

**Lake City Downtown Improvement and Revitalization Team (DIRT)
Recommendations for a Strategic Plan
Graduate Assessment Program
Final 12.10**

EXECUTIVE SUMMARY

As they celebrate their fifth successful year as a Main Street Organization, the Lake City Downtown Improvement and Revitalization Team (DIRT) sought a strategic plan for the future of the organization to address existing organizational challenges and to build upon past successes and future opportunities.

In late September 2010, working with Downtown Colorado Inc., DIRT underwent a brief facilitated strategic planning process with the assistance of Jamie Licko of Centro Inc. Through a series of forums and discussions with DIRT staff and board, community leaders and stakeholders, Centro conducted an assessment of DIRT's progress in the past five years, conducted visioning on the future of the organization, and prepared recommended strategies to ensure future growth and success in the context of this strategic plan.

Findings from the strategic planning process identified building the **CAPACITY** of the organization as the area of focus looking ahead. Currently the organization suffers from limited staff assistance and an extraordinary reliance on the organization's board along with a few committees and a small group of volunteers to undertake a wide variety of efforts. If the organization is to be able to succeed in addressing future challenges, both the human and financial capacities must be addressed, and the work plan must become more focused and centralized on core efforts that will move priority projects and programs ahead.

Building the **CAPACITY** of the organization means aligning DIRT's efforts around three key areas:

- **COMMUNICATIONS:** Identifying opportunities to better communicate daily needs, opportunities, challenges and successes to ensure both stakeholders and the community understand the importance of the work being undertaken, and the need for strong, ongoing support.
- **COLLABORATION:** Finding ways to work with other community partners and organizations to undertake programs and projects in a more strategic way, leveraging everyone's human and financial resources for the betterment of Lake City as a whole.
- **CELEBRATION:** Continuing efforts to celebrate successes, as well as to honor the incredible effort of stakeholders and community members in making this great community a thriving one.

This strategic plan identifies how the Lake City DIRT can realign their current organizational efforts to fit into this new programmatic structure, and provides tactical suggestions for refreshing the organization and providing direction for the five years ahead.

The Uniqueness of Lake City

As part of the strategic planning process for Lake City, outreach with Main Street stakeholders was undertaken to best understand what it is that makes Lake City's historic downtown core so unique, and to look back on how the community has changed over the years, and what the aspirations are for the community in the years ahead.

What emerged from this discussion was a sense that Downtown Lake City is indeed a unique and special place, one worth celebrating, supporting and spreading the word about! When the DIRT board and committees were asked what makes Lake City so special, the following attributes were mentioned:

- **Sense of Community:** Many people interviewed in this strategic planning process mentioned the strong ties that bind people together in Lake City, and the fact that the community itself seems like an extended family, one that plays together, works together, and takes care of and supports each other.
- **The Last Great Place:** Several community members interviewed felt passionate that Lake City was among the last great places in the United States, offering family, fun, extraordinary views, and a real sense of quiet, comfort and safety. Mentioned as the "most remote county in the U.S.," Lake City is unique in that while it is small and hidden away, it has retained so many of those qualities which are associated with small-town charm and welcomeness to outsiders.
- **The View:** Contributing to that "last great place" appeal is the extraordinary view of the mountains that residents get to enjoy year-round and visitors are drawn in by. The view provides a spectacular setting and backdrop for Lake City that is worth bragging about!
- **Always Something To Do:** With DIRT leading the charge on creative events and the natural location serving as an incredible provider of recreational opportunities, Lake City stakeholders noted just how incredible it was that there is so much to do in the community. A fantastic line-up of year-round events and programming provides something for nearly everyone with the mountains providing unique access to incredible opportunities for outdoor aficionados with five 14ers surrounding the community.
- **Access and Opportunity:** Located on two major scenic byways, the access to Lake City provides opportunities for not only attracting visitors and residents but also for working with surrounding communities – Silverton, Ouray, Creede and Gunnison – to partner on more regional promotions. –

These elements are only a few that contribute to the overall greatness of the Lake City community, but they provide a foundation for looking at positioning DIRT's future programming and project opportunities.

