



Proposed Economic Development And Business Retention Report

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Lake City Colorado: Creating a Strong Business and Workforce Retention Program

Executive Summary

Small communities across America face the same issues as large communities when it comes to maintaining economic security and a fully engaged workforce. Community populations below a year around residency of 2,500 have extreme difficulties for a variety of economic reasons keeping youngsters home after high school graduation. For those households with families not invested or engaged in their own businesses, there are extremely limited future opportunities in small communities for creating new successful enterprises or in generating personal wealth.

With Lake City and Hinsdale County, its remoteness, its village population of just over 400 residents and its limited access to land necessary to promote significant traditional development further extends the community's problem. When appraising economic factors using historic, traditional measures, continuing to rely upon the realms and capacity of current businesses and commerce and access to existing human resources, continuing the "present" will ultimately leave the town and county with an aged population and more limited, unstable economy.

Are options available to turn the economy of the community around to grow the population for maintaining sustainability? Can Lake City create future economic opportunities to support new business enterprises and create wealth? The answer to both questions is Yes. But, in order to do so requires the entire community to come together: to work together to plan, prepare and invest in tomorrow; to adapt and engage the changing world around us - rather than wasting valuable resources and the energy it requires to fight it. Additionally,



Photo taken by Dr. Robert Fielden.

in moving forward the community must be totally engaged in pursuing the Vision and timetable it's undertaken to achieve its futures.

Taking the Long View towards tomorrow provides Lake City and Hinsdale County opportunities to grow, develop and retain its own human resources; and, to maintain, better develop and grow its existing businesses. Fostering new locally owned businesses rather than marketing to attract outside businesses to open new enterprises in Lake City keeps local money circulating within the community. With new outside businesses, local money moves elsewhere – never to return.

In Taking the Long View, issues of the past and present can be addressed and resolved as part of the community's plan for its futures. Collaboration is introduced as a means to leverage the value of existing resources and in helping others. At the same time collaboration strengthens Lake City's, and Hinsdale County's ability to attract more and better business for local enterprises that result in greater profits.

Every community today large or small is under the influence of external forces and events occurring around the world. These forces exist within five universal realms: Economics, Environment, Politics, Society and Technology. Any event impacting one of these forces ultimately impacts each of the remaining. When communities understand this they can create and store potential local solutions to problems that may arise sometime in the future. When potential solutions are needed, they are available to be engaged quickly in buffering the impact the problem-at-hand produces.

Likewise, all communities possess strengths and weaknesses. Every community additionally possesses opportunities and threats. Clearly understanding each of the four sets of conditions and the impacts each one has upon the community allows strengths and opportunities to be reinforced

and potential problems aligned with weaknesses and threats to be resolved before they influence the quality-of-life for residents. Combing scenario planning with the analysis of strengths, weaknesses, opportunities and threats result in a variety of new and unique long-range options that can be designed to dramatically improve the community's futures. At the same time, thoroughly understanding the ramifications surrounding the community's futures and resolving its potential problems before they emerge opens-up new economic potentials communities can pursue.

Improving and expanding economic development occurs more quickly when efforts are invested in capitalizing and leveraging the potential of existing economic assets. This includes natural resources, infrastructure, current businesses and commerce, human resources, education, training and knowledge – and the quality-of-life residents possess. Mining and extracting the values from each potential not only strengthens and grows the economy but it enhances the community's Brand in the minds and memories of others.

Success attracts greater success when new enterprises utilize support provided through win-win partnerships with other local businesses. Working together jointly creates synergy in mining new and additional opportunities pertaining to the community's assets and resources. Developing a broader base for local commerce while strengthening existing enterprises adds to the competitive advantage Lake City and Hinsdale County seeks against other communities focused on attracting the same or similar market segments for business and commerce.

In retaining and strengthening existing businesses, proprietors must realize their investment in the enterprise requires much more than a forty-hour work-week. Owning, managing and operating a local business in a small community must be an impassioned way of life to succeed.

Owning and operating a sustainable business is entirely different than matriculating through a collection of undergraduate business courses offered through a university – or even completing an MBA program. Like everything else today success requires lifelong learning: ongoing education and continuous training.

Within a small community like Lake City to make its plan for a sustainable economy to succeed, public-private partnerships are required where win-win opportunities exist and occur that benefit all parties equally. Public sector resources invested in the community benefit growing the local economy but assisting private enterprise requires greater public benefits in return. Any government assistance program should always include oversight to insure the public's investments are well managed and secure.

Increased business profits and new jobs in small business communities assisted by public support should translate directly to expanding sales taxes, public property taxes and other revenue streams that offset all public monies invested. Additional new tax revenues generated through public assistance programs should be set aside and dedicated to increased (hard and soft) infrastructure necessary to support added growth and development.

In forming a structure for the community's Business and Resource Retention Plan, it's necessary to build upon the sequences required that takes the community from where it is today to where it wants to ultimately be twenty-years into the future. While initially this may appear to be well-beyond the timeframe the community wishes to pursue, every aspect of the plan must be in place and operating by decade's end - so that the final ten years are used to make adjustments and improvements to the plan.

Impediments will arise over time and it will require additional efforts to work through

these issues. Some initial timeframes may be too aggressive and some aspects of the proposed plan may not materialize. In these cases it too takes additional time for remedial efforts to get underway and properly working. At the same time however, two decades is the minimum horizon necessary for growing and grooming local community resources to serve as tomorrow's business and civic leaders.

An important part of this overall endeavor is to transform existing underutilized properties throughout the community to accommodate additional new businesses and housing. It's also necessary to capture land already possessing infrastructure that can be developed for higher density properties. In most instances simply framed wood structures three and four story high with businesses located on the ground floor can readily accommodate future growth and a year around minimum household population of 2,500 – which is only 500 residents more than Lake City's earlier population during the mining boom.

When all of the strategic components of a new economic development and retention plan are agreed to and are in place, what remains for Lake City and Hinsdale County is to begin the plan's implementation. In guiding and directing implementation there are timeframes to be met for accomplishing goals and objectives and predetermined measurements in place to evaluate how successful the plan is in moving ahead achieving its objectives. When objectives are met, goals are achieved. When there are problems, they must be addressed and resolved immediately for the plan to once again move forward.

As existing businesses grow and successful new businesses emerge, both serve as magnets in attracting new related enterprises that strengthen existing local business and commerce sectors. As examples: new, successful Animal Back-Packing businesses ultimately require feed,

prescription drugs, medical treatments and horse-shoeing from resources perhaps not currently available. Also required are new guides and handlers for the animals when they're sheltered. A guided overnight or extended fly-fishing service under these circumstances now requires more guides and more fishing and camping equipment to rent and sell. As tourism grows and its season lengthens, every existing business in Lake City can easily create demands for assistance from 3 to 5 new businesses engaging a minimum of 3 to 5 resident employees - that also need room, board, clothing, insurance, healthcare, laundry service, etc., etc., etc.

Strengthening existing local businesses, adding new locally-owned businesses and doing business locally in turn generates retained wealth that can transfer from one generation to another in the form of increased wages. Higher wages allows for savings that can be used in the future to acquire existing businesses. Within any local economy it's far less expensive, much faster and potentially more successful to train someone and have them purchase ongoing businesses and its assets than it is for business owners to face new competition.

Lake City with the assistance of the community and its partnerships through Hinsdale County can become sustainable. Everything else desired for its citizens, its local businesses, its summer homeowners, its seasonal workers and its futures can be achieved. Success however requires strategic planning and continuous work to ensure the plan is managed and implemented correctly.

As Daniel Burnham so wisely stated: Make No Little Plans; They Have No Magic to Stir Men's Blood and Probably Themselves Will Not Be Realized. Make Big Plans; Aim High in Hope ...

An Economic Development
and Business Retention Report

Lake City Colorado: Creating a Strong Business and Workforce Retention Program

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Background to Study

Preface

Since the Great Recession, communities across America large and small have been in a state of frenzy trying to identify and work through the economic issues that put numerous businesses into receivership, shuttered storefronts along main street and created long unemployment lines. Looking backwards, the extended length of the Great Recession only increased the depth of issues and problems communities still face today.

With fewer businesses and more unemployed citizens, taxes to the community to support local government and its public services fell dramatically. Almost overnight, the communities' obligations to the public relative to service and assistance infrastructure were dramatically overstressed. Adding to the calamity, almost every new homeowner's loan in America was upside down. While the national economy is now beginning to improve, those returning to work have to accept lower wages and competition from a significantly larger employment pool willing to work part time. Historic employee benefits businesses once offered to attract employees are now mostly part of a 20th century paradigm no longer applicable to today's private sector workers.

Must the quality-of-life for America's small business owners and working families fall to the same levels of Third World emerging nations to be sustainable in the 21st century and beyond? It is a question that each American community faces. What exists today in terms of



The old silver mining mill. Photo taken by Kristine Borch-

our economy was never conceivable almost two decades ago when America entered this new century – and an emerging global economy this nation was ill equipped to face. Even today, the world economy is in almost constant disruption by trading nation's not yet internally aligned with the responsibilities the new global economy demands.

Re-creating and re-building a new successful, resilient and sustainable local economy that in turn supports a workforce with a high quality-of-life is possible when a community understands that the end result is an overall product greater than the sum of all of its individual parts. And, also the necessity of maintaining a viable local workforce that is adaptive to change requires more than businesses engaging employees. The futures are a two way street. The workforce must be engaged, be willing to learn and be willing to adapt as their career responsibilities change.

As in life, the new economy demands the community's workforce to continuously morph from one set of old parameters and boundaries to new more complex sets of conditions and requirements. Likewise, for business owners to remain relevant and successful, they too must continuously evolve and morph their business operations and improve their knowledge and skills in order to stay abreast with the inevitable: Change.

Lake City

Hinsdale County, Colorado

According to the county's website today, *About Hinsdale County Government, Vital Statistics* that bases its information on Wikipedia data, Lake City is the county seat of Hinsdale County, Colorado. In the 2010 census, the county population was 843. As such Lake City is the only Town and municipality within Hinsdale County.

The county is one of the most isolated, remote, road-less and mountainous forest areas within America's lower 48 states; Hinsdale County contains several national forests and five of Colorado's 28 mountain peaks that reach upwards beyond 14, 0000 ft. above sea level. The continental divide crosses through Hinsdale County in two separate locations. Of all of the state's county jurisdictions today, Hinsdale County remains the least populated.

Currently, 95.3 percent of the county's land area is categorized as Public Lands. Only 4.7 percent of the land is privately held; 49 percent of the county's Public Lands are defined as protected wilderness area.

Revenue to Hinsdale County from property taxes in 2011 was \$1,065,610.00. In stark contrast to a countywide voter registration of 734 in 2012, the county reports 2,057 registered motor vehicles.

Within Hinsdale County, Lake City is located on 512 acres of forested land in the San Juan Mountains. The town is located along State Highway 149 that links US Highway 50 at the Blue Mesa Reservoir near Gunnison, Colorado to US Highway 160 in the town of South Fork, Colorado on the eastern slope of the continental divide.

Lake City, Colorado is an historic mining community founded in 1875 along the Lake Fork of the Gunnison River. The elevation of Lake City rests at 8,861 feet above sea level. During its short mining boom the community became a regional hub for a number of other mining camps and communities extracting silver in the San Juan Mountains.

In its prime, Lake City served as the region's mining hub. By 1889, Lake City supported a railroad and a population of 2,000 residents. However, with the closure of many of the mines shortly thereafter, the railroad shutdown and the community's population began to dwindle. Construction of Highway 149 later ultimately saved the community's

life and provided it with the opportunity to continue its services to remaining residents, some miners and highway travelers headed over Slumgullion Pass and the continental divide.

Today, Lake City's heritage has been preserved and well maintained. It is considered one of America's best-kept historic mining communities and a popular stop for historic preservation aficionados from across the US and others interested in this nation's earlier days. In addition to providing a national marketing opportunity, the quality of the restoration work downtown can make Lake City an international attraction for foreign tourists visiting America during off-peak seasons. Historically, Lake City has survived economically as a summer vacation area for tourists, fishermen, hikers, summer-home owner's and others interested in the mountain High Country where people are comfortable throughout the day in short sleeved shirts, but may need a light sweater nearby if the sun goes behind a bank of clouds.

The high season begins when public schools let out and it ends just before schools begin. Bow hunters come to Lake City first in the fall for game, followed by muzzle-loaders and rifle hunters with deer and elk tags. After hunting season, most seasonal businesses are shuttered until spring arrives again.

During the peak season everyone is busy serving tourists. During the off-season many residents leave the mountain; others that remain relax, seek-out some income from day-to-day business and begin preparing for the following summer. The off-season is also playtime for locals. It offers them opportunities to fish, hunt, to go jeeping, to hike, ski and ski-do over the mountain snow. Off-season attractions serves as one of the greatest assets the community has in marketing Lake City as a new home to potential second home buyers.

Current Community Characteristics

According to the 2015 CO HomeTownLocator data website, the year around population of Lake City at this time is 408. Over the years Lake City has emerged as a popular summer getaway for seasonal residents with second homes in the mountains close by, near the Lake fork of the Gunnison River or around nearby Lake San Cristobal. The town is a great vacation place for holiday visitors seeking much cooler temperatures than they left back down on the nearby Plains. While enjoying the beautiful outdoors there's opportunities for jeeping, biking, hiking, canoeing and fishing. From the popularity the town has earned over more than a half century it's been stated that the summertime population in and around Lake City can frequently balloon upwards to somewhere around 2,500.

Seven of the 12 calendar months have moderate daytime temperatures. Night time temperatures are cool during this same period and oftentimes require a sweater or light jacket for comfort. With the exception of July and August, the two months with the most precipitation, the remainder of the year is relatively dry with less than 1.75 inches of precipitation monthly. The remaining five months are cooler; November, December and January are cold. Integral to its current climate and weather patterns, the mountain area receives more than 300 days of sunshine each year- so skies are rarely dreary.

