and forms; it will also require relationship building with the organizations that administer these financial tools. This relationship building will help in future disaster situations, if they occur, as the economic development organizations will not be cold calling for assistance. The knowledge of the possible alternative financing will already have been established. Colorado has a wealth of alternative financing organizations from which to build a network. A matrix of these Colorado-based alternative financing can be found in the Appendix.

- **Involve the business community with mitigation planning.** As discussed in an earlier section on small business training, business owners and managers may not naturally see a role for
themselves in the regions’ disaster preparedness efforts. Educating the business community on disaster preparedness efforts should be part of larger disaster mitigation efforts. Building capacity in the business community will benefit the City and County in the event of future disasters when businesses are better prepared not only with contingency plans and knowledge of how to re-enter their businesses, but what to do to help others who may be affected. Businesses with disaster capacity can result in less of a demand for government services and free up the City and County employees to focus on other recovery issues.

8. **Tourism: lack of information on tourism market / focus largely on long-term projects**

The County has access to hotel occupancy data and retail sales. However, EDAT participants discussed how having much more detailed information about the current visitors, including their demographics, characteristics and spending habits, would greatly assist the City, County and its Convention and Visitors Bureau in planning for investments in tourism marketing. As noted in the recommendations for Manitou Springs, the region would benefit from a shared vision and target markets for Colorado Springs and the surrounding communities. It would also be a highly valuable exercise to ask tourists what new attractions they would like. Such information will help provide a guide for product development and tourism master planning.

- At the current time, there is a lack of data by which to make considered decisions about tourism. As part of an effort to maximize economic benefits of tourism and track visitor trends, the County or City of Colorado Springs should periodically sponsor a tourist survey. To maximize the budget, the survey can make use of Internet resources and can be conducted online.\(^{48}\) To capture the best results, an identical visitor intercept survey should also be conducted in person using local volunteers, students and/or paid interns.

- Ideally the survey should be carried out over multiple seasons in order to better understand who visits the region at what times of the year, their demographics, what they do when they stay, whether they stay overnight and in what types of accommodations and how much money they are spending. Additional questions can capture information regarding the size of travel parties and how they heard about this location as a good place to visit. Having such information would greatly the local CVB and businesses in targeting advertising.

- The survey should be repeated and data compared every few years, especially if local businesses detect changes in the market that are affecting commerce.

\(^{48}\) Survey Monkey offers free and low-cost services at [www.surveymonkey.com](http://www.surveymonkey.com)
• Another important benefit of tourism surveys is that they can be used to gather feedback and plan improvements to tourist sites and attractions, helping to guide public and private investments. Providing tourist survey information to existing and new businesses will help develop the City and County’s reputation as business friendly.

• The size and importance of the tourism industry to the economy warrants the creation of a tourism strategic plan, if not a master plan that also incorporates land uses and locations of tourism assets. A master plan should incorporate community input and incorporate the following types of information:
  o The vision for tourism
  o Characteristics of key tourism markets, both existing and potential
  o Niche markets that could be tapped into
  o A description and analysis of various types of accommodations, their capacity and performance over time
  o A review of the key tourism assets and their “visitor readiness”
  o Tourism workforce analysis and training needs
  o Analysis and prediction of what tourists are looking for today and into the future (it is helpful to consider competitive destinations and what they offer as benchmarks)
  o A summary of key issues affecting tourism that should be addressed (for instance, this could involve policy and regulatory issues, available funding for promotion, community branding and place making, aspects of the community vision that need attention, etc.)
  o An analysis of how tourism is being marketed and the level of resources devoted to promotion
  o A listing of potential new products (attractions) that could be offered in the region, including both public and private projects that will be complimentary to existing assets. Consideration should be given to some cost recovery of improvements
  o An action plan for the development of short, medium and long-term products that regional tourism stakeholders believe will offer the most return for investment

• As with the comprehensive economic development plan for the region, the City and County may be able to apply for grants from the State and/or federal government to help fund the development of the tourism plan.

• The roll out of any plan should involve both the public and private sector. A good technique to ensure implementation is for local officials to appoint project leaders to head up different projects and to have periodic meetings to receive update on progress and keep the momentum. In this manner, the region can maximize its full potential as an attractive tourist destination.
Appendix

**General Resources:**

**Community-Based Resilience Development.** A portal of information from the Community and Regional Resilience Institute (CARRI), with the goal of strengthening any community or region’s ability to prepare for, respond to, and rapidly recover from significant human caused or natural disaster with minimal downtime for the community.