Lake City Successes

As part of the strategic planning process, stakeholders were asked to identify significant changes that have occurred in Lake City in the past five years, since DIRT became a Main Street Community. Community members reflected on a very different Lake City, one that resulted from ongoing economic challenges that reached beyond Lake City, as well as increased competition around the region and the state for business and residential growth as well as tourism. Reflecting on what Lake City looked like in 2005, just as DIRT was getting started under the Main Street Program, the following observations were made:

- **Economic Turbulence:** In 2005, Lake City was just starting to come out of a prolonged economic slump, but while sales trended up in 2005, 2006-2007 would bring another crash from which businesses have struggled to recover. Many noted the positive impact of the loan program offered by DIRT and suggested it was very helpful in stabilizing some of that economic turbulence.
- **Residential Growth and Demographic Changes:** In 2005, Lake City was growing quickly. The city was seeing strong housing construction, high housing prices, and an influx of both young families and second-home owners moving in. Most of these new residents had significant discretionary funds. The recent recession has halted this trend, with new residential construction slowing to a near stop, and many of the younger families leaving Lake City for elsewhere due to a lack of good job opportunities.
- **A Depressed Downtown:** In 2005, Downtown Lake City looked significantly different than it does today. Many of downtown's retail storefronts were vacant, and the overall appearance of Downtown was shabby. DIRT was instrumental over the past five years in orchestrating several projects and programs to make downtown more attractive, including the boardwalk project, the loan program to encourage business improvements in Downtown, and helping small businesses – particularly artists – located in vacant storefronts.
- **Preserving the Past:** Downtown Lake City became a national historic district and developed several programs and projects to help the community preserve the past. This included several community events focused on telling the history of the community and education residents and visitors on various elements of that and programs to help retain the historic nature of downtown buildings.
- **Robust Tourism, But Facing Changes:** Up until, and through, 2005 Lake City saw strong tourism with many visitors coming from Texas, Oklahoma, Kansas. But changes in the economy, and a handful of other challenges impacting tourism, has since forced businesses to restructure their business operations. These changes included amended hunting regulations which meant a loss of the hunting population

in October, changes to school calendars from major tourist draw areas including Texas, impacting August business, and issues with the forest service/BLM not getting area parks and trails open in time at the beginning of the season, impacting the spring and early summer tourism. Throughout all of this, Lake City has still struggled with visitors and shoppers during the shoulder season. As a result, businesses had to change from year-round business approach to seasonal retail in order to stay afloat.

- **Strong Volunteerism:** Without a doubt, one of the strongest aspects of the community has been (and still is!) the willingness of residents, business owners and property owners to get involved and donate their time and services to improve the community. It was a group of these community-minded residents who saw the need for action and worked hard to put together the application for Lake City to become a Main Street Community and for DIRT to ultimately be formed.

Facing emerging struggles, Lake City community members in 2005 determined the Main Street Program could help stabilize many of these issues. Working collaboratively through DIRT, the community created programs and projects to tackle many of these challenges and opportunities, resulting in a program of work for DIRT that was very much focused on quick, tactical wins to address both real and perceived issues.

Lake City Today

The work of DIRT and the community over the past five years has made a significant impact. Today, the vitality of Lake City can be attributed to much hard work, strong programming and the completion of a number of impactful projects. As part of the strategic planning process, we asked stakeholders to identify where Lake City is today, what challenges and opportunities remain given changes in not only Lake City, but regionally, state-wide and nationally as well, and work remains to be done.

The following summarizes their responses:

- **DIRT's Impact is Noticeable:** DIRT's impact on Downtown Lake City has not gone unnoticed since its inception just five years ago. The downtown stakeholders and the community feels DIRT's work is very positive in that marketing has improved, the involvement and coordination of people working together is strong, the organization has kept people excited about their projects and they keep getting new people involved.
- **A More Local Tourism Focus:** Tourism has changed significantly in the past five years. Today, Lake City is experiencing tourism which is primarily Colorado-driven, with residents from the surrounding communities in the region coming to Lake City for short trips/staycations (something the Colorado tourism office has done a good job of promoting recently). Lake City also sees lots of daytrippers from these communities. On the negative side of things, this presents some challenges:
 - With overall tourism down, spending by visitors within the community is down as well.

- Lodging is an issue. There are significant vacancies and even campgrounds have closed due to underuse. Finding lodging, for those that do what to stay, is a challenge – there are currently just two motels in Lake City and they are not always open. Many lodging businesses have sold out to condos.

