

# Southern Colorado Economic Development District

## Custer County

Comprehensive Economic Development Strategy (CEDDS)  
Community Meeting  
March 9, 2011

# Southern Colorado Economic Development District

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- District designated by U.S. Dept. of Commerce
- Membership of county/local governments
- Mission to stabilize and diversify regional economy
- 'Back office' for local economic developers
- Monitor and report local economic performance
- *The Business Lending Center*



# Agenda

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Introductions

Explanation of CEDS process

Overview of Custer County economy

BREAK!

Identify economic threats and opportunities

Establish community goals

Nominate projects

Wrap up



# How to Use the Polling Devices

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The handheld devices will be used to collect your answers to questions we ask during tonight's presentation.

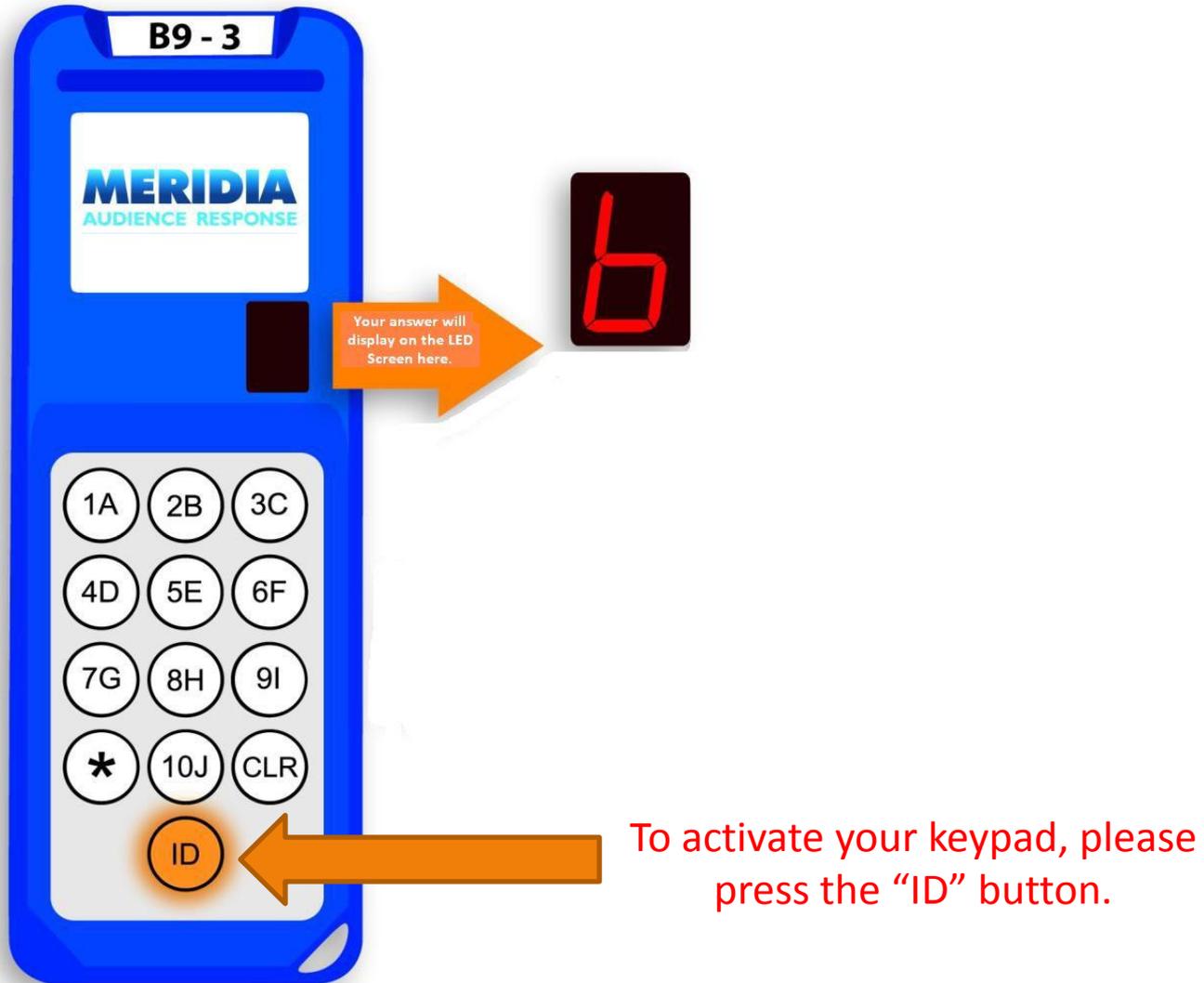
When a question is displayed on the screen, please use the keypad to record your answer. The keypad corresponds with the numbered answers displayed on the screen.

You can answer the question as long as poll remains open. If you want to change your answer, you must do so before the poll is closed.

Your responses are anonymous and only aggregate data will display on the screen.