Because of its remote isolated location, the recent history and socioeconomics of this small mountain community and its population, the economy is less complicated to classify and structure than within larger communities. In general terms for Lake City there are residents who own property and operate businesses in the community year around. Of this group there are some that do well enough during the peak tourist season to remain closed during the off season and travel to milder seasonal climates each winter.

Second, other year around residents are either retired or work in businesses, government or other jobs that operate continuously throughout the year.

Third, there are the spring, summer and fall part-time residents that own vacation homes in the Lake City area. These residents visit Lake City and Hinsdale County at various times each year for a variety of occasions, generally during the more-moderate seasons, or when holidays or special events attract them back.

Additionally, there are spring, summertime and fall visitors who travel to this region for short vacations, or for attending or participating in special events, including hikers, hunters and fishermen. Lastly, there are temporary seasonal residents that migrate to Lake City each spring to work for businesses serving seasonal visitors and summer residents. These temporary residents leave in the fall after the peak tourist season is over and depending upon circumstances they may or may not return to Lake City for employment the following spring.

According to the current CO Home Town Locater website data, of the 408 year around residents, 380 reside in 193 Households; the average Household Size is 1.97 people. 303 people are part of 127 Family Households, with an average Family Size of 2. Twenty-eight residents live in some form of Group Quarters across the community.

The average Diversity Index for the United States, according to the latest census data was 60.6 and it is expected to increase nationally to 64.8 by July 1, 2018. At the other end of the spectrum, the Diversity Index for Lake City is 18. This low quotient equates to a highly homogeneous population. In Lake City, 94 percent of the population is white; the remainder is mostly Latino, Native American or a mixture of more than one race.

The Diversity Index as defined by

information in the CO HomeTownLocater “is a scale of 0 to 100 that represents the likelihood that two persons, chosen at random from the same area, belong to different race or ethnic groups. If an area’s entire population belongs to one race AND one ethnic group, then the area has zero diversity. An area’s diversity index increases to 100 when the population is evenly divided into two or more racial or ethnic groups.”

According to the same data, there are 447 Housing Units currently located in Lake City; of this number 127 or 28.4 percent is Owner Occupied. There are 65 Housing Units or 28.4 percent of the total number Renter Occupied. Seasonal residents own 254 Housing Units or 56.8 percent of the total units within the Town. Included in this number are other empty houses currently available for rent or sale.

With a year-around population of 408 people living on 512 acres within the Town, the community’s density is one person per 1.25 acres. When the fulltime population is divided by an average of 2.3 persons per household there should be approximately 178 year-around households living within the Town currently. At the same time, if 254 of the 447 current housing units are owned by seasonal residents the remainder of local year-around households is equivalent to 193. If the two estimated numbers are averaged, the sum becomes 186 households.

The development density factor for the Town of Lake City becomes 1 household per 2.75 acres. Nationwide, suburban residential development considered as “sprawl” falls into the density range of 3.3 dwelling units per acre. If a Residential Sprawl Factor of 3.3 is used to estimate Lake City’s future opportunities for growth potential, the development density will increase from 186 residential units currently to 1,690 units sometime into the future.

Within this scenario, the Town’s future population using 3.2 persons per living unit increases to more than 3,800. This

is larger than the 2,500 population-base considered necessary for a community to be economically sustainable. Properly designed mixed-use development within the existing Town, if desired, allows Lake City's population to be even larger with a greater degree of economic sustainability - all within its current land constraints. Therefore, access to land in Town for development should not be a limiting factor to growth and prosperity.

Current website information indicates the Median Home Value in Lake City is \$253,571.00 while the Average Home Value is \$294,000.00. With a large down payment of \$50,000.00, the monthly mortgage payment on a \$300,000.00 residence in Lake City according to information from Wells Fargo is approximately \$1,250.00 a month; not included in this amount are property taxes on the home, costs of insurance, monthly utilities and annual maintenance expenses.

The Median Household Income in Lake City, according to the latest published data is \$52,599 a year; the Average Household Income is \$71,052 a year, while the Per Capita Income is \$31,200 a year. Statewide, the Per Capita Income for all Coloradans in 2013 was \$31,109. The Cost of Living Index for Lake City is 97.9 percent of the National Index. This translates to: It's not any-more or any-less expensive to live in Lake City than any other American community.

In terms of growth, the Growth Rate in Lake City's population between the years 2010 and 2015 was 0.0 percent. There was a small 0.1 percent increase in Households and a 1.25 percent increase in Families. This data simply translates to: population stagnation. According to the data, Lake City's year around population distribution including children is divided between 222 males and 186 females; another source has the male population at 175 and the female population at 217. There are some 92 residents under the age of 21; or 22.5 percent of the total.

According to one source, the median age of the community's population is 46; another source indicates the median age is 57.1 years; the median age of all Colorado residents is 36.4. From the information available, there are only five females living in Lake City between the ages 15 through 24. Six percent of the community's female population is single women ages 25-29; that number represents 14 women.

With a significant age-distribution shift existing in Lake City there are only 22 men age 15 through 24 and 8 men ages 25 through 29. Six percent of the community's population is ages 30-39. There are 248 residents that represent the age of the general workforce ranging from 18 years of age to 65. However, from the data there are only 31 younger local residents that may potentially enter the local workforce over the next five years.

From the population distribution information it's clearly apparent there is a limited local pool of available young, single men and women to marry and raise families with any significant numbers to dramatically grow the current population. Also of importance is that 71 local residents are 60 years and over and there are too few younger residents entering the workforce to replace those who will be retiring soon.



Residents enjoying the Telecommuters Park. Photo taken by Kristine Borchers.

The Local Business Community

In July of 2015, the Official Tourism and Information website for Lake City and Hinsdale County lists the following areas of business within the community:

ACCOMMODATIONS

- Bed & Breakfast
- Cabins
- Motel/Lodge/Hostel
- Ranches & Retreats
- RV Parks & Private Campgrounds
- Vacation Homes & Room Rentals
- Yurts
- Public Campgrounds
- Pet Friendly Lodging

EVENTS, PARTIES, & WEDDINGS

FAMILY ENTERTAINMENT, LIVE

SHOWS & MUSIC

FISHING GUIDES & OUTFITTERS

HEALTH & MEDICAL SERVICES

BICYCLE REPAIRS, RENTALS & SERVICE

HORSEBACK RIDING & OUTFITTERS

BOAT RENTALS

HUNTING OUTFITTER & GUIDES

BOOKSTORE

JEEP & OHV RENTALS

BUILDING & CONTRACTORS

- Contractors
- Materials
- Equipment Rentals
- Home Design
- Plumbing & Heating
- General Maintenance
- Excavation & General Contracting

MINIATURE GOLF

MOVIE THEATER

MUSEUM & TOURS

PHOTOGRAPHERS

CANDY STORE

PROFESSIONAL ARTISTS

CHURCHES

RAFTING TOURS

DINING & SPIRITS

REAL ESTATE

RECREATION EQUIPMENT RENTALS

SCENIC AND 4WD GUIDES & TOURS

RETAIL SHOPPING

SHUTTLE SERVICES

SALONS, BEAUTY & MASSAGE

SERVICES

Automotive Services & Fuel

Newspaper

Advertising, Marketing, & Media

Pet Services

Banks, Financial, Insurance, & Legal Services

Schools and Child Care

Car Wash

Secretarial Services Utilities,

Computer Services

Trash Removal

Community Facilities & Resources

Home and Business Services

Insurance

Government

Grocery, Fuel, & Supplies

Lawn Care

The list of businesses and services above provide for a wide sector of community needs for the small town. It also appears that many of the current businesses operating can easily expand to provide new goods and services related to their primary areas of current business. But, what is apparent from the list above is the absence of highly skilled

professionals, attorneys and medical doctors. A small community of 408 is not large enough to support these greater needs. It's also important to recognize that communities less than 5,000 residents find it difficult to support an attorney or medical professional year around.

At the same time, physicians and lawyers in larger metropolitan centers now often have multiple offices in the same city. The point being as the population of the community grows it is likely possible that a physician, an attorney or a CPA from Gunnison could feasibly establish a consistent schedule of once or twice monthly visits to Lake City to serve the community and its needs using a public or quasi-public facility for conducting local business.

In terms of economics, a clear definition of the critical population mass necessary to support and sustain small communities or a Main Street Business District currently does not exist. Definitions vary from source to source. Some federal agencies set the minimum year around population base for sustainability to be 5,000 residents. Others define the necessary minimum year around population to be at least 2,500.

Through past experience studying and working with rural communities, this office has observed there are small communal populations more economically sustainable than some communities with larger numbers of year around residents. Like Lake City, communities serving unique markets or special purposes somehow continue to survive and make the economics work, while some other more general service-based rural communities can't.

Recognizing and appreciating the uniqueness and tenacity of America's small rural communities throughout its heartlands, RAFI has come to define Hamlets as communities with populations of less than 100; while Villages are communities with a population of no more than 1,000 residents.

Small communities greater than a population of 1,000 (year around residents) take the form of some category of a Town.

For certain, Hamlets have too few residents to be sustainable; most villages have larger populations but generally are still too small to be sustainable or provide the economic base necessary to support a Main Street. In general, as villages grow to become small towns with a year around population of 2,500, depending upon the economic markets and population they serve and support, from RAFI's observations many reach the minimum threshold of critical population mass. In any number of instances by the time communities reach 2,500 they file for incorporation to obtain the status of a city.

With Lake City today, the community's top careers and employment realms currently are within the Service Sector, in Construction, Government, in serving the local School District and in Banking. Like almost every other American community the Great Recession decimated the construction sector in Lake City and its related areas of the economy. When one aspect of a local economic sector declines sooner or later the entire economy is weakened by the effect of the impact one sector has upon the remainder.

To help offset the impact of the recession on Lake City and Hinsdale County, in January of 2011 the county website indicates the County Lodging Board "... created an ad-hoc Marketing Committee known as the Lake City/Hinsdale County Marketing Committee. This committee operates under the guidance, supervision and by-laws of the Hinsdale County Lodging Tax Board.

The purpose of the Marketing Committee is to plan and implement a comprehensive tourism marketing strategy both short and long range for Lake City and Hinsdale County..."



Crowds come to enjoy a music festival. Photo taken by Kristine Borchers.

Joining the effort, Lake City Dirt, a local not-for-profit organization of local volunteers within the community has initiated a Main Street program throughout the Town that supports marketing and promotion of local businesses. As part of its vision and mission, it promotes historic preservation throughout Lake City and improvements to historic properties. The organization works to assist in creating economic opportunities and assisting in any restructuring necessary to assist and retain local enterprises; and, in attracting and developing new businesses locally that are supportive and compatible with the organization's vision and mission. Of equal importance, Lake City Dirt serves as one of the community's major fundraising bodies and volunteer management groups that promote, directs and operates the community's visitor attractions and festivals.

In partnership with the Rio Grande Watershed Emergency Action Coordination Team (RWEACT), Lake City Dirt's' efforts additionally include implementing regional economic recovery funding, including the funding for this report.

In framing a structure for this economic investigation and report, this office was asked to produce for Lake City a Business Retention and Recruitment Plan

for the community. To address the client's needs, the formation and structure of the plan is to assume:

- Lake City is best served by retaining its existing businesses and by creating a more sustainable consumer base.
- Lake City should continue its current efforts to expand support for its Buy Local program, by enhancing its year-round tourism development, and lengthening the shoulder seasons for tourism.
- Lake City should continue to seek more secure broadband service for teleworking.

According to the client, the Lake City DIRT, the Plan needs to incorporate a SWOT (strengths, weaknesses, opportunities and threats) Analysis to assist the local business community and Lake City's and Hinsdale County's civic and elected leadership in helping make the community a better place to live - with a stronger, more sustainable economy while protecting the region's critically important and valuable natural, historic and cultural resources.

From the client's perspective it's also important for the Plan to include a list of developed ideas that may help strengthen local businesses and expand tourism markets. As well, the Plan should identify a list of businesses and/or industries to target that fit within Lake City/Hinsdale County community goals/values (limited real estate opportunities - affordable, limited staffing and great distances from principal shipping locations).

From the perspective of this reporter, for Lake City to grow and become

economically sustainable, there must be a larger and greater “Here” – here! The community and its economy is currently too small, too underdeveloped and too undercapitalized to create, possess and successfully maintain a continuum of critical mass far into the future. There are also too few younger residents currently capable of replacing those who die, retire or move away. Too few children as well return home to Lake City once they leave for the university, the community college or trade schools; or for military service or work elsewhere.

Previous Economic Development Studies

There are two earlier consultant produced studies and reports that influence the path and direction this study takes. In 2008, a comprehensive economic feasibility study for Lake City and Hinsdale County was undertaken and prepared for the community by the Downtown Professionals Group of Batavia, Illinois. The general character, content, reflections and conclusions presented in that earliest study today in many aspects still remain relevant to a number of current conditions in Lake City.

A more recent equally important study was undertaken by Hinsdale County in 2011. This concise document updates and more clearly refines the 2008 recommendations and conclusions and provides strategies to achieve the County’s top five (5) economic goals. The newest undertaking titled: “Bottoms Up”, was produced by the Colorado Office of Economic Development and Trade in concert with participation and assistance from the citizens of Lake City and Hinsdale County.

General Parameters for This Study and Report

In addition to the areas of study requested by the sponsor: the Lake City Dirt, the principal issues and recommendations identified in the two previous undertakings require updated responses for conditions associated with this investigation. From the client needs and those reported in the two previous studies a list of ten (10) areas of inquiry for this report emerges. Each of the ten subject areas culminate in the following:

1. Recommendations that lead to a broader, more sustainable consumer base for retaining and strengthening local businesses.
2. Recommendations that enhance greater community investment in the Buy Local program.
3. Recommendations regarding extending the tourist season.
4. Recommendations for producing successful year around community events and attractions.
5. Recommendations for means to access state-of-the-art infrastructure for E Commerce, Teleworking and greater options for Distance Learning.
6. Recommendations for attracting and retaining compatible new businesses and industries that diversify the economy.