**Recovery Lessons Learned and Information Sharing.** This page from FEMA serves as a national online network for the exchange of ideas surrounding the Disaster Recovery Community. It includes lessons learned, issues, guides, example plans, and other valuable publications.

**RestoreYourEconomy.org.** RestoreYourEconomy.org provides resources and best practice information for public and private stakeholders seeking to rebuild their local economies after a disaster as well as assisting the business community in preparing for a disaster.
<table>
<thead>
<tr>
<th>Fund Name</th>
<th>Organization</th>
<th>Funding Source</th>
<th>Rate (Range)</th>
<th>Collateral Reqts</th>
<th>Down Payment Rqts</th>
<th>Eligibility</th>
<th>Areas Covered</th>
<th>Highlights</th>
<th>Restrictions</th>
<th>Contact Info</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lyons RLF</td>
<td>Lyons EDC</td>
<td>Federal (USDA RD)</td>
<td>4%-6%</td>
<td>Yes</td>
<td>No</td>
<td>Yes (5%)</td>
<td>Small businesses, any type</td>
<td>Rural Areas, Boulder County</td>
<td>Deferred payments for 1 year, amortized over 15 years.</td>
<td>Only in rural areas, loans for rebuilding, expansion, equipment, or retrofit</td>
</tr>
<tr>
<td>Loan</td>
<td>ACCION Colorado</td>
<td>Private</td>
<td>7%-22%</td>
<td>Yes</td>
<td>No</td>
<td>Yes (10%-50%)</td>
<td>Small businesses, any type</td>
<td>Colorado, New Mexico, Arizona</td>
<td>6 Month interest free loans, no prepayment penalty, has other local resources and can provide technical assistance.</td>
<td>These loans are for businesses only for working capital, real estate acquisition, construction, and FF&amp;E</td>
</tr>
<tr>
<td>Bond</td>
<td>CECFA Colorado</td>
<td>Municipal Bonds</td>
<td>Underwriting dependent</td>
<td>No</td>
<td>No</td>
<td>Educational and Cultural non profits</td>
<td>Colorado</td>
<td>Low interest loans for Real estate acquisition, construction, and FF&amp;E as it applies to educational and cultural nonprofits.</td>
<td>Local governments, educational and cultural nonprofits only</td>
<td>1981 Blake Street Denver, Co 80202 (303)297-7332 <a href="http://www.cecfa.org">www.cecfa.org</a></td>
</tr>
<tr>
<td>Loan</td>
<td>Colorado Enterprise Fund</td>
<td>Private</td>
<td>9%-14%</td>
<td>Yes</td>
<td>Yes (10%-50%)</td>
<td>Individuals and existing small businesses</td>
<td>Rocky Mountain Region</td>
<td>Loans range from $1000-$250,000. Loans may be amortized up to 7 years or longer in some cases.</td>
<td>Real estate, acquisition, construction, FF&amp;E</td>
<td>1888 Sherman Street, STE530 Denver, CO 80202 (303)860-0242 <a href="http://www">www</a>. Coloradoenterprisefund.org</td>
</tr>
<tr>
<td>Micro Loan</td>
<td>RMMFI Rocky Mountain MicroFinance Institute</td>
<td>Private</td>
<td>8%-12%</td>
<td>No</td>
<td>Yes (5%)</td>
<td>Aspiring Entrepreneurs</td>
<td>Colorado</td>
<td>Short term loans up to 18 months capped at $2500</td>
<td>Business can only have a maximum need for capital of $15,000.</td>
<td>(720)941-5037 <a href="http://www.rmmfi.org">www.rmmfi.org</a></td>
</tr>
<tr>
<td>Loan</td>
<td>Mile High Community Loan Fund</td>
<td>Private</td>
<td>5%-6%</td>
<td>Yes</td>
<td>Yes (negotiable up to 20%)</td>
<td>Nonprofit and for-profit developers of affordable housing</td>
<td>Colorado</td>
<td>Loans up to $1,000,000 for real estate acquisition, and construction.</td>
<td>Nonprofits and for profits that serve low income communities</td>
<td>Jeff Seifried <a href="mailto:jeff@MHCLF.org">jeff@MHCLF.org</a> (303)860-1888 Ext 5</td>
</tr>
<tr>
<td>Loan/LOC</td>
<td>Colorado Lending source</td>
<td>Federal (USDA RD)</td>
<td>3.25%-8.14%</td>
<td>Yes</td>
<td>Yes (starting at 10%)</td>
<td>Startup/Growth Businesses</td>
<td>Colorado</td>
<td>Offers a Myriad of loans. All loans have own terms but can finance any stage of business, mainly : Refinance, real estate acquisition, construction, working capital, and FF&amp;E.</td>
<td>Loan needs must fall into one of their predesigned categories.</td>