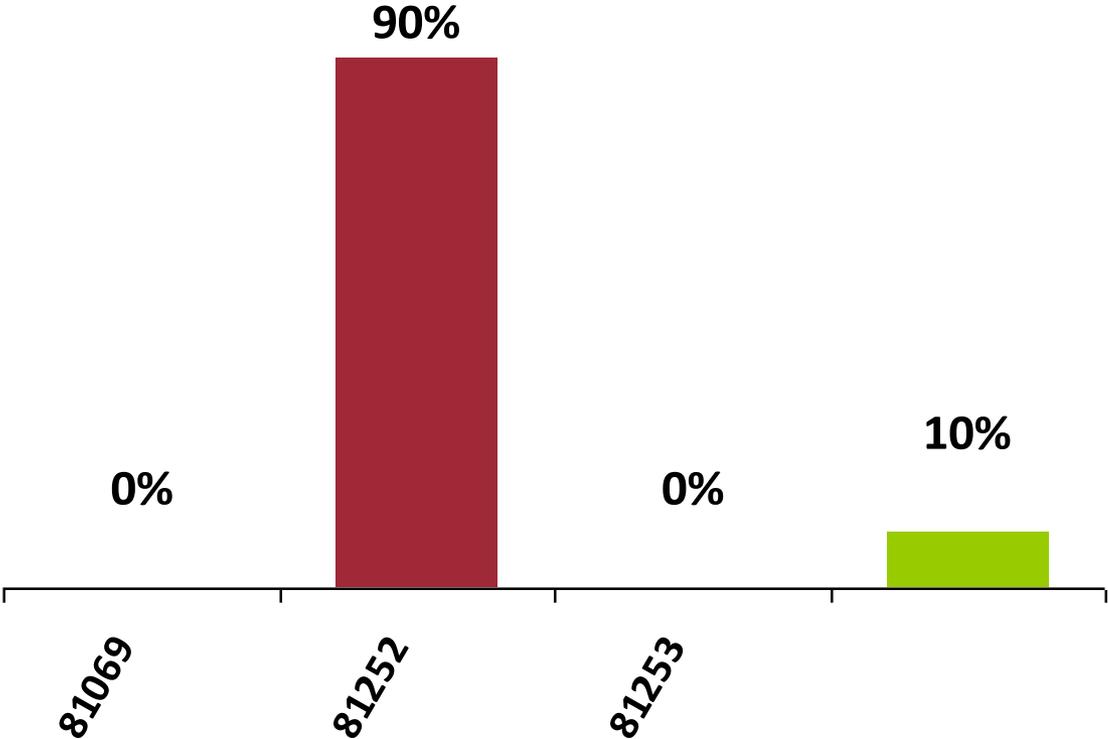
# How to use the Polling Devices

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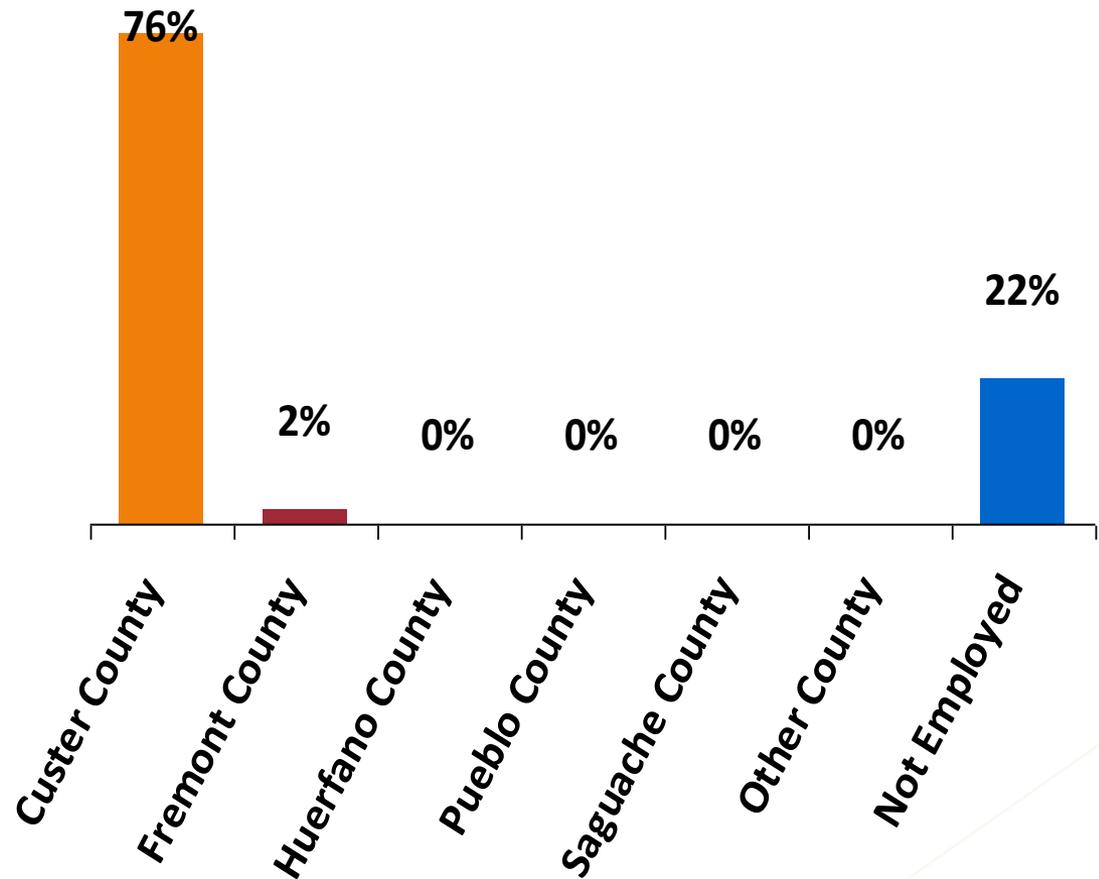
# What Zip Code is your primary residence?

- 1. 81069
- 2. 81252
- 3. 81253
- 4. Other



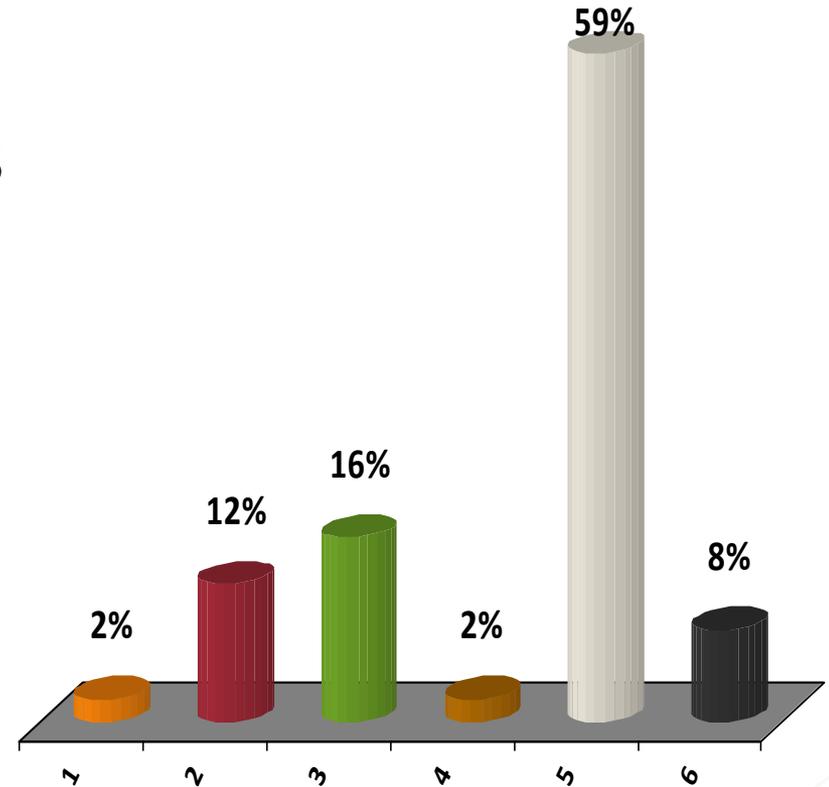
# Where do you work?