7. Recommendations for enhancing and strengthening the stewardship of local historic, cultural, social and educational assets.
8. Recommendations for enhancing and strengthening the stewardship of natural resources throughout the county and region.
9. Recommendations for enhancing and strengthening continuing education and life-long learning.
10. Recommendations for mitigating contentious community reactions regarding public policy issues and actions.

In seeking to improve the local economy and make it more sustainable, economic development should be Asset-Based and focused first on growing and expanding the following existing economic clusters; 1. Capitalizing on mining the values that natural resources and existing amenities possess. 2. Improving existing infrastructure, including historic, and cultural resources. 3. Promulgating the adaptive reuse of underutilized buildings and sites. 4. Leveraging transportation networks when and wherever possible. And, 5. Promulgating the use of renewable energy and other appropriate local resources. Addressing these needs necessitates the community to take a longer view of its approach in creating new successful routes forward.

Taking the Long View Driving Forces

Social scientists who study the futures recognize there are five global forces that

influence every aspect of life across the planet. These forces are: Economics, the Environment, Politics, Society and Technology. These central forces always occur in some form of motion; the effects of one always have some degree of influence and impact on each of the other four at one time or another. In some visual manner what occurs between Driving Forces is like observing a pinball game where all five balls are batted about in motion by different paddles of influence occurring around the world. At the same time the player's challenge is to keep each of the balls from striking one another too strongly or directly to change the overall course of action that sends them into holes while remaining balls are being paddled and batted about beneath the glass.

What the futurists have learned is that when one force becomes completely out of balance with the others, with the proper information, knowledge and history, and with experience it is possible, to lessen the impact that force may produce upon the action undertaken by each of the other forces. The futurists accomplish this by testing various scenarios to determine how best any imbalances can be offset by compensating action by the other forces.

Much like Sir Isaac Newton's First Law of Motion: An object at rest remains at rest and an object in motion remains in motion with the same speed and in the same direction until it is acted upon by an unbalanced force. Communities likewise can use scenario planning similarly to have options in place to offset forces or even in some instances to neutralize any forces that may impact balance within the community.

Departments of public safety frequently use scenario planning to deal with any set of unanticipated future occurrences that may possibly arise from community weaknesses and threats including contentious actions and behavior by certain segments of the community. One beneficial

outcome for communities from scenario planning is the opportunity to learn and have some understanding where future problems may occur and to have a management plan in place to keep issues from escalating beyond control. As an example it wasn't Hurricane Katrina that destroyed New Orleans, it was the lack of infrastructure maintenance of the flood control systems that allowed Lake Pontchartrain and the Mississippi River to flood.

Scenario Planning and creating options for solutions takes time and the effort of interested citizens. But in seeking solutions to potential future problems that may arise, many current concerns and issues can be addressed and resolved as steps along the way towards achieving the community's ultimate economic, environmental, political, social and technological goals. Had maintenance plans been enforced for New Orleans' flood control systems already in place, the disaster in the city would never have occurred.

From review of the study goals established in a 2008 report prepared by the Downtown Professionals Network, they responded to community issues driven by forces in Society and Economics. These were:

- Increasing the year-round population to reach critical mass
- Placing less dependence on tourism dollars
- Increasing services and products available for year-round residents
- Encouraging telecommuting professionals to conduct business in Lake City

With the 2011 "Bottom-Up" Hinsdale County study, conducted by the Colorado Office of Economic Development and International Trade, the report's goals and supporting strategies responded in some degree to all five driving forces: the Economy, the Environment, Politics, Society and Technology. Those goals and strategies included:

- Support existing businesses through job retention, business expansion, and new business attraction focused on economic diversity.

Increase exports; support outreach for location-neutral businesses; support efforts for enhancement of outdoor based industry (retail and services); develop opportunities for off-season and shoulder season consumer traffic; seek to expand local micro-revolving loans to businesses; provide assistance for new, innovative business ideas; increase energy efficiency for businesses; identify "living wage" and how to achieve locally, and increase business opportunities surrounding health care

- Promote understanding and stewardship of historic assets of Lake City/Hinsdale County.

Enhance historic design guidelines program; pursue opportunity of transfer of ownership of the 10-acre section of Ute-Ule heritage site; promote historic preservation as an ethic and economic benefit; support Community Youth Corps in aesthetic improvements; work with volunteers in all area nonprofits (including 2nd homeowners) on the value of Historic Preservation' position marketing & tourism outreach efforts on heritage

resources in combination with outdoor recreational resources.

- Promote understanding and stewardship of natural landscape.

Increase collaboration with public land management agencies; participate in plan revisions with Public Land Management Agencies (Forest Plan, Resource Management Plan Revision, RAMP); review opportunities for private in-holdings & within County land-trades to increase developable private land; participate with public land management agencies for multi-use recreational opportunities, travel management, and resource protection; explore options for resource extraction as appropriate; explore economic impact of proposed National Conservation Area (NCA); facilitate discussions on wildlife issues of economic concern *Facilitate community efforts of gardens, and position marketing & tourism outreach efforts on heritage resources in combination with outdoor recreational resources.

- Improve business climate with quality infrastructure & services.

Expand affordable licensed childcare; research affordable housing options; (provide) infrastructure improvements (water systems, etc.); facilitate ease of transportation infrastructure (roads & bridges); continue support of Community School; inform full & part-time residents of supporting local businesses & services; support efforts for expanded medical and healthcare services and support (the)

local bank.

- Support business owner education & professional development.

(Support) workforce training & retraining; facilitate discussion on transitions of senior businesses; support conversations in the business community, and support the Lake City Community School in providing students with financial “good practices” education.

The goals from each of the two past studies are relevant and still applicable to Lake City and Hillsdale County today. These earlier goals should continue to be pursued as part of the community's new long-term efforts to move forward towards sustainability. In addition, optional solutions to potential future issues need to be prepared and accessible for use with problems that arise. When options for alternative solutions are in place, life is more secure and stable for residents and visitors alike. Successful strategic plans ultimately strengthen the quality-of-life within the community. They produce a stronger, more stable economy and when they include protecting the health of the natural environment the community is well on its way to a great future as a popular attraction for tourism.

SWOT

A SWOT (Strengths, Weaknesses, Opportunities and Threats) Analysis is a valuable tool in shaping successful community' futures. As was so appropriately and correctly stated in the 2008 Downtown Professional Networks, report: It could be fairly stated that Lake

City's very unique strengths are also its own distinct challenges. This being the case, the SWOT Analysis views the community's strengths, weaknesses, opportunities and threats in terms of Taking the Long View approach. Using the collection of information from the entirety of this report along with the knowledge, history and experience with community life allows Lake City leadership to create a more sustainable economy that is strongly buffered from uncontrollable influences of any of the five driving forces. In addition to the topics and subject matter addressed herein, there are other topics and subject matter the community may wish to add to each category of the SWOT analysis, but beginning with five issues illustrates how the effective process works.

are critically important to Lake City in that they serve as a major supplement to the community's tourism economy.

- The living expenses of temporary peak season service workers in Lake City and Hinsdale County add significantly to the community's local economy.

Economic Weaknesses:

The lack of private land within the community to grow and expand its economic base limits the future population potential for the town and county.

Economic Forces

Economic Strengths:

- There is a long history of area ranching. Over time, as privately held ranchlands change owners more land may be available for future housing or other community assets.
- As fragile as the local economy is, it does support a number businesses and year around residents during the offseason.
- Historically, the construction of new second homes has served as a major supplement for the community's tourist economy.
- Seasonal second homeowners

- Lake City's remoteness and its distant connectivity to other small regional mountain communities provides limited opportunities for increasing exposure to highway traffic or attract any significant commuter workforce.
- The density of the Historic Town is currently too low to accommodate any significant new development or significant population increase overall.
- The cost of remaining private land adjacent to the Town is mostly beyond the economic reach of the community's workforce to acquire and/or develop.
- There is little economic activity in Lake City beyond real estate sales, goods, services and construction associated with seasonal tourism,

hunting, fishing and the community's special events.

Economic Opportunities:

- Increasing the community's Branding and promotions to attract more tourism, events and activities beyond the traditional peak summer vacation months strengthens the town's and County's economic stability. Offering gourmet and specialty foods to guests broadens the Brand attraction.
- Increasing attractions, special events, goods and services to retain second home-owners for longer seasonal durations, including winter holidays also increases the town's and County's economic stability.
- Creating Cottage Industries for on-line businesses that engage seasonal workers to remain in Lake City as employees during the off-season increases the town's and County's economic strength.
- Uncovering opportunities and means to develop new higher-density housing affordable for the local workforce and future residents to grow the year around community allows for some increase in population and economic expansion.
- Investing in appropriate renewable energies allows the community to lower the costs of electricity and winter utilities.

Economic Threats:

- Increasing influences from Global Warming and Climate Change may negatively impact tourism, the local economy and its fragile economic stability.
- Stagnation and/or reductions in international and national economic growth and/or employment and wages may have a significant impact upon the community's economy and its fragile economic stability.
- Any loss in the Lake City area population will significantly impact the community's economy and its fragile economic stability.
- Lack of access to adequate infrastructure to serve the community's needs will significantly impact the community's economy and its fragile economic stability.
- Any losses to the community's synergy impacted by social, political, religious or other situational agendas will significantly impact the community's economy and its fragile economy.



A view of lake San Cristobal from the San Juan Mountains. <http://www.lakecity.com/mountain-town-activities/natural-wonders/35-lake-san-cristobal>

Environmental Forces

Environmental Strengths:

- The physical environment surrounding Lake City is one of this nation's most beautiful, pristine and rugged mountain settings supporting a plethora of wildlife, fish and game.
- The quality and extent of the natural setting attracts summer visitors to the region from all over the nation and potentially across the world to capture its uniqueness and beauty.
- Historically, there is ample winter snowfall in the San Juan's to provide the community with high quality water sources for livestock and agriculture, for a variety of recreational activities and attractions, and for treatment for domestic water uses.

- Other than winter when wood is used for fireplace heating comfort, the mountain air around Lake City is clean and crystal clear.

- Lake San Cristobal and the Lake Fork of the Gunnison River are invaluable environmental assets to the community.

Environmental Weaknesses:

- The San Juan Mountain region ecosystem possesses highly fragile communities of biological inhabitants.
- The fragile mountain ecosystem is subject to damage and denigration from Global Warming, Climate Change, Severe Weather including Flooding, and from uncontrolled over-use and abuse.

- The fragile mountain environment and its ecosystems are easily damaged and destroyed by insensitive man-initiated construction and development.
- Mountain streams, Lake San Cristobal and the Lake Fork of the Gunnison River are easy targets for contamination and pollution resulting from waste and refuse discarded by irresponsible visitors or leakage from long-closed mines.
- The primary source for the community's drinking water currently is aquifers fed by local snowmelt and rainfall.
- With a longer possible calendar season for enjoying outdoor activities and events, partnerships with the Forest Service and BLM along with supportive county and local ordinances that protect the environment from over-use and abuse, more, new visitor attractions can be successfully accommodated.
- Changes in the climate may allow for greater local production of food including vegetables, fruits, nuts and new sources of protein. It may also be helpful in maintaining larger, healthier livestock herds including Buffalo, Elk and Moose for high-quality game meats.

Environmental Opportunities:

- Changes underway in climatic conditions may produce longer seasons for agricultural and livestock interests as well as a longer calendar period to attract visitors to Lake City.
- The exploration, identity and implementation of means by which seasonal snowfall and rainwater can be better collected and protected from pollution insures access to future high-quality water resources.
- With the possibilities in the future of a more temperate climate there may be greater access to larger amounts of renewable energies available for local recovery and use.

Environmental Threats:

- Disregard of the natural environment and protection of the region's public lands could lead to future federal, state, county and local restrictions on access and use of the lands.
- Global Warming and Climate Change may produce less snow and more severe rainstorms that cause flooding. In becoming drier the atmosphere and forests may become more prone to friction fires.
- Global Warming and Climate Change may produce significant damage to existing natural communities and ecosystems that attract invasive plant and animal species, pestilence and disease.
- Global Warming and Climate

Change may negatively impact current outdoor recreational activities, hunting and fishing.

- A major environmental disaster or other similar event to what occurred along the Animas River in southern Colorado or in Manitou Springs could severely damage the Lake Fork of the Gunnison River and/or destroy Lake San Cristobal.

- Elected officials of the Town and County have learned to work together to address common goals and resolve common problems.

Political Weaknesses:

- In a small community like Lake City, it's easy to induce personal criticism, contentious behavior and anger towards public positions taken by elected officials on areas of residents concern.
- In a small community, it takes fewer outspoken contentious critics to sway an elected officer's position regarding an issue than in larger communities.

Political Forces

Political Strengths:

- The elected officials in Lake City and Hinsdale County are easily accessible by constituents.
- Elected officials of the Town and County openly invite public participation and discussions on all issues facing the community.
- Elected officials of the Town and County have worked and lived in each of the jurisdictions for extended periods of time.
- Elected officials of the Town and County have a good grasp of local issues and the capacity of local governments to address local problems.

- In a small community, respect and long-term friendships with neighbors have a significant influence on elected officials' consideration regarding public issues.
- In a small community, proponents are often less organized and outspoken than opponents relative to public issues.
- In a small community, opportunities for strong leadership are often overshadowed by necessities to "Keep the Peace" amongst various community factions and contentious personalities.

Political Opportunities:

- By "Taking the Long View" and creating a long-range plan for the community, actions by elected

officials reflect implementing the plan's vision, goals and objectives rather than diffusing criticism and objections on public issues from others with separate agendas.