On the positive side, there are some opportunities with tourism:

- More people are camping today and in different spots – tenting and RVing both are increasing.
 - The Lake City Visitor’s Center is functioning well – they are more consistently open and Greg has done a good job of getting out and about and doing strong outreach
 - A large percentage of homes in the Lake City area are vacant for a portion of the year. Many of these can be rented out at lakecity.com, Lakeview Property Management, Hall Realty Realtors, etc.
 - More regional tourism means good potential to partner with local communities to “package” tourism opportunities via marketing.
- **More Business Assistance Needed:** Vacancies are down significantly from five years ago, with artists filling many of the storefronts, and an overall improvement in the cohesiveness of the businesses. But there are significant challenges facing the business community in Lake City that will need to be addressed:
 - Shoppers are spending less money generally
 - The local bank, which is a cornerstone, is in trouble and is for sale, and currently has limited loans going out
 - There is a need for façade renovations to occur to continue improving the aesthetics of Lake City
 - Businesses are starting to cater more to the people who live here (both permanent and second homeowners) as opposed to visitors, due to the changing tourism economy. This is a positive thing, but many businesses will need help making that shift.
 - Restaurants are seeing heavy turnover. This is due to several factors, including inconsistent hours, too many restaurants in the winter (due to fewer tourists) and winter heating bills which alone can but them out of business. As a result, a number of restaurants are for sale.
 - **A Changing Economic Landscape:** As goes the national economy, so goes Lake City. The changing economic landscape is taking its toll on the community. Home construction has been wiped out wiping out a large number of construction jobs which used to drive the local economy, telecommuting (once a focus of economic diversification for Lake City) has slumped. There is a significant unemployment risk in the winter for many individuals, and a lack of rentable commercial space makes it difficult to create new job opportunities. Additionally, the Lake City community is home to several of senior/family owned businesses and there is great concern over what happens when those business try to sell? Will they be able to be viable businesses in Lake City giving changing economics, the cost of living, etc.?

- **More Demographic Shifts:** Lake City is continuing to experience troublesome demographic shifts. The community faces the standard challenge of trying to retain its young people, but in addition to that is seeing young families who have moved to the community and tried to settle in leave within just a few years because they couldn't find jobs. Accessibility to homes is another challenge – affordable housing is an issue for any new resident looking to move in. Because 96% of the county is federally owned, property is extremely expensive, creating a major problem and issue for demographics. As a result, it's difficult to sell buy and sell property in Lake City. One opportunity - many second homeowners are renting out their homes and this could be a new way for people to stay in the area if it can be coordinated and marketed.
- **Downtown Looks Good!:** DIRT and the community itself have made some tremendously positive improvements to the aesthetics of Lake City. The installation of the boardwalk has made the biggest impact visually, creating a new line of sight down the main retail area and making it easier to navigate. Other improvements – to the park, gardens and walking trails – have made the community not only more beautiful, but user-friendly and accessible. While opportunities remain to improve the look of Downtown – façade improvements being among the most important noted by stakeholders – the area looks very good today, and has been improved tremendously from five years ago.

Lack of Marketing Focus: While DIRT has done a good job of ramping up interest in Downtown Lake City through a variety of marketing efforts, and other organizations have also been undertaking marketing work for the community, there remains a lack of focus and energy behind a community brand and marketing campaign that all these groups can get behind and consistently support. It would be beneficial to increase communication and collaboration among all groups working on marketing to clearly define roles, establish procedures and platforms for regular communication and planning, and establishing how best to implement studies previously completed. It may be in the best interest of all groups to continue holding facilitated discussions with at least the marketing board, chamber, DIRT, and the historical society to ensure that resources are being used most efficiently and roles are clear to avoid duplication of efforts. The facilitated communications process might also be considered to better establish roles and strategies for business and property owner support services.

- **Events Are Strong, But Burn-Out Potential Exists:** DIRT has succeeded in producing a number of both large and small events that have activated Downtown Lake City and created a draw for both locals and tourists. Specifically, many good comments were heard about DIRT taking over the Wine & Music Festival, as well as efforts to “package” events. But events can be taxing, and eventually as an organization takes on more and more events, there is burnout. DIRT is on the verge of seeing that problem, and because of such a large events focus also has little time to focus on much else. Many DIRT stakeholders noted the need to find new partners and/or new ways to continue to sustain some of the event offerings going forward.

- **Opportunities to Capitalize on Outdoor Recreation:** While many stakeholders spoke of the great outdoor opportunities Lake City and the surrounding area offers, people also noted that there was a lack of promotion of the opportunities. Capitalizing on the amenities and offerings of the area year-round could provide a stable source of visitors and business if these things are packaged appropriately.
- **Shoulder Seasons/Winter Slump Need to Be Addressed:** Shoulder season and the winter in Lake City have always been challenges, but tough economic times combined with other changes locally, statewide and nationally have made the shoulder seasons increasingly tough for Lake City, leaving their heavy tourist season shortened. To grow back that audience, marketing, programming and activities that keep seasonal residents in town longer, and keep visitors coming back the prime visitor season, will need to be explored.