1. Custer County
2. Fremont County
3. Huerfano County
4. Pueblo County
5. Saguache County
6. Other County
7. Not Employed



# Why do you live in Custer County?

1. I was born here
2. Employment or business opportunity
3. Retired here
4. Close to family & friends
5. Fell in love with area
6. Other



# What is Economic Development?

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The economic growth of an area as evidenced by:

- Increase in income/wages
- More jobs
- Reduce out-migration of population
- Increase diversification of economic sectors
- Increase labor force participation rates
- Extend seasonal employment
- Increase tourism revenues
- Gains in other measurements of economic activity

# What is the CEDS?

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This is your opportunity to:

- Participate with your neighbors in planning your community's future
- Establish an action plan to achieve your goals
- Become eligible for Federal grants

In a nutshell...



**The CEDS process is a proven way to plan for the future prosperity of your community!**

# How is it Done?

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- Analyze economic data
- Identify problems and opportunities
- Articulate the vision and goals of the community
- Develop the strategies to accomplish the goals
- Coordinate activities to implement the strategies
- Evaluate and update the action plan

# New Projects

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## Suggested Projects

Custer County

Proposed Project:

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What economic development objective will the project address?

- Increase in income/wages
- More jobs
- Reduce out-migration of population
- Increase diversification of economic sectors
- Increase labor force participation rates
- Extend seasonal employment
- Improve other measures of economic activity

If we need more information, how may we contact you?