- Inviting members of the community to participate in Scenario Planning offers residents the opportunity to help uncover, identify and form solutions to future community issues that may arise over time.
- Public participation in Scenario Planning invests residents in contributing to the community's futures and builds proponents for supporting residents' best interests. Inviting younger adults offers opportunities to begin developing future community leaders.
- Local public commissions can be used to build stronger relationships and new partnerships with federal agencies responsible for managing public resources around Lake City and Hinsdale County. As well, Hinsdale County and Lake City can enact temporary ordinances over a year or two to test the potential effectiveness of regulations prior to taking permanent action.
- The constructive use of the authority of local governments to enact measures to shepherd, protect and sustain Lake City's and Hinsdale County's natural resources and fragile economy will strengthen the support and stability of the community and serve generations to come.

Political Threats:

- Casting aside or ignoring the interests and concerns of other governmental parties or state and federal agencies may ultimately result in great harm to Lake City and Hinsdale County.
- Without building a strong set of knowledgeable proponents' community wide, moving Lake City and Hinsdale County forward in a prudent fashion can be complicated and hampered by contentious personalities and special interest "Push-Backs".
- An organized body of subversive interests can use innuendo and rumor to damage credible public servants and future opportunities for the community.
- A "Just Say No" public attitude towards new and necessary programs, ordinances and tax increases to improve infrastructure can destroy Lake City's and Hinsdale County's futures.
- Large or narrowly focused election contributions to elective offices can result in a culpability gap between public officials and the community-at-large.

Societal Forces

Societal Strengths:

- Because of Lake City's and Hinsdale County's uniqueness, remoteness, history, size and attractions, the community population in general has learned to live, work, worship and play together.
- The community's population is highly homogeneous where almost everyone is able to communicate amongst each other. Most of the community's year around population are considered working class middle income residents.
- Children within the community all attend public school together – in the same building. Older children within the community have the responsibility to watch out for younger children.
- There is no need for Helicopter Parenting in Lake City or Hinsdale County.

Societal Weaknesses:

- Rather than encompass the community-at-large, small town society often-time is family, clan or focused on more-wealthy community residents.

- With such a small homogeneous population children miss the opportunity and experience to live around, play, study and learn to socially relate with children of other races, cultures or faiths in preparation for adulthood and a life that will be filled with diverse experiences.
- With such a limited pool of children, youngsters miss the opportunity to develop relationships, hang-out and date within a larger pool of cohorts.
- With such a limited year around pool of young single adults, those seeking personal relationships with others generally must travel beyond Lake City and Hinsdale County to meet and be with others.
- Beyond local bars, church, Town Council/County Commission meetings, or special community occasions, small towns like Lake City provide few structured opportunities for adults to engage in social interface, mixing and making new friends.

Societal Opportunities:

- Growing the year around population of the Town and County with a goal of broadening diversity will strengthen society locally and aid in the social development of all residents.
- Attracting new, more diverse year around residents with children will strengthen the opportunities for children in preparing their lives for adulthood and in socializing with

others unlike themselves.

- Sponsoring year around social events for youngsters where cohort groups from other small communities throughout the region participate strengthens social development for the age group and expands the youngsters' exposure and experiences with others outside their normal realm of contact.



Lake City Youth Corps on a service project. Photo taken by Kristine Borchers.

- Providing similar social opportunities for young, single adults accomplishes similar goals and/or objectives for that age-group within society.
- To strengthen social bonds and celebrate the investment and contributions local residents make towards creating a better place to live, or when they are recognized or rewarded for their contributions; or when children marry or residents celebrate significant anniversaries, or in later life when residents pass on, make these special occasions community-wide appreciation events where the entire community celebrates the day in an appropriate fashion, social setting and manner.

Societal Threats:

- Any force or combination of forces that negatively impact the community's existence or its popularity will ultimately weaken and damage its social structure.
- Conversely, damage to any aspect of the community's social structure will negatively impact the community and its visitor popularity.
- The lack of racial and/or cultural diversity within the community will ultimately backlash economically and politically creating a major societal and public relations issue.
- As the ages of year around residents continue to rise, the lack of accessibility for seniors or the disabled to enter and exit facilities

throughout the community will negatively impact Lake City/Hinsdale County's social interface; and, it may be grounds for civil rights litigation by the US Department of Justice.

- Overt contentious behavior in any public setting or at a community event may ultimately damage Lake City and Hinsdale County's reputation as a major tourist attraction.

Technological Forces

Technological Strengths:

- Although local wireless connectivity based on location is sometimes limited, the community has access to national and international communication networks.
- Wireless communication systems are amply supplemented by hard-wired telephones.
- The community is served via satellite television.
- The local medical center has communication connectivity with the regional hospital in Gunnison and access to emergency helicopter service.
- Physical Infrastructure serving the community is stable and reliable.

Technological Weaknesses:

- The remoteness, small community population and limited user group has yet to warrant significant investments by outside providers for state-of-the-art communications infrastructure for Lake City and Hinsdale County.
- The small community population served limits the investment in technology the local community medical center can incorporate.
- The small community population limits the investment in technology Hinsdale County can direct to managing and monitoring infrastructure performance and the agency's operational needs.
- Access to highly-trained local resources are limited for managing state-of-the-art IT services and software systems; as well as installing upgrades and making repairs to more-advanced computer hardware.
- Without adequate back-up, the operational continuity of local IT systems and hardware are subject to interruption from time-to-time by electrical outages.

Technological Opportunities:

- Distance learning programs can be acquired to train local IT software and hardware specialists, including computer maintenance and repair workers.

- Technology is currently available in the market place that allows individual users to bypass traditional cable infrastructure to communicate directly with satellites.
- Currently, Wi-Fi connectivity to a satellite can be strategically located and installed in select locations throughout Lake City as a community service to accommodate visitors' needs.
- With a strategic plan for increasing the number of year around businesses and residents, the costs of incorporating new technology infrastructure diminishes proportionately.
- A strategic community goal of partnering with outside service providers to construct a future microwave tower for serving Lake City and Hinsdale County will offer greatly expanded IT and communication capacity that in-turn supports optional opportunities for long distance living and remote business services.

technology in many situations eliminates manual work and demand for employment.

- Not investing in technology negatively impacts the community's competitiveness and businesses relying upon data, information, communications and referrals.
- Local students not adept with using state-of-the art computer hardware, software or framing special applications within electronic information systems will be disadvantaged beyond high school.

Other items can be added to each of the four SWOT sub-categories aligned with each of the five Driving Forces; or the list above can be amended as necessary to incorporate more current issues considered to be more relevant to the local business community today. The sub-category issues posted in the SWOT Analysis are all related to sustaining current businesses and for attracting new sustainable businesses that enhance and strengthen Lake City's and Hinsdale County's economic futures.

Before moving to the scenario and structure of the community's business plan proposed in this report, in Taking the Long View there are other related analyses to perform. In seeking to improve the local economy and make it more sustainable, future economic development should be considered as Asset-Based and focused principally upon growing and expanding existing economic clusters; capitalizing on natural resources and amenities; maximizing existing infrastructure and promoting historic and cultural resources.

An asset-based economy also builds upon the adaptive reuse of underutilized

Technological Threats:

- Investments in technological upgrades are expensive, time consuming and upgrading systems is an ongoing operational expense.
- Local data and information systems are subject to Hackers and viruses.
- The efficiency of advanced

buildings and sites, in leveraging transportation networks when and wherever possible utilizing renewable energy and other local resources as opportunities to reduce the costs of living locally. An asset-based economy relies upon human capital as well as the potential to attract new and emerging industries. Ultimately, what is important to Lake City and Hinsdale County is to create a competitive advantage over other communities seeking the same businesses or similar market interests.

In creating a competitive advantage it's important to assist existing local businesses and in investing resources in new start-ups that support existing businesses. Just as important, is the need to invest in community infrastructure, including education and adult learning that strengthens society and the community's core economy. Making investments to insure the community becomes a great Place to live will quickly attract others along with new compatible businesses.

The primary asset to Lake City and Hinsdale County is the surroundings and the resources nature provides. Protecting these resources and capitalizing upon their uniqueness and value is essential and primary to the community's futures and economic sustainability. It's not just the mountains, the forests and winter snows; it's the mountains historic precious metals, the "five-fourteeners", native plant and animal life, the streams, the ponds, the lake and the river.

Second, Lake City's assets are the existing historic and cultural resources that have been in place and well maintained over time. In addition to attracting those interested in visiting historic places, Lake City can become and international overnight stop for foreign visitors touring America wishing to know more about the nation's early westward movement, its early mining wealth; and, to learn about America's Ghost Towns that dot the nearby mountainsides today. Special

plays at the Opera House and other events particularly designed for foreign tourists are able to add to the town's marketing enticement and expand Lake City's attraction and Brand.

As an example, Oatman, Arizona is a historic mining community smaller than Lake City. It has created for its local shops an enormous winter attraction each day for the snowbirds that settle for the season in nearby communities. The Hamlet keeps a dozen or so pet burros to roam free each day along its three-block long Main Street for tourists to feed, pet and to use as backdrops for photos. Each shop on Main Street sells carrots, apples and other food to tourists for feeding the animals. Shop employees wear clothing of the early mining era at work.

Three or four times a day, selected employees from each local shop goes outdoors to participate in a staged robbery and gunfight. After the gunfight the tip jar is passed around. This added income helps support the lives of the shop's employees. At night, the burros are penned for watering and sleep – and the streets are cleaned for the next day's activities. Over the years, the popularity of Oatman has grown to where there are literally hundreds of tourists each day during the winter visiting the community, shopping, purchasing burro food, being entertained and enjoying the local restaurants and bars – and in Oatman the food and guest service is extraordinary.

The third essential asset necessary for Lake City's advancement is human capital. The community must create, keep and attract a new, younger population base possessing knowledge, skills, and a strong social interest in the well-being of the community and its residents. Communities with high levels of human capital are proven to be more successful and economically stable than those without. Asset-based economies build upon strong public enthusiasm, support and willingness by the community to invest in important new projects and infrastructure for

moving the community forward.

Additionally, asset-based economies support partnerships that build upon regional relationships where communities work together and they look to economic development as a source to promote community engagement and public education. Finally, asset-based economies use long-term strategic plans along with shorter-term measurements to insure that the community's strategies and plan are continuously moving forward.

When a small, remote rural community like Lake City fully assesses its assets and has determined how each asset benefits and strengthens the local economy - and how each asset can be leveraged to produce even greater economic results and returns-on-the investment, then, it can clearly understand how its assets will interface best with its strategic long-term economic development plan. Once the plan is underway and there is evidence the plan is progressing, its achievements will make the community more attractive to outsiders and new investors. When this occurs, Lake City will be well on its way to creating the competitive advantage it needs.

An important component of this segment of the strategy is to collect, evaluate, document and communicate progress to the community's residents and visitors regularly. One way in which to do this is to install an electronic reader-board near the post office downtown. Electronic communications can be posted remotely on a daily basis by various agencies and other designated community sources informing the public of community activities, special events and occasions, and the community's economic accomplishments. Communicating good news offsets and diminishes rumor and innuendo.

Tourism: Infrastructure/Economic Clusters

For Lake City and Hinsdale County, the existing infrastructure and economic clusters supporting its principal asset Tourism are its Setting and Climate, Tourist Amenities; Tourist Activities; Tourist Facilities; and, Transportation. Mining, extracting and building upon the opportunities surrounding these six clusters will strengthen as well as help to broaden the community's economy, its sustainability, business and human resource retention, and foster growth.

Setting and Climate:

- The snowcapped backdrop of the San Juan Mountains "Five – Fourteeners" in Hinsdale County along with the Lake Fork of the Gunnison River, mountain streams, ponds and Lake San Cristobal are a formidable magnet for attracting visitors' year around. However, to leverage the value of these assets, local tourist interests must work closely with the US Forest Service, the BLM and other related agencies to insure the region's natural resources are continuously managed and protected from over use and abusive action – especially in light of economic interests in extending the tourist season at some time in the future to a year around program effort.
- With more than seven months of good and moderate weather, more than 300 days of sunshine and a relatively dry year around climate, there are ample opportunities to expand tourism and extend the tourist season. Even in the colder months the mountain setting and climate supports a number of opportunities for attracting tourists with special wintertime interests.

Special winter trails can be identified and designated for snowmobiles so the machines do not interfere with vehicular traffic. Even during the March thaw and mud season there are possible events and activities that will attract visitors.

Tourist Amenities:

- Historically tourist amenities have been primarily focused on serving family vacationers during the peak summer period and then fishermen in the late summer and early fall; and, then hunters that come on to the mountains later in the fall. There are shops for food and drink, goods and services; there's the town park, playfields and movie theatre, but few amenities specifically provided for visitors other than perhaps attending the Opera House. During the summer months, special trails can be designated for off road vehicles to use so their travel doesn't interfere with more traditional motor vehicles.

- In general, tourists need to be attracted to Lake City in the same way a smart fisherman stalks a prize trout. The more access and exposure to amenities a visitor observes, the more interest they will have in visiting Lake City again to experience them. While bus tours can bring visitors to town, as with the prize trout they need attractions to excite their interests and desire to strike - and get hooked.
- Through programming and amenities, every day of the year in Lake City can be equivalent to a smaller proportional degree to an exciting day of entertainment and activity at Disneyland or Disney World. There are far more attractions to enjoy in Lake City than visitors can accomplish in a one-day visit.
- During the shoulder season, tour buses can accommodate 55 or 56 passengers. With two buses a day, the community can have access to 112 overnight visitors whenever the



Atop Uncompahgre Peak, in the Uncompahgre Wilderness Area. Photo by Greg Ochocki.

community desires - year around. When buses are scheduled to arrive before noon, while passengers are having lunch their bags are delivered to their accommodations for the evening.