The past five years have brought tremendous change. As this summary of findings about Lake City today identify, much has been done to address the challenges that existed, and opportunities have been taken to improve those things that make Lake City compelling and competitive. This list, however, also identifies much more work to be done, and highlights the biggest issues which must be addressed to ensure a healthy Lake City moving forward.

Looking Ahead at Lake City

Part of any successful strategic planning process is setting a vision for the future of the community, and then determining the steps that need to be taken to achieve that vision. As part of the development of DIRT's strategic plan, community members and stakeholders were asked about their hopes and vision for Lake City looking ahead five years, to 2015, and about the obstacles that need to be overcome to achieve this vision. Findings from this visioning include:

- **Expand Tourism Opportunities:** Tourism is a strong driver of Lake City's economy and special focus needs to be paid to it to increase it, incrementally, year-round. This needs to be explored through opportunities to expand and package year-round offerings, as well as more cohesive and targeted marketing efforts.
- **Focus on Economic Development:** Expanding economic opportunities within the community will be critical to Downtown Lake City's success in the next five years, and beyond. DIRT has done a fantastic job of generating excitement about and enthusiasm for downtown, but taking it to the next level means a focus that shifts from the daily maintenance and marketing to developing new opportunities for business and development.
- **Better Coordination of Marketing/Events:** A new opportunity has emerged to strengthen and consolidate marketing for Lake City with the marketing board recently going under the lodging tax board. Now, it is critical that DIRT work with this new consolidated board to assess how best to organize the community-wide marketing efforts under the Lodging Tax Board to determine where they fit into the

marketing and to make sure all marketing for the community is comprehensive, consistent, and focused on key goals.

- **Fill Retail/Restaurant Gaps:** While retail has come a long way in the past five years, there are still many challenges to small business success, and a need to figure out where gaps for business exist and what the most feasible types of business mixes are. For example, a recent economic study recently reported that Lake City has a \$3 million grocery sales leakage. Determining the realistic ability to fill these gaps and then implementing programs to help bring successful new businesses to town will be important to maintain a strong economic balance looking ahead.
- **Incentivize New Development:** Currently, 96% of the land in the county is public land, leaving not a lot of private land for development. Beyond acquiring new land to develop, there is also a need to incentivize development, particularly in downtown. DIRT should begin getting involved in marketing parcels and providing a vision for the types of development it would like to see for downtown.
- **Encourage Residential Growth:** In addition to encouraging visitorship to Lake City, there should be a concerted effort to bring new residents to the community. This effort could focus heavily on simply packaging and creatively marketing all the fantastic assets Lake City has to offer, including good schools, great healthcare, the welcoming family lifestyle, and the incredible natural amenities in and around the community. Recruiting residential, however, also requires providing affordable housing for families, and today Lake City offers little to none of this, including a lack of great rentals.
- **Give Residents and Visitors More To Do Year-Round:** To encourage residential growth and increased visitorship, DIRT should continue to explore opportunities to provide residents and visitors with more to do year-round. Some suggestions included developing a senior citizens center, helping to overcome the winter slump by doing a large winter event or winter series of events, developing more events on the shoulder seasons, which tend to keep second homeowners in town longer, and better packaging and marketing all these offerings to the public.
- **Increase Recreational Opportunities:** Giving people more to do year-round could and should include tapping into all the recreational opportunities Lake City and its surroundings offer. Suggestions included utilizing the lake (which happens to be the 2nd largest natural lake in Colorado), expanding the Marina to offer rental canoes and paddle boats, opening a boat house with food service and a picnic area, better promoting the ski hill, and improving it to bring it running water, heated buildings and parking (OR run a shuttle from downtown!), and promotion of the great walking trails in the area.
- **Appeal to a Younger Generation:** As do many small communities across Colorado today, Lake City sees an imperative need to appeal to the younger generation – to

retain them, bring them back to raise their families, and to support the community into the future.

- **Create Partnerships:** To achieve all these goals for the future, what will be key is the creation of partnerships leverage resources – both human and financial – needed to tackle some tough challenges ahead. There is tremendous support for the community, and while it’s important for community groups to have an identity and an area of focus, finding ways to bring these groups together to get things done will be critical.