Name: \_\_\_\_\_

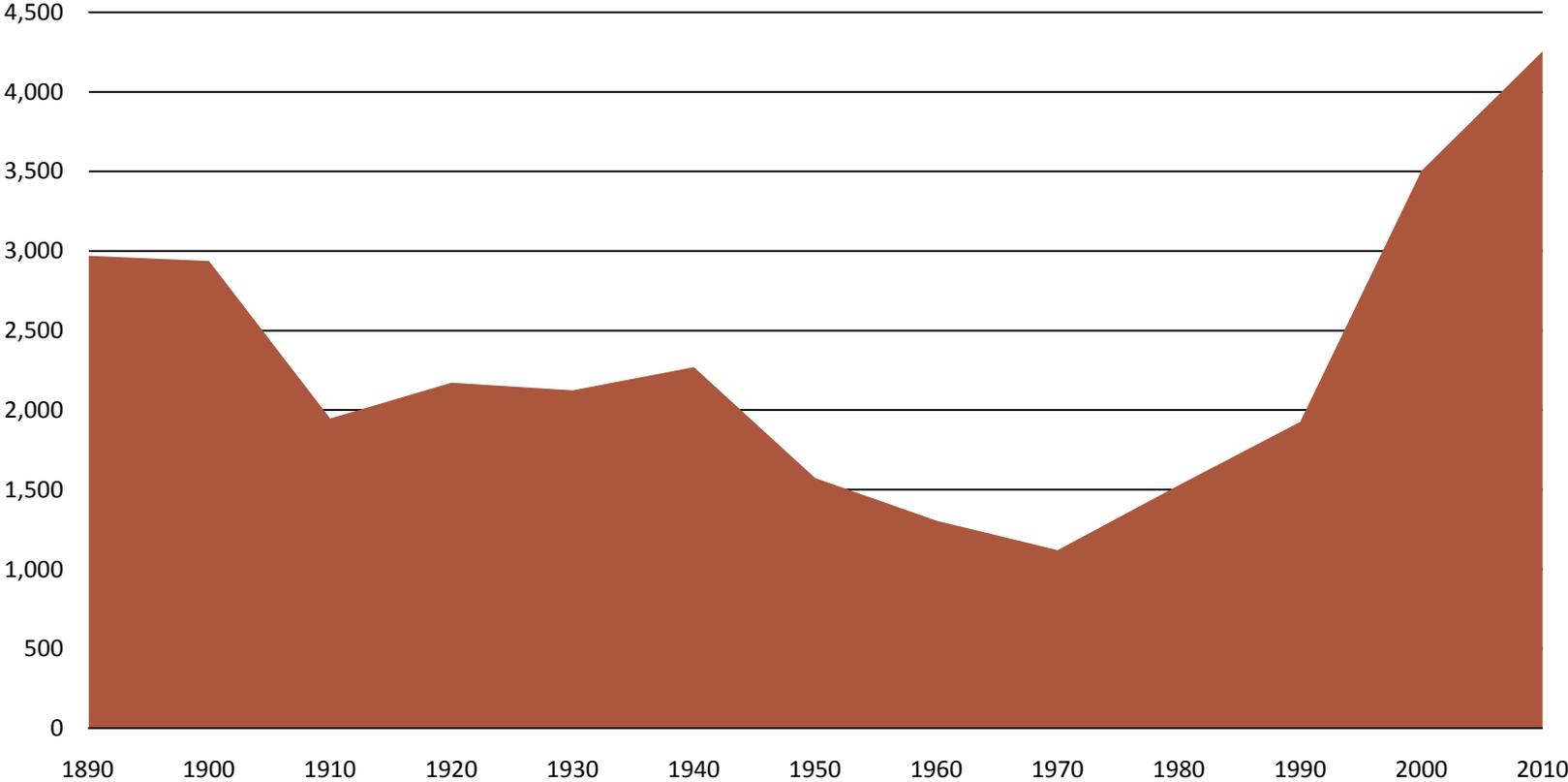
Address: \_\_\_\_\_

Phone: \_\_\_\_\_ Fax: \_\_\_\_\_

Email: \_\_\_\_\_

# Population

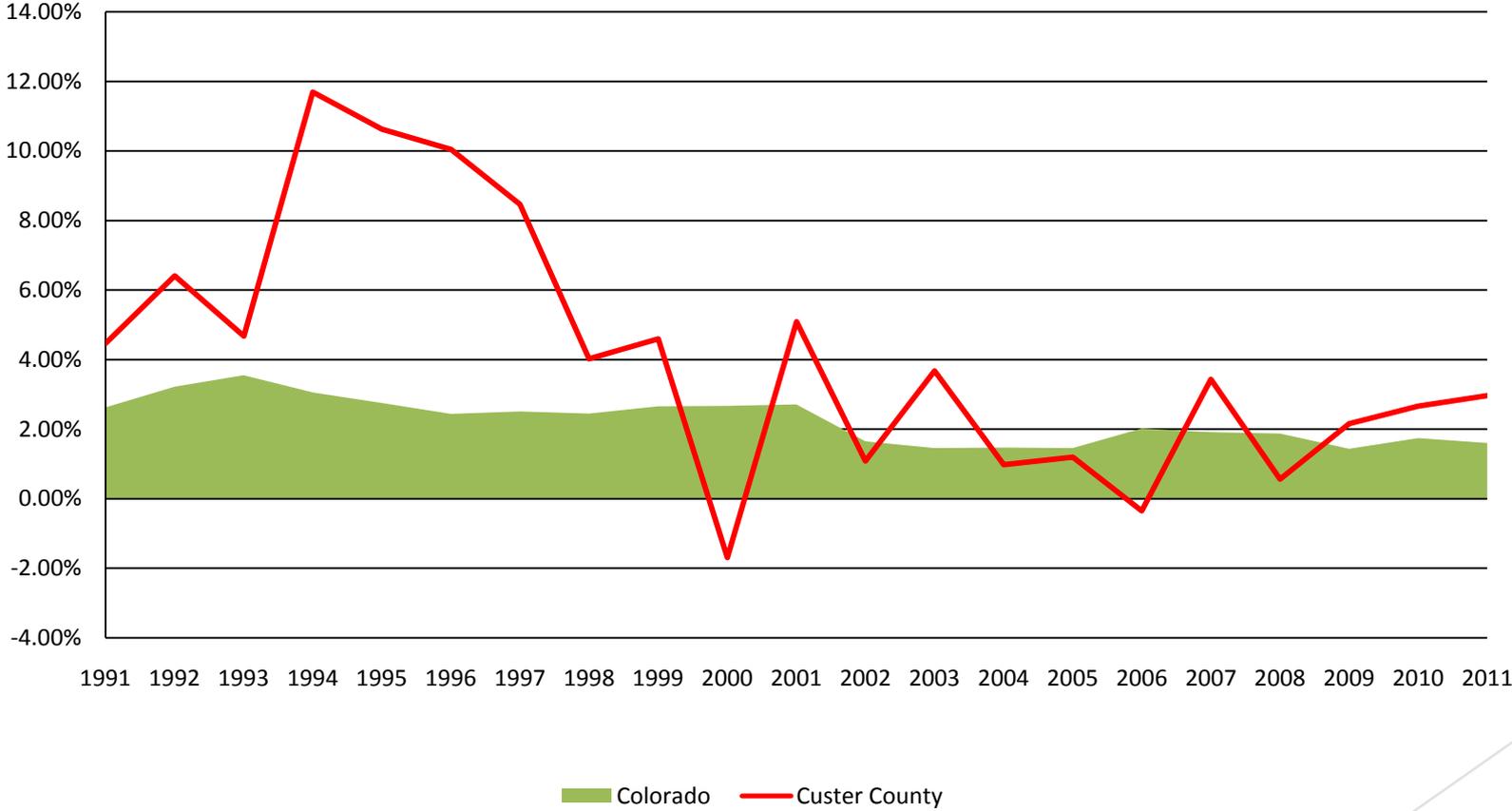
## Custer County



US Census  
\*Estimate

# Change in Population

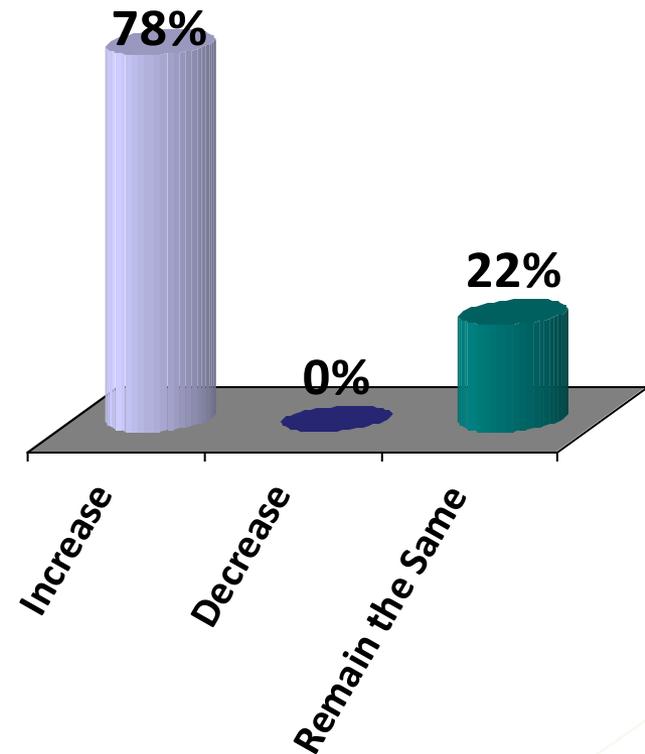