- Passengers have the option to shop and see the town during the afternoon or take a pre-scheduled number of afternoon tours into the mountains. Everyone gathers back downtown for a Colorado Wine and Food Tasting event, and a local craft show from 4:30 to 5:30 PM each evening. At the gathering pre-purchased dinner tickets are passed out and the passengers can go to whatever restaurant they desire and order from a Pre-fix menu offering four dinner options, including drinks and desert. When the restaurateur returns the dinner ticket to the Lake City tourism office they are paid a pre-negotiated amount to cover the cost of the meal, taxes and gratuity.
- After dinner, there is a shuttle bus to take bus passengers to their lodging for the night. After breakfast the following morning the buses leave to continue the tour.
- In a similar manner, other groups can be marketed to visit Lake City and Hinsdale County throughout the shoulder season or winter to participate in special activities or events. There are motorcycle clubs, mountain bicycle clubs, off-road vehicle clubs, hiking clubs, extreme climate or extreme events clubs, etc.
- When special programs occur, others making up smaller groups can be attracted for weekly stays through the amenities or activities being offered.
- Public art is a great tourist attraction and visitor magnet. Wall murals and large artist crafted sculptures using local "Beetle-Kill" strategically positioned downtown will help to keep visitors downtown longer each day. The local "Beetle-Kill" as an artists' medium and material would be unique to Lake City; it would be an international attraction of interest and a strong element in the community's plan to maintain a competitive advantage over other competitors.
- Sponsoring an Artist-in-Residence each year through matching grants can be an economical means to build a significant public art portfolio. When not engaged in art, the artist-in-residence can be lecturing in the afternoons to tourists and/or working with students at the local school.
- Other popular tourist amenities are street vendors, wandering musicians and entertainers, public gardens, banners and flags, tables and chairs, benches, drinking fountains, public toilets, and solar nightlights for streets and walkways. Similar amenities for children need to be provided during the summer months.

Tourist Activities:

- Beyond current activities and those already proposed herein, create international service clubs with luncheon meetings where members on tour or are vacationing in Lake City can meet local members. Open the historic Masonic Lodge in the evenings for visiting Masons to access.
- Take advantage of the community's current social capital to engage tourists and other vacationers. Have the local garden club, knitting and quilting club, and bridge clubs set up their meetings in the park downtown and invite tourists to join in for the afternoon's activities. Have the historic society provide walking tours of the town's historic buildings.
- Set-up provisions for an outdoor workshop for the artist-in-residence during the good weather season so tourists can watch the artist at work.
- Set aside a segment of the park downtown along the south side of 3rd Street for local artists and crafts people to work during the good weather season - for tourists to watch and purchase their wares. This same area can be transformed and used for the late afternoon wine, food tasting and craft fair.
- Close-off 3rd Street next to the park for nighttime Street Dances on Friday nights.

Tourist Facilities:

Facilities include all local businesses and business assets necessary for serving Lake City's tourism and tourists' needs, including the business community's investment in human capital, equipment, in day-to-day business operations, continuing education and programs that raise the quality-of-services provided.

- Expanding tourism beyond its current market requires Lake City to serve a wider range of tourists coming from more diverse age groups; with tourists in many instances possessing unfamiliar cultural characteristics and that speak any number of different languages. The new Lake City visitor market will have broader sets of interests and differing needs for accommodation and food.

To be of value in growing the tourist market, local residents, local businesses and local lodging facilities including local food and beverage locations will need to stay abreast with each new set of emerging customer demands.

- One option for lodging is to pursue the successful Boutique Hotel model: provide fruit bowls, water and coffee in the lobby throughout the day and hot cookies in the

evenings for guests. Guests don't mind staying in older, smaller rooms as long as they feel secure, have access to a telephone, the Internet and fresh scented linens and extra pillows.

Every room should have a small coffee maker with an ample supply of coffee, teabags, sugar, and creamer; windows should operate easily. Always insure the guest room and bathroom is exceptionally clean. Furniture must be attractive and in good operating order; comforters and flooring must always appear clean and fresh; there should never be odors or stale smoke in the room.

Bathroom towels and washcloths must always appear fresh and fluffy; two clean robes should hang in each bathroom along with a hairdryer; overnight guests can be provided with candies, specialty soaps, shampoos, conditioners and hand lotions manufactured by local shops. There should always be an iron and ironing board in every room. Beds need to be turned down at night and chocolates left on each bed for the guests.

In addition to a room number, every guest room should have a name – and a short story behind the name. When the night attendant turns back the bed in the evenings they should leave an infomercial along with the candy on the bed that tells the story behind the room's name. On the backside of the document provide the guest with historic information about Lake City and Hinsdale County; and, invite the guest to take the infomercial with them as a souvenir of their stay in Lake City and Hinsdale County.

- A European morning breakfast should be served to every overnight lodging guest at the place of lodging. European style breakfasts generally include hard-boiled and poached eggs; toast, pastries, cheeses, oatmeal, yogurt, granola, fruit and coffee. Eggs, specialty breads, pastries, cheeses, yogurt and granola, like the candies and bathroom toiletries can be local products that are part of the community's focus on its Buy-Local program.
- Similar means of reaching out and attending to tourists to make them feel special should carry on into all other local businesses. In most circumstances when someone within the local workforce doesn't recognize a face, it can be assumed that individual is a tourist – and a guest to Lake City and Hinsdale County. Making guests feel comfortable and at home in most every instance will leave them with the desire to return again and again.

Even if a visitor fails to purchase something from one local shop or business they will buy something from another; and, in that sense everyone throughout the community benefits. When this high level of attention, friendliness and service

towards visitors permeates all aspect of the local community good news from them will travel far and fast. When there is any unhappiness or disappointment – bad news travels even faster.

- Restaurants and Bars too will be equally challenged to stay abreast of changing needs and the demands for upgraded environments, attention and service, menus, food items, desserts, cocktails, liquors, wines, beers and entertainment. Visitors on tours are more apt to seek out special places that have unique high-quality food, drinks and service than usual travelers.

Building a reputation around serving high quality specialty items and livestock grown locally or in the surrounding San Juan Mountains, including beef, bison, lamb, fresh fish, game meats and fowl will strengthen the community's competitive edge. When great menu options, great drinks, great desserts and great friendly service are combined together, visitors take with them great memories they'll pass on to friends and relatives, who'll also want to visit Lake City.

- To make everything work together in a manner that's necessary there needs to be a central operations center within Lake City and Hinsdale County that creates, organizes, structures and manages visitor affairs for scheduling all visitor events and visitor activities year around. The center's responsibility should also include marketing Lake City and Hinsdale County to attract new potential businesses and new residents to the region.

The central office of tourism should manage the community events calendar and for communications it should be linked to every local business, including town and county offices, the sheriff's office, the med center and the volunteer fire department. All tour bookings should be made through the central facilities and assigned to local lodging members of the tourist association. Any overflow would be coordinated with non-association members.

Using the American Plan for reserving lodging and food and beverage service in combination with the European Plan for breakfasts only, directs monies to the Office of Tourism up front for later distribution to lodging, food and beverage service providers. Pre-registration for additional tourist activities and events provided by other local service suppliers can be managed and operated similarly.

- Don't expect all lodging, food and beverage and outside activity suppliers to join the association initially. They will however when there's evidence the association is successful and members are growing their businesses more than non-members.

- Through the association, work with federal, state and local authorities to pre-determine and establish management guidelines for acceptable, rotational vehicular routes through state and federal lands along with provisions for monitoring and policing activities that negatively impact eco-sensitive areas. What may appear to be an added layer of bureaucracy and limitation could lead to new additional jobs.

Rather than turning novices loose in jeeps, motorcycles, off-road vehicles and snowmobiles, guided one-half day and daylong tours routed away from fragile and sensitive BLM and US Forest assets along designated temporary routes coordinated to allow segments of the land to rest each season. Shorter 1.5 or 2 hour trips can be arranged for those aligned with bus tours. Rotating routes can offer more variety and options for visitors; accessibility to any number of differing routes can mean a larger number of trips, greater profits for operators and more fun and learning experiences for visitors.

- Similar pre-scheduled guided rotating tours can be organized for hikers, backpackers, fishermen and hunters during the extended shoulder-months, to keep the value of natural assets and resources high.
- Creating additional pre-arranged outdoor eco-tours for environmentalists, seniors and foreign tourists led by retired biologists and foreign language translators can put others to work locally that ultimately spend portions of their income in Lake City and Hinsdale County while they're engaged.
- Year around mountain survival training courses could also be profitable ventures; it would create jobs and additional income for trained and skilled residents; plus significantly add to the strength of the community's Brand and competitive position.

Transportation:

Transportation in and out of Lake City is limited to vehicular travel along State Highway 149. Although commercial and private air service is available in Gunnison, Colorado year around, airline passengers must transfer to automobiles or an airport shuttle for a one-hour drive to the community. Highway 149 northwards from Lake City and Hinsdale County connects near Gunnison to US highway 50.

Westward travel on US 50 takes motorists from Lake City to Utah, Nevada, California and other points across the west. Eastward travel takes motorists on to Kansas and other locations eastward across the United States. Taking Highway 149 south from Lake City carries motorists into South Fork and on into New Mexico and connecting highways elsewhere.

In growing the tourist season over time to allow Lake City to become a year around

attraction, the community must work within the seasonal travel constraints and capacity of Highway 149. This includes working to keep it well maintained and in good driving condition - and ice free in the winter for tour buses. On a regional level, the community needs to join with other rural communities nearby to work collaboratively in keeping mountain passes along US Highway 50 open for winter guests.

Asset-Based

Development Priorities

For small rural communities like Lake City, Taking the Long View is almost always best in planning and preparing for its futures; for bettering the community, attracting new residents, and in making local businesses more profitable and sustainable. Planting, feeding and growing your own tomorrow is better in every sense than importing it from somewhere else. Taking the Long View however requires a generation of concentrated effort by the community to make the transformation succeed. But in the same vein, it requires the same length of time for a community to open its arms to change, to train and prepare new leadership and transfer wealth to those taking the community forward.

- In Taking the Long View, the community's first and highest priority is preparing school aged children with educational experiences early on with knowledge, social skills and maturity necessary to excel later in college and university studies. In addition, students need to develop entrepreneurial skills, experience civic and leadership training and other structured activities that prepare them for continuing family



A street view in Lake City, CO. <http://www.american-towns.com/co/lakecity>

businesses, joining other businesses or starting their own after graduating from college or university studies.

- To attract new family households to Lake City and to prepare youngsters for better serving foreign tourists in the future, graduate local students who are fluent in at least two foreign languages of choice and have four years of high school mathematics and science as well as four years of liberal arts studies.
- As part of priority one, long-distance adult learning programs are equally critical for improving programs and services associated with tourism and improving local business operations. Ongoing continuing education for local workers and business owners will make Lake City and Hinsdale County a greater attraction for quality service and add to the competitive edge the community seeks. A highly successful, comprehensive education system for all residents serves as a magnet for attracting new families, businesses and industries.

A strong reputation for graduating academic scholars that are highly sought by colleges and universities will attract more new families and businesses to Lake City and Hinsdale County than any new industry.

Beyond strengthening human capital directed to making the community more attractive to future year around tourism and a broader business economy, the second priority for asset-based development is leveraging opportunities surrounding the region's natural, historic, cultural and social resources. Existing businesses can expand their scope of services to encompass these activities; they can spin off new ventures to provide these services, or partner with others to create new win-win tourist enterprises.

- Creating guided tours and lectures for potential visitor interests in every aspect of the region's natural environment and the ecology demands require new knowledge-based tour guides. As examples: Some tours may seek out the location of regional Butterflies or edible mushrooms while others may focus on locating Bald Eagle nests.

Tours to regional Ghost Towns or old mining operations will interest some visitors while boat trips across the lake or float trips down portions of the river may attract others. Some visitors may wish to learn about tanning animal hides while others may want to learn how to make dried jerky or cheese from goat's milk. The history of Lake City now approaching 200 years, its cultural transformation over those years and life in Lake City will attract tourists and tour guides, interested in history. Local school's teachers can lead many of these tours during the summertime for

supplemental income as second jobs. Older high school students can assist. Building an expanded intellectual capital within the community will also attract other families with special knowledge and interests to relocate to the Lake City area.

- Creating a variety of new tours will require additional transportation resources along with additional operating staff to keep tours organized and on schedule and more maintenance personnel for insuring transportation vehicles are in excellent operating order. Tour businesses can use the Duck Tours model as a format for keeping customers happy – and coming back. Current vehicle maintenance businesses can expand to provide this service or partner with others in keeping vehicles in safe operating order.
- In maximizing leverage surrounding the community's existing infrastructure, in addition to the town's physical infrastructure it's important to include governmental, civic, social and religious sources. It's also important to know the maximum functional limits or capacity of each infrastructure component. It's equally important to know, what are the costs to the community of growing the community beyond existing infrastructure capacities? Limiting infrastructure factors should be investigated thoroughly to understand expansion, operating and maintenance implications
- Maximizing and leveraging the existing infrastructure includes promoting growth in areas where

there's an ample excess of existing resources; and, in reserving areas where excess capacity can be useful in establishing or attracting new compatible businesses – and new households. Existing businesses, once again can expand to fill this role or partner with others in forming win-win business relationships.

- Strengthening governmental resources to more accurately document local socioeconomic demographics and community-based information, and in coordinating the datum with state and federal agencies prior to publication is a critical infrastructure component. Publishing inconsistent data and conflicting information weakens the reliability of marketing messages and image the community presents to the public-at-large. Incomplete or inconsistent data is also fuel for public dissent, rumor and innuendo.
- Capitalizing upon existing historic, cultural and social resources requires properly maintaining facilities so they continue to serve as marketing attractions and community resources' well into the future. Whenever possible, increase the insulation value in perimeter walls and roofs to increase energy efficiency and reduce winter heat loss. Calk thresholds and around doors and windows to eliminate infiltration and air leakage. Add economical snap-in-place storm windows on historic structures rather than installing expensive new high-efficiency window replacements. Current local contractors can easily learn state-of-the-art weatherization and energy conservation techniques to become recognized regional experts – and exporters of knowledge and skill.
- If the market attraction for tourism includes seniors, additional improvements will be necessary for all local businesses to insure Lake City is in full compliance with ADA. This improvement work too can be performed locally. Marketing senior citizens over the age of 65 who are free to travel the United States year around opens up a potential 40.3 million-person market attraction to Lake City and Hinsdale County. Also, on average, seniors take 4.4 travel journeys per year. While there are currently more women than men in this age group the numerical spread of difference is closing.
- Solar panels added to south facing roofs will generate on-site electricity and assist in making businesses less costly to operate. Local businesses and installers can provide these improvements too.