<td>518 17th Street, STE 1800 Denver, CO 80202 (303)657-0010 <a href="http://www.Coloradolendingsource.org">www.Coloradolendingsource.org</a></td>
</tr>
<tr>
<td>Weld/ Larimer RLF</td>
<td>Upstate Colorado Economic Development</td>
<td>Federal (CDBG)</td>
<td>3%-3.75%</td>
<td>Yes</td>
<td>Yes (starting at 10%)</td>
<td>Existing Businesses within Larimer county</td>
<td>Larimer County</td>
<td>Low interest, amortized for 5 years and no longer than 10 years.</td>
<td>Only in rural areas, loans for rebuilding, expansion, equipment, or retrofit</td>
<td>Upstate Colorado Economic Development 822 7th Street, STE 550 Greeley, CO 80631 (970)356-4565</td>
</tr>
<tr>
<td>Loan</td>
<td>CERF+ Craft</td>
<td>Private</td>
<td>0%</td>
<td>No</td>
<td>No</td>
<td>Craft Artists</td>
<td>United</td>
<td>For craft artists who need</td>
<td>Existing craft artists only.</td>
<td>(802)229-2306</td>
</tr>
<tr>
<td>RLF</td>
<td>Aurora Business Revolving Loan Fund</td>
<td>Federal (EDA)</td>
<td>Prime rate if ≤5yrs Prime rate +2% if &gt;5yrs</td>
<td>Yes</td>
<td>No</td>
<td>Locally Operated Businesses</td>
<td>Aurora, CO</td>
<td>Loans are amortized for a maximum of 7 years. Maximum loan $75000.</td>
<td>Can only be used within the city limits of Aurora.</td>
<td>Aurora Business Development Center 9801 East Colfax Avenue, Suite 200 Aurora, CO 80010 (303)739-7052</td>
</tr>
<tr>
<td>-----</td>
<td>------------------------------------</td>
<td>---------------</td>
<td>---------------------------------------------</td>
<td>------</td>
<td>----</td>
<td>-----------------------------</td>
<td>-----------</td>
<td>-----------------------------------------------------------------</td>
<td>-------------------------------------------------</td>
<td>--------------------------------------------------</td>
</tr>
<tr>
<td>RLF</td>
<td>City of Denver Revolving Loan Fund</td>
<td>Federal (EDA)</td>
<td>Negotiable</td>
<td>No</td>
<td>No</td>
<td>Business projects located within Denver’s RLF target area.</td>
<td>Denver, CO</td>
<td>The interest rate, term, and amortization will be structured to allow for a reasonable rate of return to the investor.</td>
<td>Can only be used in the Denver target areas.</td>
<td>Denver, city and county of Office of Economic Development 201 West Colfax Avenue #204 Denver, CO 80202 (720)913-1999</td>
</tr>
<tr>
<td>RLF</td>
<td>San Luis Valley RLF</td>
<td>Federal (EDA)</td>
<td>Competitive</td>
<td>Yes</td>
<td>2%</td>
<td>For profit businesses located in one of the 6 counties in the San Luis Valley</td>
<td>San Luis Valley</td>
<td>Loans up to $250,000 for a maximum of 10 years. RLF loan must be leveraged 2:1 with funds from other sources.</td>
<td>Must create at least one full time job for every $20,000 borrowed.</td>
<td>San Luis Valley Development Resources Group 610 State Street Alamosa, CO 81101 (719)589-6099</td>
</tr>
<tr>
<td>RLF</td>
<td>Region 9 RLF</td>
<td>Federal (EDA)</td>
<td>Prime rate</td>
<td>Yes</td>
<td>No</td>
<td>Any business in the counties of region 9 that has exhausted all other financing alternatives.</td>
<td>Region 9 (Southwest Colorado)</td>
<td>Can be used for working capital, capital equipment, and inventory. Loans must be augmented by private financing.</td>
<td>The BLF target is to not exceed 33% of the entire loan package.</td>
<td>Jenny Stollar Region 9 Economic Development District 295A Girard Durango, CO 81303 (970)247-9621</td>
</tr>
<tr>
<td>RLF</td>
<td>Western Colorado RLF</td>
<td>Federal (EDA)</td>
<td>Prime Rate</td>
<td>Yes</td>
<td>No</td>
<td>Most for profit businesses located in Mesa County.</td>
<td>Mesa County, CO</td>
<td>The RLF is a secondary loan source. The RLF will fund 60-80% of projects. 3-7 year terms.</td>
<td>Can only be used by businesses within mesa county with the intention of job creation. Loans are capped at $500,000.</td>
<td>Western Colorado Business Development Corporation 2591 B 3/4 Road Grand Junction, CO 81503 (970)243-5242</td>
</tr>
</tbody>
</table>
Entrepreneurship Resources: Online and in the Field