## Change in Population



Source: DOLA

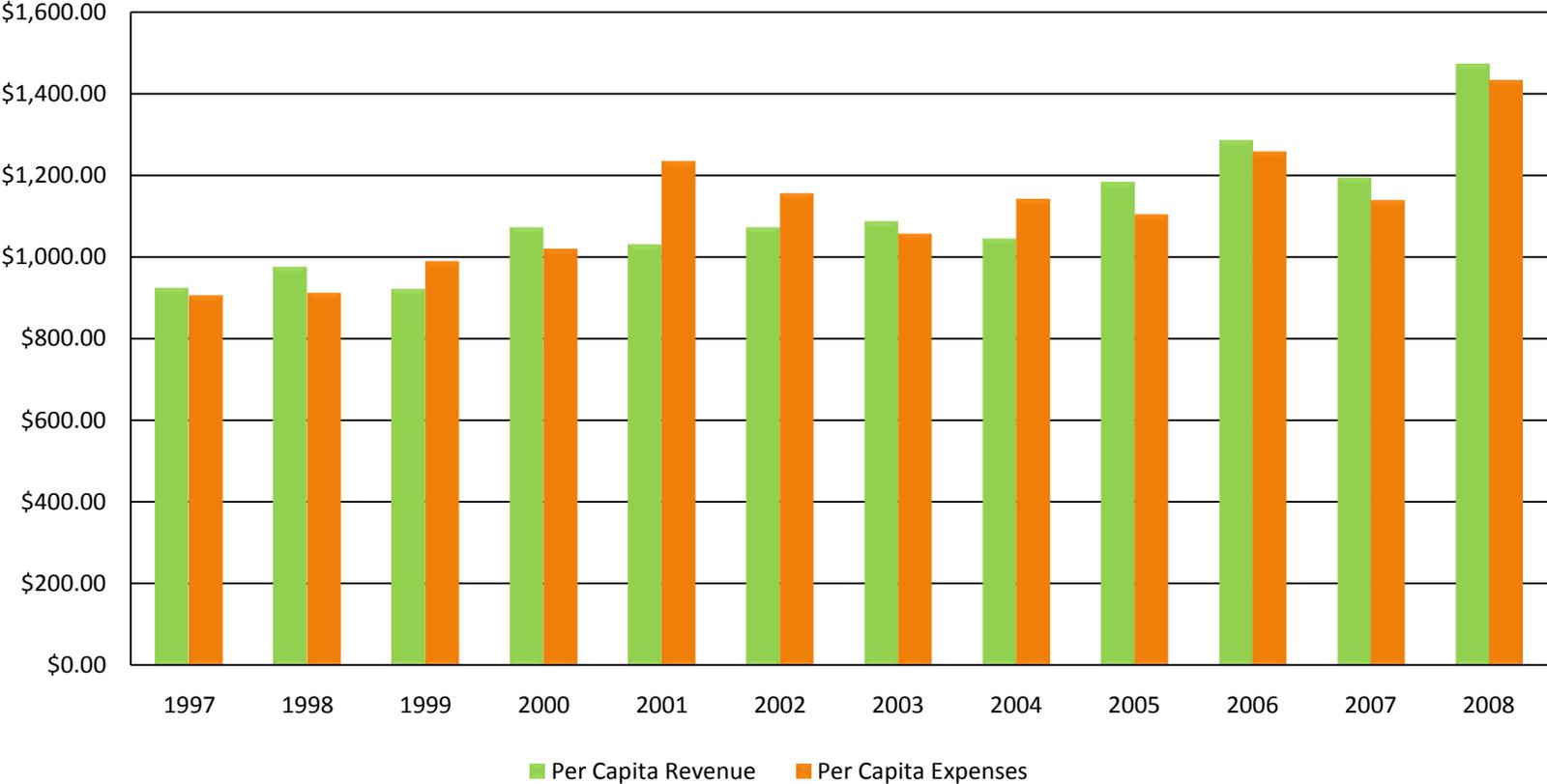
# Over the next ten years would you prefer the population . . .

1. Increase
2. Decrease
3. Remain the Same



# County Revenues

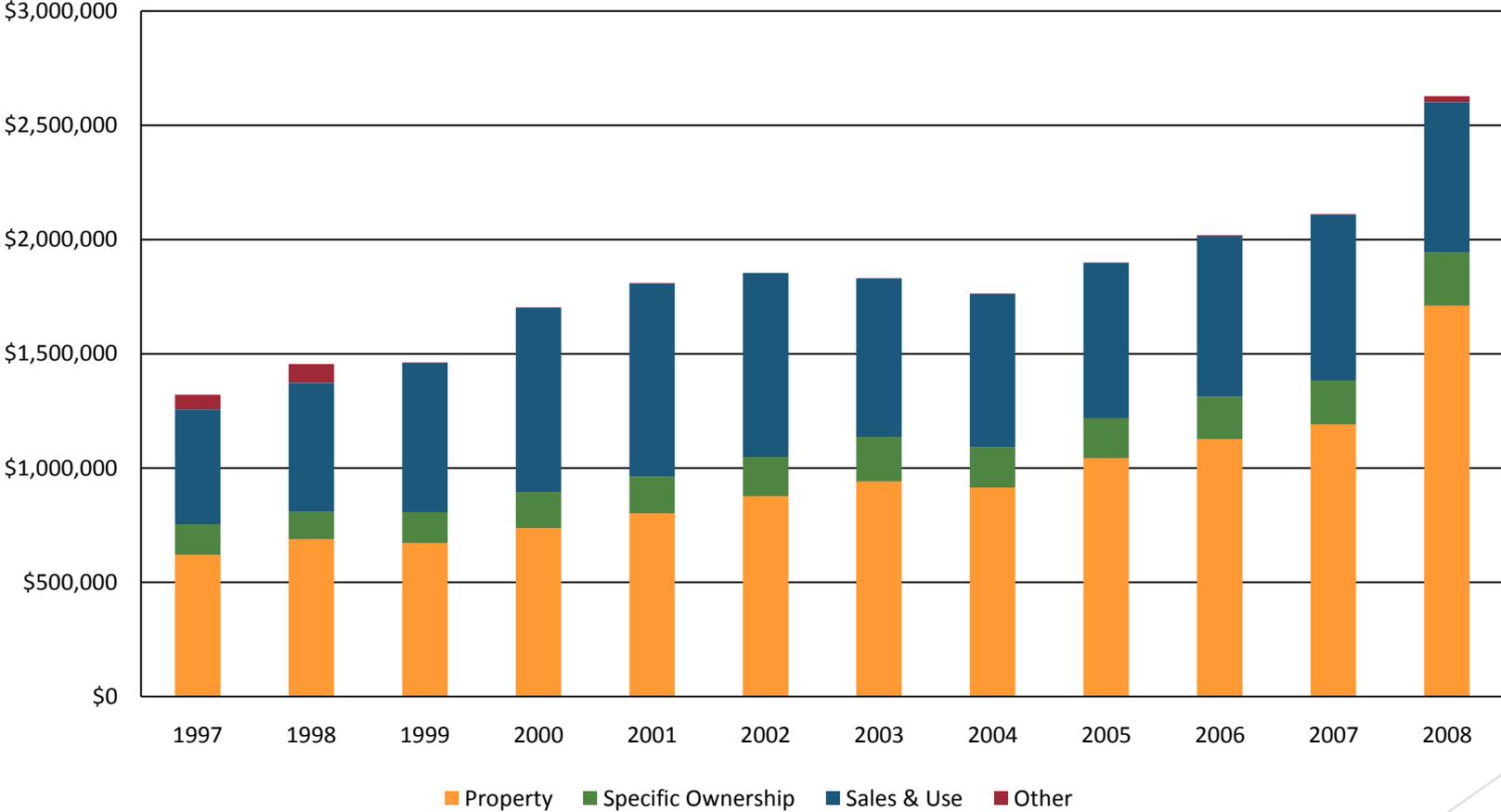
## Custer County Per Capita Financial Information