The third community priority is identifying and filling the extended tourism calendar with strong attractions and events that will continue bringing tourists to Lake City earlier in the spring and later into the fall and winter months. A longer calendar of attractions will also increase the incentives for second homeowners to spend longer periods of time in Lake City each year. As well, expanding the community's tourism calendar keeps local businesses, seasonal workers and significant segments of income streaming back into the local economy for longer periods each year.

In the future, when tourism extends to year around activities and events, seasonal businesses and workers become permanent residents. At the same time, moving to a year around or mostly year around tourist calendar will necessitate greater investments in the infrastructure, including education, healthcare and social programming.

The fourth community priority is identifying underutilized existing assets in and around Lake City and repurposing them to support the community's futures. In addition to quality and affordable higher density housing, the community needs land to locate future businesses and industries compatible with Lake City's and Hinsdale County's long-term goals. Whenever possible future assets should be acquired and located where there is available access to existing excess infrastructure capacity including utilities.

A local bond to purchase underutilized properties places the ownership of these properties in the hands of the community-at-large where they can be used in turn to benefit everyone. The Green Bay Packers model is one that is worthy to consider. Some community-owned property can be set aside also to serve as incubator space for new emerging enterprises.

Priority five is creating Local Specialty Foods, Beverages and Hard-goods for tourism and E-commerce. Fresh eggs, chickens, vegetables, fruits, nuts, game meat, gourmet cheeses and sausages, jerky, special spices and rubs, trail mix, bar snacks, granola, ice cream, specialty yogurts, and other snack foods and candy can all become local specialties sold downtown and used in local bars and restaurants for customers - along with cakes, pies, breakfast rolls, donuts, etc. Special boutique coffees, teas, beer, cider, smoothies, soup mixes, dip mixes and dry cocktail mixes can be made locally as well, along with T shirts, headbands, hats, jewelry, women's purses, billfolds and money clips, wind-chimes, pottery and art pieces.

Other products include essences, toiletries and linen fresheners, specialty soaps, shampoos, conditioners, lotions and creams. Used soaps from local lodges can be collected and sent on to be recycled for use in developing nations - and used as a marketing tool in selling tourism and strengthening the local Brand. Sales items not sold directly in Lake City can be sold via the Internet and a web-page site.

One new attraction could be an annual Hinsdale County Fair where food, beverage and hard-goods are judged and awarded. Winners in each category are headlined and used throughout the year as products in the lodging facilities, bars and restaurants and marketed as The Best of Lake City and Hinsdale County in the local shops and on the website.

Winners each year become cottage industries that engage other locals in creating the products for sale. These cottage industries can also serve as training, entrepreneurship, and leadership programs for local middle-school and high school student interns after school, on Saturdays and throughout the winter and summer vacations.

As an interim program to attract new households with children, the community along with local businesses need to focus on strengthening and promoting that portion of Lake City's and Hinsdale County's Brand as a great Place to live year around; as a great Place to raise a family; a great Place to receive a college-bound education; a great Place for young entrepreneurs to begin their futures; and a great Place for outdoor recreation.

The current resources of Wee Care can be used to adequately prepare younger children for entering public school and to accommodate working-parents needs as part of the

community's comprehensive strategic plan for learning. In addition to preparing youngsters for reading, writing, basic concepts of arithmetic and nature, health and diet, as well as music and art by first grade children too should have some basic multiple language skills to further develop.

Current programs for returning veterans should offer assistance with training and employment to residents along with continuing education opportunities and any necessary counseling needed to return them to constructive roles and positions in the community.

For second homeowners, promote new special events that keep this segment of residents in town longer as well as providing them access to important infrastructural assistance including medical assistance and pharmaceuticals.

Creating a strong Brand is more than advertising and promotion; community residents must take pride in being a resident of Lake City and behave and live as examples of what they wish visitors to observe. One bad experience resounds farther and faster than ten great occurrences.

Lake City and Hinsdale County

Business and Retention Plan

With access to the information obtained from the SWOT Analysis and issues listed in each of the sub-categories: Strengths, Weaknesses, Opportunities and Threats, local committees can develop a series of scenarios to build upon strengths and opportunities, and scenarios that minimize or eliminate weaknesses and threats. Each scenario should include a list of resources that are necessary to accomplish the desired results and a timeline of events and activities that are also necessary.

When scenario solutions are complete, they can be grouped into categories of effort and ranked in terms of local priorities. Scenario solutions should be attached as an appendix to the Plan for future reference and use when a concern or problem arises.

In one sense, the final Business and Retention Plan becomes the path the community takes in responding and resolving each issue based upon a final list that is ranked in terms of priorities. Issues being addressed within each sub-category of the SWOT and a schedule of timeline-achievements become the measurements of success the Plan accomplishes throughout each pre-established time period. Timeline-achievements within each undertaking can be designated as objectives to be accomplished within periods of one, five and ten year periods.

Even though it will take a generation (two ten-year timeframes) to have the plan fully functional within the community, all of the components of the plan should be initiated and operational within ten years. The second ten-year timeframe is necessary to make and incorporate whatever changes must occur.

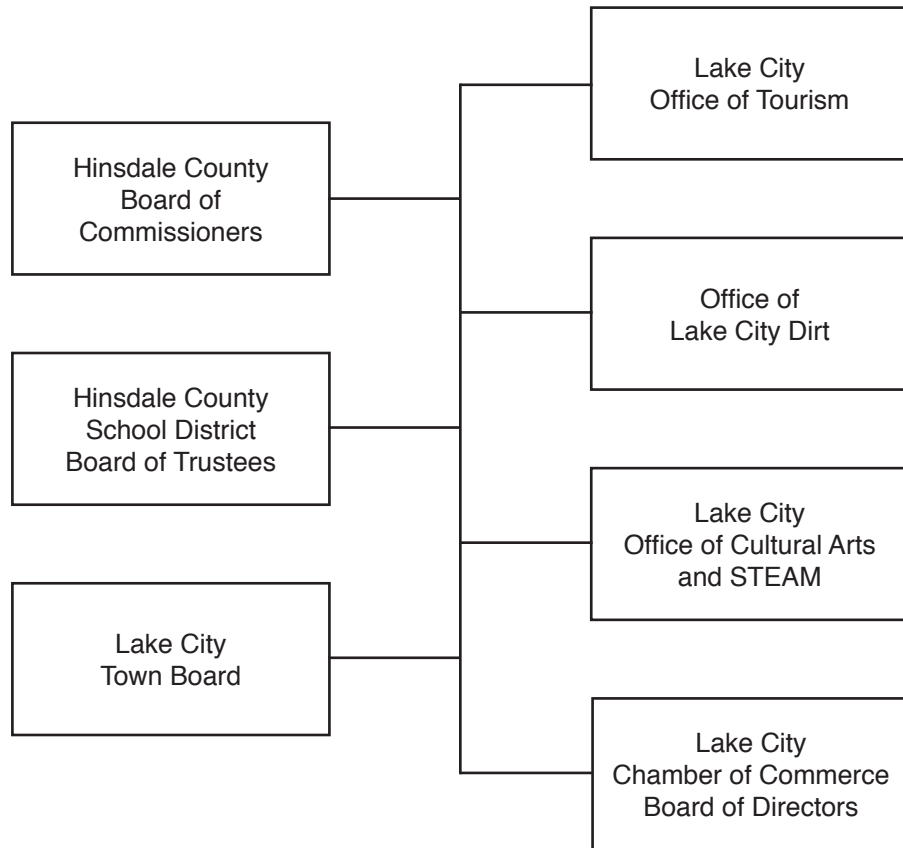
Not every program or event will succeed and there will be new global influences and other outside unknown occurrences that will require resolving. In all likelihood there will be new activities, programs and events that will emerge as well over time. The second decade also accommodates the time necessary for prepare local children for leading the community forward.

The Proposed Plan Scenario:

Under this proposed Plan Scenario, the community recognizes moving forward to create futures that support economic sustainability, managed growth and development and a Brand that attracts tourism year around is beyond the current capacity of the business community alone. Creating success requires public-private partnerships that ultimately bring significantly more tourists and tax receipts to Hinsdale County and Lake City.

The following sets of Organization Charts with text are provided to assist in understanding more clearly how the proposed scenario and ideas behind community-based partnerships come together for collaboration and success.

STRATEGIC COMMUNITY-BASED PARTNERSHIPS

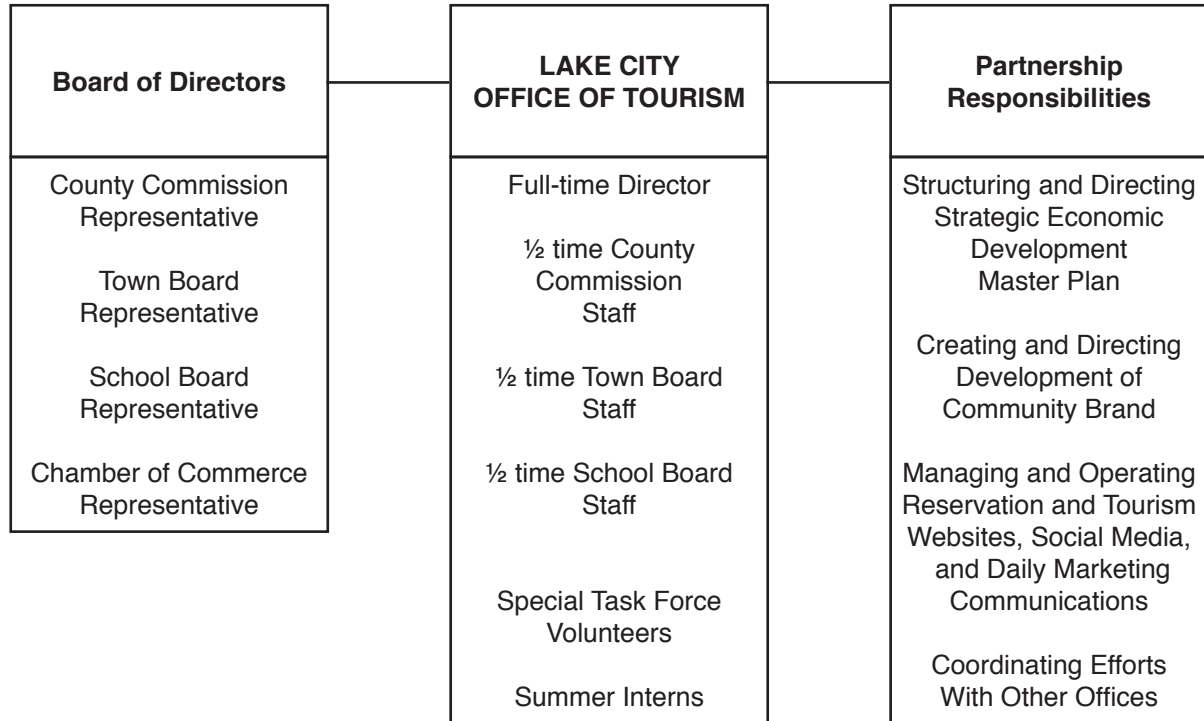


*TABLE OF
COMMUNITY PARTNERSHIPS
ORGANIZATIONAL
STRUCTURE*

Three local community-based partnerships continuously plan, structure, direct and operate the daily activities and events necessary to move the Lake City Strategic Plan forward. Program partners include the Board of County Commissioners for Hinsdale County, including the Sheriff’s office, the Lake City Town Board, The Hinsdale County School District Board of Trustees and the Board of Directors of the Lake City Chamber of Commerce.

The partnership funds and supports three local offices: the Lake City Office of Tourism, the Lake City Dirt and the Lake City Steam Engine.

PROPOSAL FOR LAKE CITY OFFICE OF TOURISM



All functions and purposes within the Lake City Office of Tourism are performed by its full-time Director; supported by regularly scheduled part-time staff from both the Town and County governments. Representatives of various local organizations provide supplemental assistance as members of special tasks forces when needed. The Office's core staff is supplemented with Summer Interns from colleges and universities that are provided room and board and time to complete supplemental academic coursework and requirements for independent studies.

The Board of Directors for this Office consists of a Town Council person, a County Commissioner and a Business Leader representing the local Chamber of Commerce.