Lake City DIRT Recommendations

The vision set forth for Lake City provides a strong guiding light for the Lake City DIRT as they look ahead to set their work program for the next five years. To achieve this, the Lake City DIRT organization should first consider adopted a new structure and approach to their program of work:

CAPACITY

There are four key issues revolving around the capacity of the Lake City DIRT that will need to be addressed going forward:

- Limited human and financial capacity
- Leadership Fatigue
- Lack of well defined partnerships
- No ability to expand programmatic focus

To tackle these issues, the following tactics are recommended:

1. Partnership Building
 - Leverage the Resources of Other Community Partners
2. Refine Program of Work
 - Reign in Events
 - Strengthen Marketing
 - Build in Economic Development
3. Spread Your Organizational Wings
 - Strengthen the Board
 - Volunteerism
 - Staff Support

The following detailed chart provides recommendations for how the Lake City DIRT can build **CAPACITY** for the organization to tackle new challenges, expand and grow in the next five years, utilizing effective **COMMUNICATIONS, COLLABORATION** and **CELEBRATION!**

PRIMARY GOAL	SECONDARY GOAL	COMMUNICATION TASK	COLLABORATION TASK	CELEBRATION TASK	TIMELINE
Partnership Building	Leverage the Resources of Other Partners	<ul style="list-style-type: none"> ▪ Formalize quarterly meetings for all community partners to discuss partnership opportunities. Potential issues to be dealt with include: <ul style="list-style-type: none"> - Collaborative projects to tackle (see Collaboration Task) - Addressing fundraising and funding challenges for projects - Marketing and event opportunities 	<ul style="list-style-type: none"> ▪ Hold a facilitated strategic planning discussion with all community groups together to have each identify key goals and priority projects. From there, identify commonalities in goals, objectives, etc. and develop work plans to collaboratively tackle these challenges. 	<ul style="list-style-type: none"> ▪ Partner with community organization to expand volunteer appreciation to create one large yearly celebration of all organizations, to allow for volunteer recruitment, fundraising and donations, and a celebration of the community 	
Refine Program of Work	Reign in Events	<ul style="list-style-type: none"> ▪ Develop an events matrix by compiling a list of all current events alongside key goals for DIRT. Make sure each event is meeting at least one, and hopefully more, goals. Also, look at how much financial and human resources are being spent on various events. Determine which events are most successful in communication DIRT's goals and getting people downtown. Identify events to move out from DIRT. Identify potential new events or consolidated events to meet DIRT's goals. 	<ul style="list-style-type: none"> ▪ DIRT to allocate resources to provide challenge grants to other organizations to pick up other events. As an incentive, DIRT will help with marketing these events. 	Encourage new event development by offering a larger challenge prize for event creativity, etc. at the yearly communication organization celebration.	

	Strengthen Marketing	<ul style="list-style-type: none"> ▪ Develop specific campaigns targeted to locals, 2nd homeowners, tourism (daytrippers vs. regional vs. beyond), bringing new investment to Lake City and bringing new residents to Lake City 	<ul style="list-style-type: none"> ▪ Create a more unified brand and a comprehensive community marketing campaign for Lake City to leverage everyone's marketing dollars and ensure a consistent message to the public 	Get the locals involved by developing a brand celebration and roll-out and by offering "brand days"	
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	Build in Economic Development	<ul style="list-style-type: none"> ▪ Undertake a downtown Market Analysis to understand types of businesses and uses the market will sustain in Lake City ▪ Property database: Please add something about identifying properties for sale or lease, tracking inquiries for property for purchase, or lease for commercial or residential – as it pertains to downtown. <p>assist in the process of utilizing and activating properties for maximum activity and revenue generation. (sell off 25-foot lots individually?)</p> <p>business incubator</p> <p>Grants for façade, weatherization, etc.</p> <p>Create a resource for new businesses to get started</p>	<p>Work with county/chamber on relocation package, packaging eco devo information</p> <p>Work with banks or other partners to create revolving loan fund – currently businesses can't access capital</p>	<p>Focus on keeping current assets and services here</p> <p>Main Street Makeover?</p> <p>Paint programs for businesses – just to spruce things up?</p> <p>Activate design arm of Main Street, consultants to help with design guidelines, Dirt could fund it, college design resources for color/design on individual historic buildings?</p>	
Spread Your Organizational Wings	Strengthen the Board				
	Volunteerism				
	Staff Support				
	Increase Financial Capacity		Explore other resources, tools, to fund organization – BID?		