Source: DOLA

# County Revenues

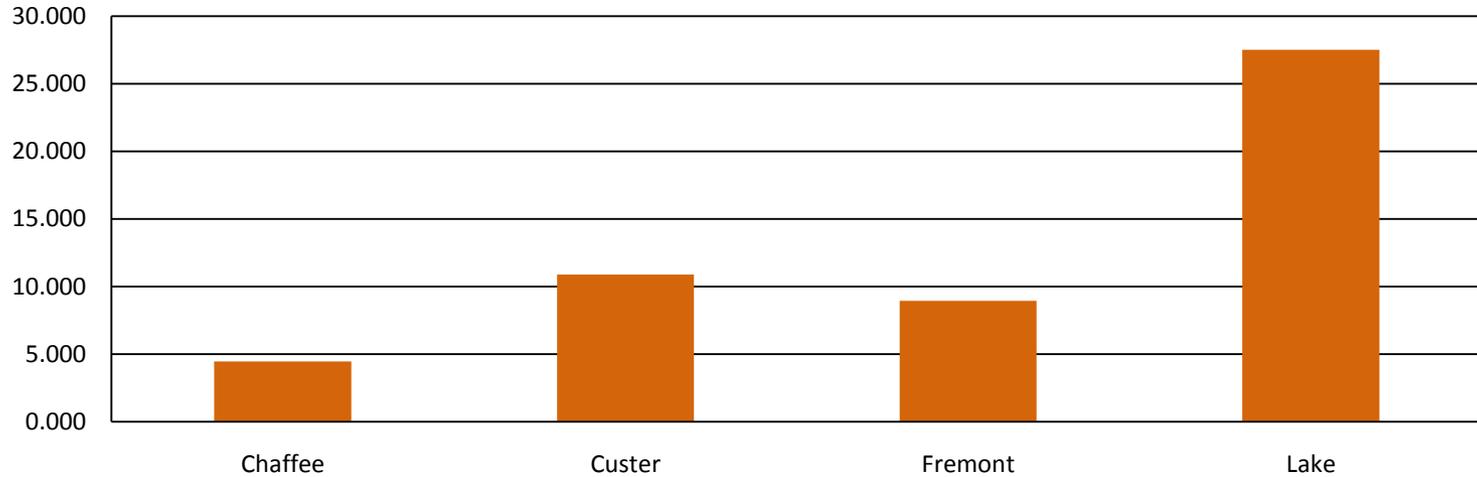
## Custer County Revenues by Source



# Regional Economy

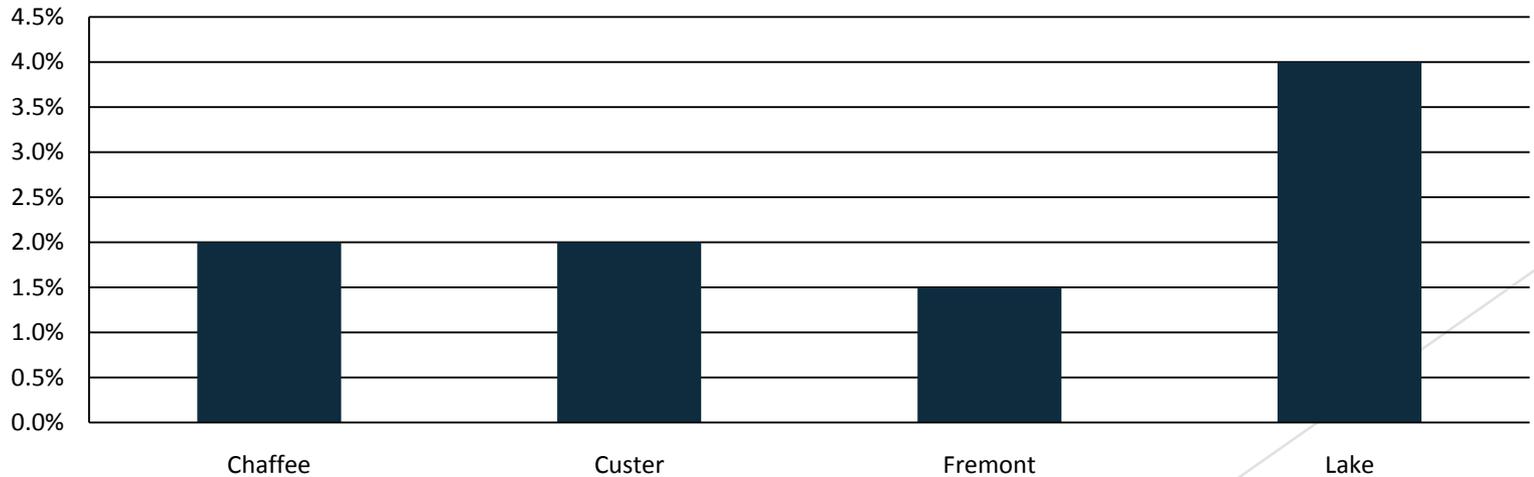
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## Upper Arkansas Region Mill Levy