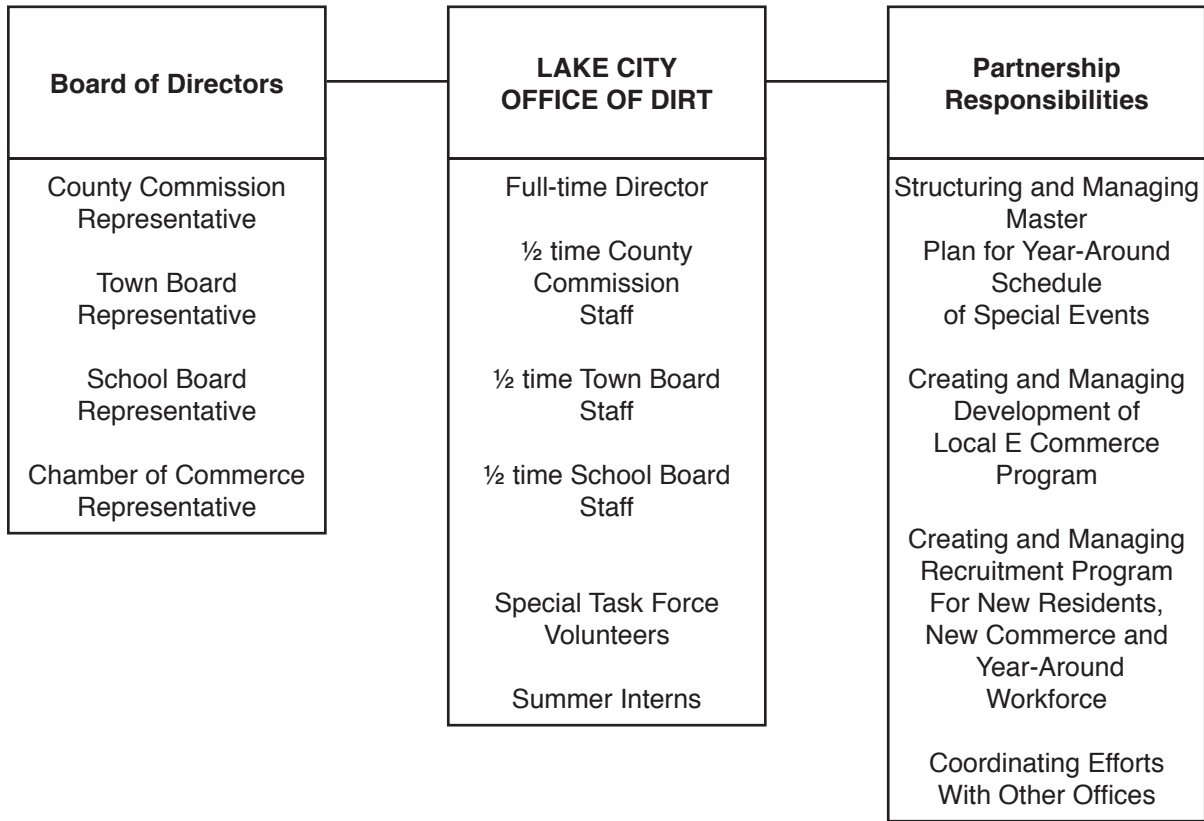
The fulltime effort of this Office is structuring, directing, managing and coordinating the community's long-range strategic plan for making Lake City and Hinsdale County a great Place to live, work, play, to be educated and trained - using Nature and year around Tourism as the community's principal assets for growing economic development.

Other aspects of its role includes building the community's Brand nationally and internationally in concert with efforts through the local Chamber of Commerce; working with regional and statewide organizations with similar goals and objectives, and operating and maintaining two ongoing office communication programs and websites. One program and

website focuses principally upon tourism and daily marketing efforts using social media and marketing blasts.

The second website directs room reservations to lodges that are Chamber members and to other businesses in the arrangement of tickets for tours, and other scheduled activities, programs, and special events held each month in association with DIRT and its efforts.

PROPOSAL FOR LAKE CITY OFFICE OF DIRT



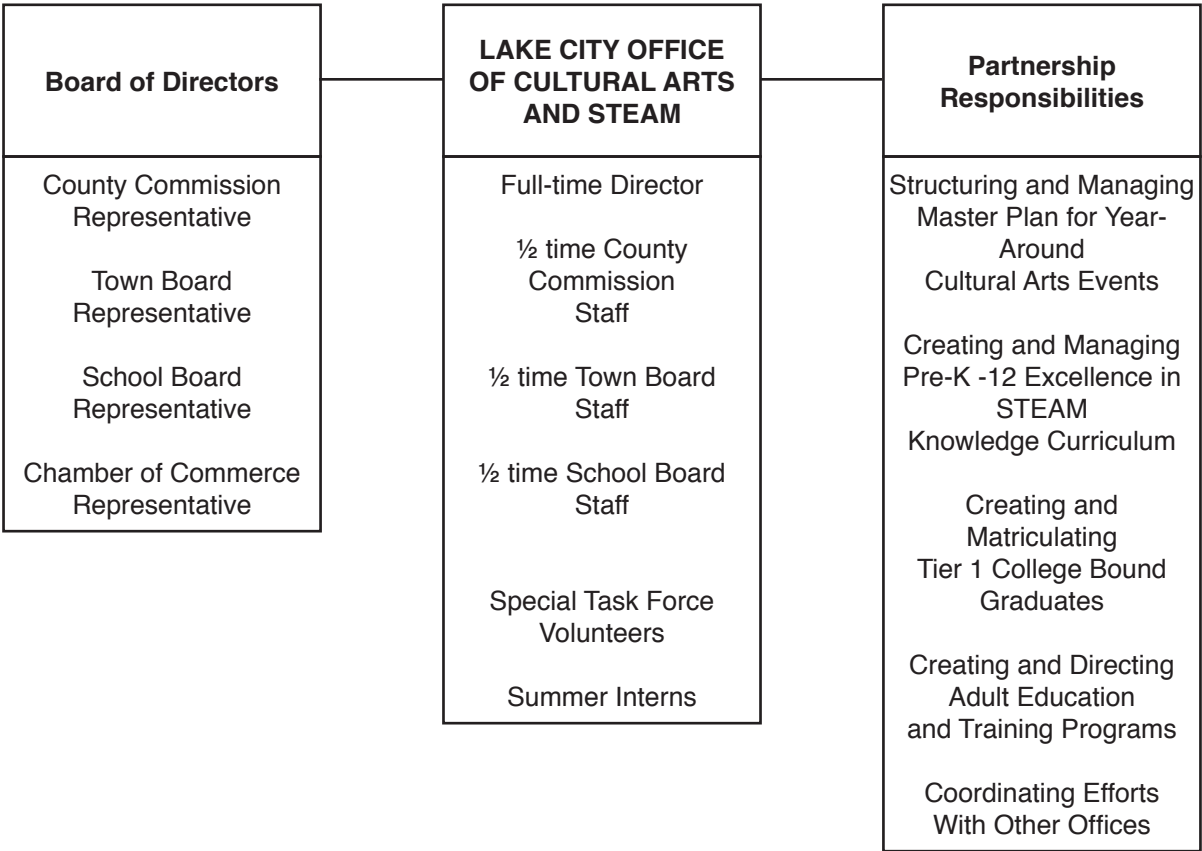
This second public-private partnership enhances the current operations and role of DIRT, making it a full-time operation with a Director, a one-half-time Town and one-half time County staff, a local volunteer support staff and summer interns.

Its Board of Directors also include a Town Council person, a County Commissioner and a representative of the Chamber of Commerce. The office's full time responsibility is to continue planning and organizing special events throughout the year including the Hinsdale County Fair, and promoting, managing and directing the community's E-Commerce sales program for specialty foods, goods and services that are produced and provided by local

businesses and local cottage industries. Included in the office's role is creating added attractions for keeping summer home owners in the area for longer time periods throughout the year.

Also included in the office's role is the recruitment of new potential residents, businesses and industries and growing the year around workforce.

PROPOSAL FOR THE LAKE CITY OFFICE OF CULTURAL ARTS and STEAM



A third public-private partnership consists of local business leaders, residents and the local School District. This partnership is built around increasing Cultural Arts and STEAM programs, foreign language courses, and in developing strong creativity, entrepreneurial, and leadership skills for Lake City High School graduates and residents participating in the office's continuing education and training programs. It too has a similar board of directors charged to create, organize, manage and implement its long-term segments of the Strategic Plan along with goals, objectives, measurements and timeframes. This office likewise is

headed by a full time Director and similar supporting staff, including summer interns.

In addition to the responsibilities of guiding and directing each board, the boards meet collectively each month for coordinating the connectivity between the boards' programs and projects; to report on each office's activities for the month, to discuss any issues needing to be resolved, and to work at strengthening the Plan's synergy. A monthly report of each board's activities and efforts are forwarded to both the Town and County for review and oversight; and, for public information.

The Plan

The Plan proposed for the scenario described above responds directly to the recommendations identified earlier in this report. Responses to the following recommendations are not prioritized in terms of value or importance.

1. Recommendations that lead to a broader, more sustainable consumer base for retaining and strengthening local businesses.

- The historic downtown business district is now amply lighted at night year around using solar street and walkway lights and solar powered clear LED bulbs to identify and enhance the historic downtown area as Lake City's Center for Tourism.
- Certain programs and activities considered to be extreme-based and participant focused are now marketed and offered year around. Programs and activities include Mountain Survival courses, Animal Tracking, and Climbing the Five-Fourteeners. Added programs during the Shoulder Seasons include Extended Packing Trips into the mountains, Overnight Hiking Trips and Overnight Fly Fishing Trips. While these activities in the early years of the Plan may not be frequently pursued, scheduled access and availability stirs interests in Lake City and Hinsdale County from those seeking non-traditional interests.

Short letters, stories and participant recommendations for extreme-events are valuable tools for national and international marketing in general. They're also attractions for new businesses and for promoting other ongoing year around programs and activities via the Tourism Website and contributions to Social Media.

- Designated as the first reservation subscription and data gathering period, the winter season begins November one and runs to the middle of March. Programs and activities include winter snowshoeing and snowmobile tours. A new Winter Festival and World Championship special event attracts snowmobile drivers for performance-based competitions developed around Winter Olympic type events: Slalom Racing, Freestyle Moguls, Speed-Driving, a Cross-Country Timed Rally and others. Over time,



Hot air balloon take off in the valley. Photo taken by Hall Realty Inc.

this event can grow to become regionally, nationally and/or internationally televised – it serves as a great opportunity to put Lake City on the map of International Attractions.

In addition to increased tourism, snowmobiling tours means winter jobs for mechanics and local access to replacement parts for repairs. As part of the Winter Festival the Hot Air Balloons are back as tourist activities for bus tour passengers. Rentals for warm overclothing are a necessity for all outdoor activities for bus patrons – which is potentially an additional income stream for a local business.

- At Thanksgiving there is a special local event to celebrate the contributions volunteers make for improving the quality-of-life in Lake City and in making the community more economically sustainable. As part of the event a community-wide mixer serves as an appreciation function. In their honor, the large Christmas Tree in the center of the park downtown is lighted and remains on continuously through January 6th and Candlemas. Other organized internally-focused community activities during this period also serve as tools in attracting and keeping second home owners and seasonal workers in town longer.
- For the tourist base more attracted to observing events or desiring to participate in less extreme activities the spring shoulder season begins March 15th and runs through the end of May. It is also the second reservation subscription and data gathering period of the year. Programs and activities for the spring shoulder season include full-day or one-half-day guided off-road vehicle tours, hikes and bicycle rides that focus on any number of visitor interests.

Like the extreme events, participation in these programs and activities will grow over time, but advertising accessibility to these organized daytime activities are again great marketing tools that help move the community forward as a center for tourism year around. The spring shoulder is perhaps an ideal time to focus on attracting bus tours

- The summer reservation subscription and data gathering period takes place from the beginning of June until the end of August. This is the peak season for tourism and outdoor programs, activities and special events. In moving members' lodging arrangements to the American and European Plan, by March of each spring, most participating lodging units should be scheduled and filled with receipts collected for the summer peak period. When this occurs reservation subscriptions focus on filling any cancelations and guiding reservations to local lodges choosing to operate independently.
- In addition to current summer programs, activities and events that have proven successful, add new attractions to keep the community busy serving tourists while generating larger revenue streams. Bus tours can be used to supplement lodging lulls and revenue streams.
- The fall shoulder is the fourth reservation subscription and data collection period. The fall shoulder begins September one and runs through Halloween. In addition to programs and activities appropriate for the spring shoulder the fall shoulder adds an annual Colorado Archery and Bow Hunting Target Competition; an Off-Road Vehicle Performance Driving Competition (similar in nature to the winter snowmobile events), and a Handmade Hunting Knife and Axe Throwing Competition as well as the new Hinsdale County Fair. Bus tours during the fall bring additional overnight visitors to the community.

The ultimate goal in creating a more sustainable consumer base is creating year around programs, activities and special events that attract visitors to the community year in and year out. As each program, activity and special event grows in popularity, the increase in attendance each year becomes an additional tool in marketing the community and enhancing the community's Brand. When supplemented with bus tours, the quality of local facilities and the population will increase as tourist demands rise.

2. Recommendations that enhance greater community investment in the *Buy Local* program.

- Membership in the local Chamber of Commerce is made available to any local year around or second home resident. Each year Chamber



A wine vendor at the Lake City festival. Photo taken by Kristine Borchers.

members receive magnetized and coded identification cards. When these cards are used to purchase items from local businesses, the transaction is recorded and the purchaser receives a 10 percent discount on the total transaction.

At the end of the year at the Thanksgiving Celebration, those with the largest number of individual transactions are publicly recognized along with a Certificate of Appreciation for their contributions to Lake City's and Hinsdale County's economy. The individual with the largest number of transactions overall (regardless of total monies spent) receives a free weekend stay for two at a resort somewhere in Colorado. In addition, the top three individuals over five year increments receive similar rewards.

- A business member that has the largest amount of transactions over the year has access to a summer intern to help with their business activity during the peak season.

Ultimately, the goal for the Buy Local program is to keep money earned in Lake City and Hinsdale County recirculating within the community as long as possible. Money leakage from Lake City for products purchased elsewhere leaves the Town and County and is gone forever. For every dollar earned in Lake City that is spent locally, the dollar recirculates from five to eight times and 68 cents of that dollar remains in town. In addition to profit this money is used to pay higher wages for employees than national chains pay and in making greater contributions to local not-for-profits, churches and charities. Money that stays in the community ultimately becomes a resource used to purchase and pass on local businesses to future generations.