Best Practices 2014
OUEDI  May 2014
Maureen Collins-Williams, Entrepreneurial Communities

Accelerators

Idealab  www.idealab.com
Bill Gross started Idealab in 1996 to create, build and operate companies that challenge the status quo. Idealab has prototyped and tested hundreds of ideas, and from those, has formed and operated more than 125 companies spanning a wide range of markets. Idealab accelerates technology innovation and provides the infrastructure to help early stage technology companies succeed.

Y Combinator  www.YCombinator.com
In 2005, Y Combinator developed a new model of startup funding. Twice a year we invest a small amount of money ($14-20k + an $80k note) in a large number of startups (most recently 68). The startups move to Silicon Valley for 3 months, during which we work intensively with them to get the company into the best possible shape and refine their pitch to investors. Each cycle culminates in Demo Day, when the startups present their business plans to a carefully selected, invite-only audience.

TechStar  www.techstars.com
We offer seven Techstars programs in top startup locations (Boston, Boulder, Chicago, New York City, Seattle, London, and Austin), on a regular schedule. We invest $118K in each company we fund through $18K in seed funding and an optional $100K convertible debt note. Techstars itself is backed by over 75 different venture capital firms and angel investors who are vested in their success. We also provide three months of intensive

Big and Small Scale Incubation

The Downtown Project (NV)  www.downtownproject.com
When Downtown Project first launched in January 2012, we used the acronym ROC and the phrase “Return On Community”. We learned that this caused a lot of confusion and so we stopped using the specific phrase of “Return On Community”. Our internal goal and purpose at Downtown Project has remained essentially the same: to help make downtown Vegas a place of Inspiration, Entrepreneurial Energy, Creativity, Innovation, Upward Mobility, and Discovery, through the 3 C’s of Collisions, Co-Learning, and connectedness.

The Sprout Box (IN)  www.SproutBox.com
Is an elite crew of product developers, creative’s and business experts. We invest our talent in startup companies with high growth potential in exchange for equity.

Kitchen Incubation
The Food Fort is a non-profit food business incubator. Our mission is to support local food entrepreneurs in the growth of their businesses. Job creation and increased access to healthy foods are two of our main goals. To this end, we offer licensed commissary space to mobile food vehicle operators and operate a state-of-the-art commercial kitchen. We also rent out fully-licensed food carts to entrepreneurs interested in starting or expanding their brand. We work one-on-one with our members to offer technical assistance and to connect them to valuable resources.

Yor Kitchen is a shared commercial kitchen incubator available for rent by the hour to food producers, 24 hours a day, 7 days a week and located in the middle of a produce and food hub. Typically, what stands between the farmer or food entrepreneur and creating a new venture is the start-up costs to construct a licensed commercial kitchen to prepare their new products.