Source: DOLA Annual Reports

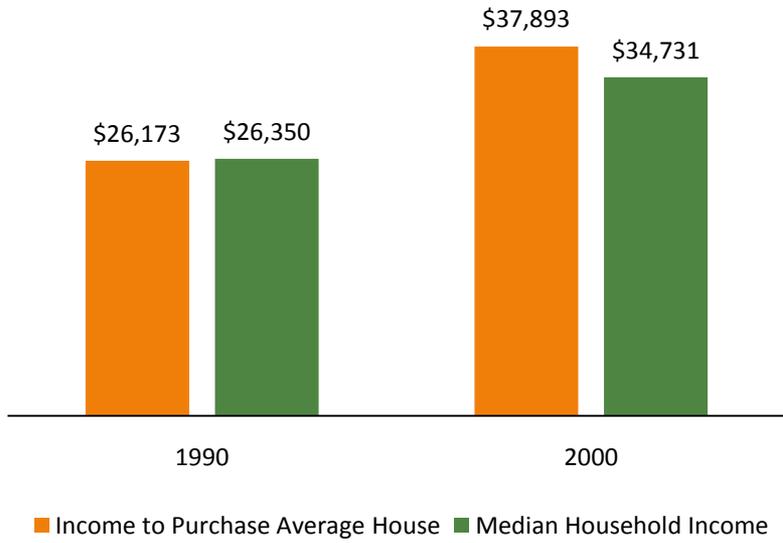
## Upper Arkansas Region Sales Tax Rate



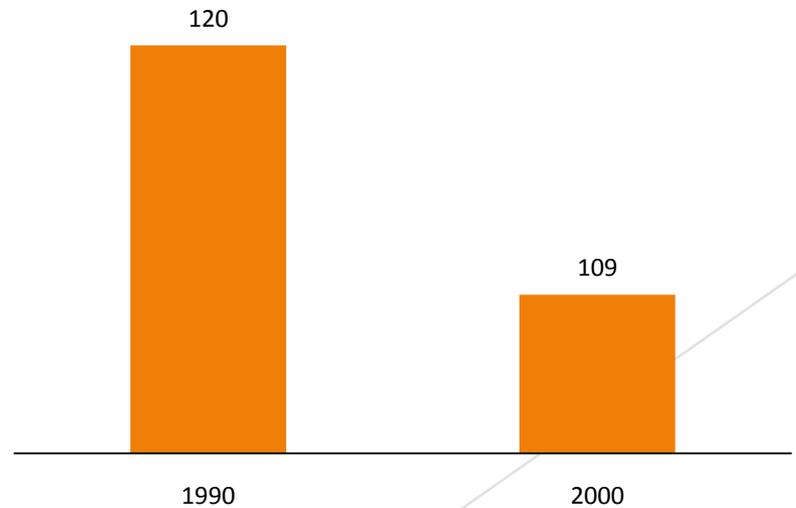
Source: Department of Revenue

# Housing

## Housing Affordability

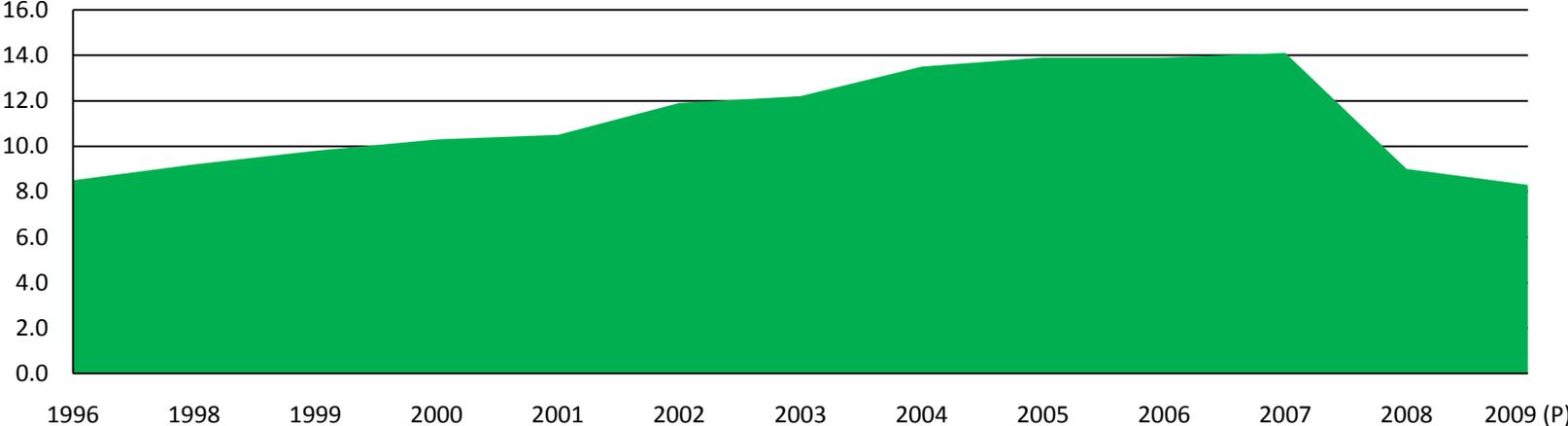