3. Recommendations regarding extending the tourist season.

- Providing a year around program of scheduled activities and events via the website and social media, along with attracting bus tours allows tourism to grow as the resources within the community improve and expand to accommodate programs, activities, special events, new businesses and population growth. When posting programs, activities and special events on the website, always indicate the number of available spots open. When the spots are filled identify the occasion as Sold Out. The Sold Out status will attract registrants earlier the following season. Use the on-line college curriculum registration model as a guide in preparing on-line schedules.
- Supplement the website and social media coverage with photographs and videos of visitors having fun in every possible way from shopping to street dances, from extreme mountaineering activities to floating across the lake or down segments of the river. Include children and people representing diverse age groups and races. Whenever possible create additional web-site and social media versions in French, Spanish, German, Japanese and Chinese – as these are the foreign visitors that tour America most.

The ultimate reward from extending the tourist season is the town's ability to capture, leverage, produce and secure local and human resources for longer periods of time during interim years as the community moves forward creating a year around economy.

4. Recommendations for producing successful year around community events and attractions.

- Special events throughout both shoulder seasons now focus on attracting adults with special interests, bus tours, senior tours and programs that retain or return summer-home owners back to the community for longer stays. In addition to already identified special events there are opportunities to host Barbeque Competitions, Dutch-Oven and Outdoor Cooking Competitions, including fine desserts. There are Outdoor Game Meat and Fish Cooking Contests and Outdoor Sausage Making Competitions.

Also during the shoulder seasons, weeks can be selected for allowing off-road vehicles to freely circulate throughout the community – to identify any consequences and measureable problems that might arise from their use without creating severely damaging results.

If there are few problems and minimal issues, the timeframe for off-road vehicles can be extended to one month to collect additional information and measurements; if problems do not increase dramatically, usage can extend to one full summer season to determine the economic value and revenue stream off-road vehicular use produces. Maintaining and repairing off-road vehicles locally creates additional jobs and parts sales that increases business revenue and keep's money circulating locally. A recent state report indicated that direct income generated through off-road vehicle activity in southern Colorado for the 2012 through 2013 season added more than \$130,000 to the area's economy.

- New special events for the summer months include special programs and activities developed for children and teens. Initiate a children's summer Rodeo with Stick-Horse Barrel Racing, Calf-Riding, Pig Gathering and Roping competitions. Use the empty property near Silver and 3rd Street to temporarily house a Carousel, Tilt-A-Whirl and Ferris Wheel each summer. Close portions of 3rd. Street in the evenings for Street Dances, Craft Sales and Colorado Wine and Food Tastings.
- Special events during the winter reservation subscription and data gathering period have been previously covered.

Successful special events and festivals focus strategically on each various market sector being sought throughout the year. At the same time, special events

won't succeed when they try to be all things to all people. When programs, activities and events are matched to exploit the climatic seasons, access to potential market sector interests, and the delivery of goods and services by learned, well-trained and experienced goods providers, exceptional success is only a matter of time and a history of high-quality performance.

5. Recommendations for means to access state-of-the-art infrastructure for E-Commerce, Teleworking and greater options for Distance Learning.

- With a Plan in Place that addresses and responds to all associated issues, approach the State of Colorado to assist in research and identification of available supporting electronic infrastructure systems to meet the community's needs. Also seek the state's assistance for obtaining grants and low-interest loans to partner with potential infrastructure providers for upgrading vital systems serving the public's health, safety and general welfare.
- Work with the University of Colorado to identify how Lake City and Hinsdale County can become part of its Distance Learning program. Create a similar relationship with the state's office of Adult Learning or the Community Colleges to participate in Distance Learning Training Programs.
- Research and identify the costs of a special server and software for linking portions of the community's needs directly with a satellite for better communications.
- It takes more than technology to attract teleworkers. Quality education, strong cultural programs, low crime, access to medical assistance, an inviting society and recreational opportunities are at the top of every mother's priority list when she considers a new community for creating a secure and nurturing Home.

Pursuing state-of-the-art electronic technology for managing data and communications is a never ending journey; there are only a few necessary rest stops along the way. Most of these pauses are the bi-product of a lack of economic resources in continuing the pursuit. Until Lake City and Hinsdale County can access the technology infrastructure the community needs locally, perhaps portions of the data and communication component can be outsourced to a remote supplier where technology and infrastructure are available. In this manner, data, information and reports captured and produced by the supplier can be forwarded on to the Office of Tourism using less sophisticated measures.

6. Recommendations for attracting and retaining compatible new businesses and industries that diversify the economy.

- As the community moves forward and tourism increases, entrepreneurs and new

businesses are quickly attracted by the economic success and potential futures Lake City and Hinsdale County offers. As new businesses begin and growth occurs the community is responsible for making additional land and infrastructure available to accommodate additional needs.

- Promote opportunities for diversifying the economy that in turn attracts a more diverse population to the community. Create entrepreneurial opportunities for foreign immigrants that write and speak multiple languages. Broadening the community's culture in this fashion increases value to the community-at-large and it provides a direct conduit to foreign visitors' spending more money in Lake City while on vacation.

Look to diversifying the economy and attracting new businesses that enhance the community's ability to maximize leverage and its returns upon current assets - and businesses that increase the knowledge, training and capacity of current members of the workforce. Adding value to current human resources grows human capital and higher performance faster than attracting, training and acclimating new workers to the community's culture and way-of-life. Increased performance raises profits and when profits remain in the community economic stability improves.

7. Recommendations for enhancing and strengthening the stewardship of local historic, cultural, social and educational assets.

- Invite anthropologists, geologists, biologists, botanists, sociologists, regional historians and architectural historians to Lake City at various times each year to speak to the community on the unique aspects of the area's evolution and history over time. Transcribe presentations and publish them in book form as part of a collective body of knowledge relative specifically to Lake City and Hinsdale County. Edit each presentation to recreate storybooks appropriate for children and middle school students. Have these books translated into foreign languages, marketed on the website and made available for sale through E-commerce and local shops. While the sale of these books may be minimal, they are excellent marketing tools for attracting national and international visitors – and the media. These projects can also be used in the public school to advance learning, teach process, creative writing, art and entrepreneurship.
- Work with colleges and universities with historic preservation programs to attract summer interns to recreate a town plan of the early mining community and to learn how to apply the US Secretary of Interiors Standards for Historic Properties, including on-the-job applications relative to Preservation, Rehabilitation, Restoration and Reconstruction. Summer interns studying and working in Lake City can teach local contractors how to better respond to meeting the needs historic structures require and can provide lectures and presentations to the community.

- Call upon new residents that speak multiple languages or have special cultural, scientific, creative or entrepreneurial experience to help teachers in classrooms in conveying knowledge on to local students.

The historic mission of colleges and universities is teaching, research and community service. Community partnerships with colleges and universities supports institutions of higher education in all three realms. Faculty, graduate students and interns serve as community educators and they can use their new knowledge and experiences gained from working within the community in their own teaching classrooms.

Opportunities in Lake City and Hinsdale County also provide subject matter for research and advanced study for faculty, graduate students and summer interns in uncovering new knowledge in their own fields of expertise. Partnerships as well provide evidence to accrediting boards that institutions are meeting their obligations of outreach and service to society.

Creating productive partnerships begins with contacting the institution's president and chief academic officer, developing a program and documentation process. Communities need assistance, institutions, faculty, graduate students and summer interns need documented recognition for their achievements. All of this makes great marketing and promotional materials for moving Lake City and Hinsdale County forward.

8. Recommendations for enhancing and strengthening the stewardship of natural resources throughout the county and region.

- Speakers invited to Lake City includes academic scientists that speak to the sensitivities and issues surrounding mining extractions; climate scientists that address the phenomenon of Climate Change; biologists that speak to the fragility of regional ecosystems, insect infestations, diseases effecting fish, game herds and other wildlife, and the impact unintended consequences of human activity and behavior have upon the environment and environmental assets the community relies upon for its economy. Visiting academic scientists use their knowledge to additionally assist classroom teachers with STEM studies while in town.
- Summer interns studying science participate in tours to talk about the region's ecology, issues regarding the broader natural environment, its fragility and what Lake City and Hinsdale County is doing to manage and protect its natural assets.
- Civic leaders meet with federal, state and county agencies to create a Hinsdale



Trout Lake camp site, just south of Lake City. <http://www.colorado.com/articles/camping-colorado-basics>

County Resource Management and Protection Plan that supports, manages and polices structured outdoor tourism and eco-tourism programs, activities and events year around.

- Publishing the Plan keeps locals as well as tourists current with stewardship policies and management measures.

Eco-tourism is becoming stronger as a magnet for tourism nationally and internationally. Having a strong plan in place along with programs and activities for tourists to lean from could ultimately make Earth Day a major national and international tourist event. Partnering with High Mountain News to leverage the values of stewardship of natural resources throughout the west and exhibiting how the fragile ecosystems of the region are being protected from overuse, abuse and the effects of Climate Change will gain the attention of environmental and natural enthusiasts worldwide.

Ultimately Eco-tourism can grow and become a major source of community revenue. Placing the Bar high and partnering with High Mountain News will certainly elevate Lake City and Hinsdale County to the position of obtaining national and international media attention.

9. Recommendations for enhancing and strengthening continuing education and life-long learning.

- Work with the State of Colorado through its Office of Economic Development and Adult Education to learn about training and re-training programs that can be utilized remotely in Lake City and Hinsdale County to increase the knowledge, skills and

abilities of business owners, employees and residents wanting to prepare for careers in a field of interest rather than being employed.

- Help in providing local business owners and residents with self-help programs to increase the competency, skills and abilities of workers content with being recognized as excellent employees.
- Work with the state's system of higher education and the local public school to obtain access to distance learning programs leading to Associate Degrees, Bachelor's Degrees and Educational and Training Certification's for residents.

A well-educated, skilled and knowledge-based workforce of problem-seekers and problem-solvers is necessary to grow Lake City and Hinsdale County into an economically secure community. A new necessity of life in the 21st century: continuing education and life-long learning. In this century there is a direct correlation between education, knowledge and success. Success attracts others seeking success. Learned people attract other learned people. A well-educated workforce attracts new businesses and investors quickly. A well-educated community has higher incomes, knowledge workers earn more. Higher income communities have fewer social problems, less crime. As such, the overall cost of living in a well-educated community is actually less.

10. Recommendations for mitigating contentious community reactions regarding public policy issues and actions.

- Truth, knowledge, information, objectivity and open communications over power ignorance, lack of understanding, innuendo and rumor – in most instances.
- Bringing objectors or contentious personalities into the process allowing them to participate in aspects of the evaluation and decision-making process most often converts them from opponents to proponents.
- Presenting supporting facts and benefits publicly along with problems and negative issues to work-through and overcome adds credibility to the proponents' arguments.

Keeping public issues, open, objective, factual and non-confrontational neutralizes strong personalities and contentious behavior in public settings. An electronic reader-board can be a valuable public tool in disseminating information accurately to the community-at-large.

Moving Forward

With all of the pieces of the plan in place, the task becomes implementing the Plan. Implementing plans in many ways is like quilt-making. It's not just about the pieces it's about how the pieces come together to form a unique, beautiful arrangement strongly stitched together for an extended useful life.

Like the quilt, Lake City's and Hinsdale County's plan is arranged around a series of goals, committee assignments, implementation processes, structured timelines and expected accomplishments. All of this is stitched together by community leaders, strong partnerships, interesting programs, engaging activities and appealing special events.

Within the context of this report, programs are defined as resources that respond to tourist interests. Tourist participation in programs does not require significant physical exertion. Programs can be anthropological and historic, they can be geologic and geographic; programs can be about the natural resources of the region, they can be about community life and culture. Programs can be about seasonal outdoor activities and social events. New programs can emerge and old programs can be shelved or refurbished to address new visitor interests.

Program content has a beginning and an end. Programs can be presented live, video-taped for multiple purposes or observed. Some programs are outsourced through local businesses. Examples of programs range from guided tours or plays at the local opera house to outdoor sessions where local craft groups present and talk about their work. Video programs can be prepared and made available to bus tour groups while they're in route to Lake City and Hinsdale County and to local lodges for visitors to watch in their rooms.

Within the plan, all tourist activities are outsourced through local businesses using the advanced scheduling and ticketing software system operated by the Office of Tourism. Activities are defined as participatory events in which tourists are physically engaged. Activities range from guided tours where visitors drive off-road vehicles along approved, designated routes to guided bicycle tours, hiking, hunting, fishing and back-pacing trips. All active tourist engagements are directed by responsible and experienced guides who also manage tourist safety. Using the advanced scheduling and ticketing system allows businesses to engage part-time workers to provide these services on an as needed basis when necessary.

Special events within the strategic tourism plan include programs and activities. Special events can be more than one day venues. Examples include the current Wine and Music Festival, various proposed competitions including the proposed Hinsdale County Fair. Other than the County Fair, the Thanksgiving/Christmas Festival, the Children's Rodeo and the Wine and Music Festival, a smaller special event and festival could be planned for the spring in concert with Easter.

In developing an annual calendar of programs, activities and special events, regional coordination is necessary to insure the local calendar does not negatively impact events already scheduled in neighboring communities. Once the calendar is set, lock-in the same times for the next four additional years. By the end of the fifth year the dates will be set in everyone's minds.

The community needs to schedule one full year to organizing and making the plan's implementation requirements ready for operations and to have the initial public-private

infrastructure in place to manage and administer the Office of Tourism. By the end of the year the highest priority programs, activities and special events are also organized and ready for implementation, as are operations and programs established for DIRT and Cultural Arts and Steam in Hinsdale County. Each office can grow to become a national flagship for excellence for economic and community development for small communities all across the United States.

Moving Lake City and Hinsdale County Ahead moves the local economy, its sustainability and the quality-of-life ahead for residents while keeping visitors returning year in and year out to enjoy the environment and all the fun associated with being out-of-doors. Taking the Long View results in growing a full calendar of proven programs, successful activities and special events over time. Achieving the community's Vision takes hard work, reinvestment and a strong strategic plan. Building a successful community economy is not significantly different than building a successful business or other enterprise – it's just a matter of scale.

But as Daniel Burnham so wisely stated: Make No Little Plans.