Bake, Boil and Brew (TX) 2009, food entrepreneurs and her husband, offer baking, brewery and other commercial kitchen equipment to a wide array of food entrepreneurs in San Antonio. The only commercial kitchen in the region.
EDAT Biographies

This technical assistance project was funded by the U.S. Economic Development Administration (EDA). It was undertaken by NOVACES LLC. with the support of the International Economic Development Council (IEDC). This report is intended as a final report with follow-up recommendations based on an Economic Development Assessment Team (EDAT) site visit to El Paso County, Colorado in June 2014. The authors greatly appreciate the input and assistance received from the following economic developers and federal officials who participated in this project:

**Scott Annis** is an Economic Development Specialist with the International Economic Development Council, and holds a Master’s Urban and Regional Planning from the University of Iowa.

**Joshua Barnes** is Disaster Recovery Coordinator with the US Department of Commerce Economic Development Administration in Washington, DC. He previously served in several positions of the National Preparedness Division at MSA, Incorporated.

**Thomas Boren** is a Coordination Specialist with the Federal Emergency Management Administration in Denver, CO.

**Emily Brown** is an Economic Development Specialist with International Economic Development Council. She holds a Master’s in City and Regional Planning from Georgia Tech.

**Jess Chen** is an Assistant Professor at the University of Redlands, CA and a PhD candidate in Economics at American University. She was previously an Economic Research Fellow at the International Economic Development Council.

**Rob Cheney, PMP,** is the Director of Disaster Recovery Programs at NOVACES. He has held project management roles in the past at Amata, Western Industrial Contractors, and Integrated Project Management.

**Maureen Collins-Williams** is Principal, The Entrepreneurial Communities Project, based in Cedar Falls, IA. She previously served as Director, Entrepreneurship Outreach at the University of Northern Iowa, her alma mater.

**Sarah Garcia, AICP,** has served in numerous positions with the City of Gloucester, MA, including Director, Community Development, and Director, Harbor Planning. She holds a Master’s in Public Policy from Tufts University.

**Guadalupe Herrera** is the Sustainable Communities Officer, Region VIII, US Department of Housing and Urban Development.
Joshua Morris Hurwitz is an Economic Development Associate at the International Economic Development Council. He holds a Master’s in Local Economic Development from the University of Waterloo.

Lynn A. Knight, CEcD, is Vice President of Knowledge Management and Development with the International Economic Development Council in Washington, DC. She was previously based in the Northern Marianas Islands, where she served as Chair of the Hotel Association and Commonwealth Economic Development Commission.

Trisha Korbas is a civil engineer and Economic Development Representative for Colorado, South Dakota and Utah with the US Department of Commerce, Economic Development Administration.

Joe Kost is an Area Director with the U.S. Department of Agriculture in Colorado. He has previously worked in positions with USDA based in Washington, Florida, and Wyoming.

Tom Long, CEcD, serves as Executive Vice President of Business Recruitment with the San Antonio (TX) Economic Development Foundation. His previous positions include Senior Manager of Customer Relations and Economic Development with CPS Energy, and Director of Economic Development with the Charleston (SC) Chamber of Commerce.

Carrie Mulcaire is Development Project Manager with the City of Santa Cruz, CA. Previously, she served as Director, Federal Grants, with the International Economic Development Council.

Mishka Parkins is an Economic Development Associate with the International Economic Development Council.

Howard Pierpont, is based in Longmont, CO, and serves as Chair of the Disaster Preparedness & Emergency Response Organization. He previously worked at the Federal Emergency Management Administration and the International Consortium for Organizations Resilience (ICOR).

Tatiana Puscasu is an Economic Development Associate with International Economic Development Council. She holds two Master’s degrees from Ohio University, in International Development and Public Administration.

Rebecca Sarmiento is Federal Project Officer with the U.S. Department of Labor in Dallas, TX.

Pattie Snidow is Northwest Area Director for Rural Development with the U.S. Department of Agriculture. She is based in Delta, CO. She has served in numerous economic development and teaching roles across the state.
**Stephanie Troller** is Main Street Coordinator with the Colorado Department of Local Affairs. She previously served as Regional Community and Economic Development Representative with the New Mexico Economic Development Department.

**Terry Ware** is a Long-Term Community Recovery Specialist with the Federal Emergency Management Administration in Denver, CO. Previously, he had served as director in planning departments in Colorado and Hawaii.

**Tish Williams** is the Executive Director of the Hancock County Chamber of Commerce in Bay St. Louis, MS. She has won numerous awards for her handling of recovery efforts after Hurricane Katrina.