## Housing Affordability Index

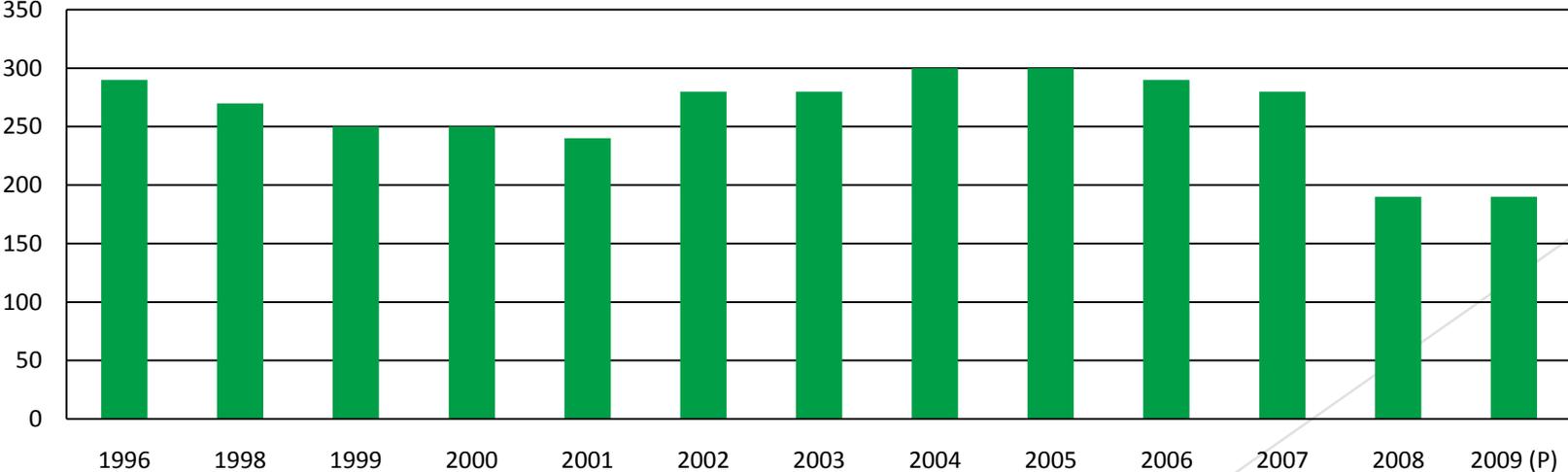


# Tourism

### Travel Spending (\$M)

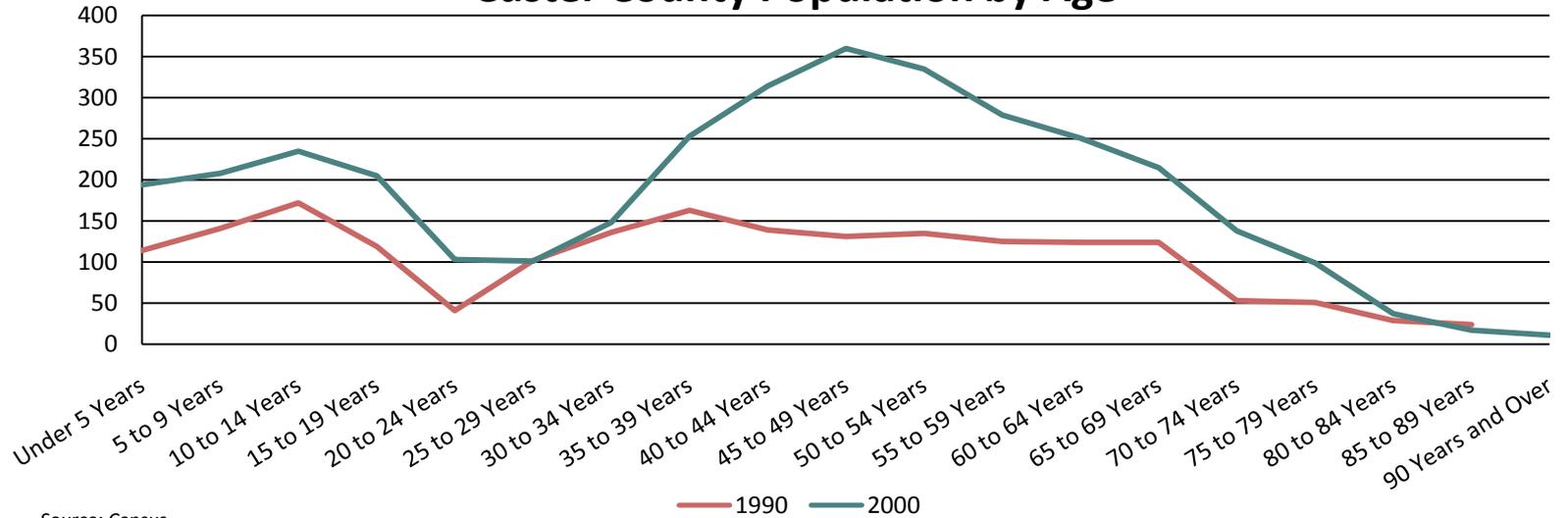


### Travel Impact (Jobs)



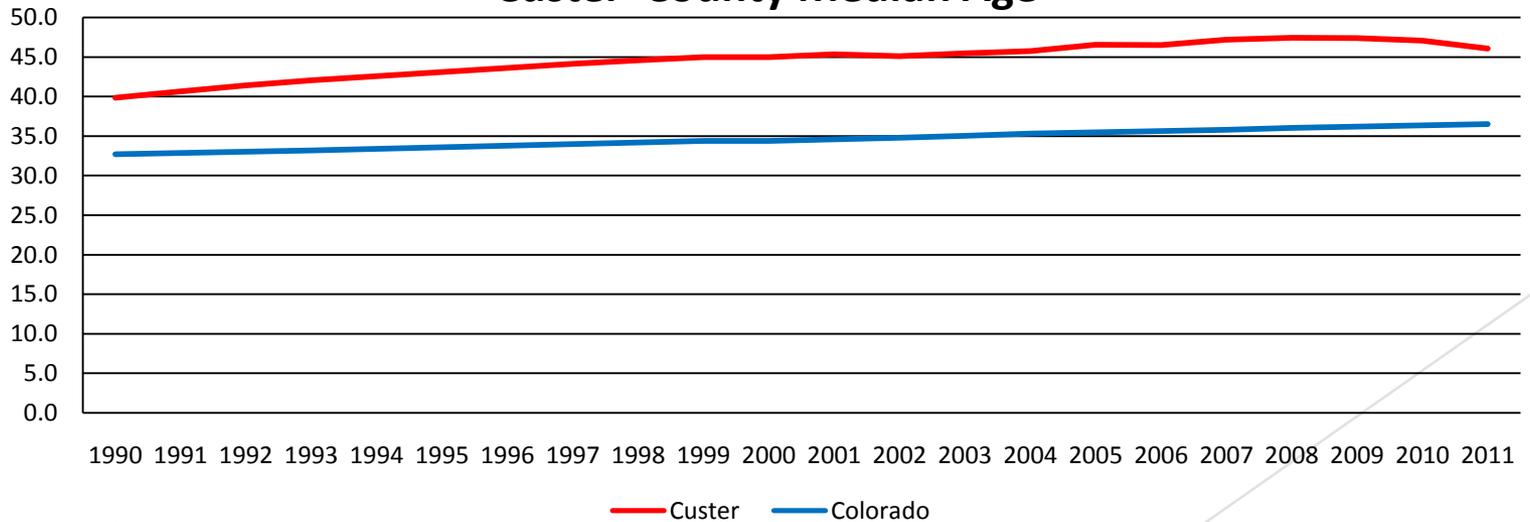
# Population by Age

## Custer County Population by Age



Source: Census

## Custer County Median Age

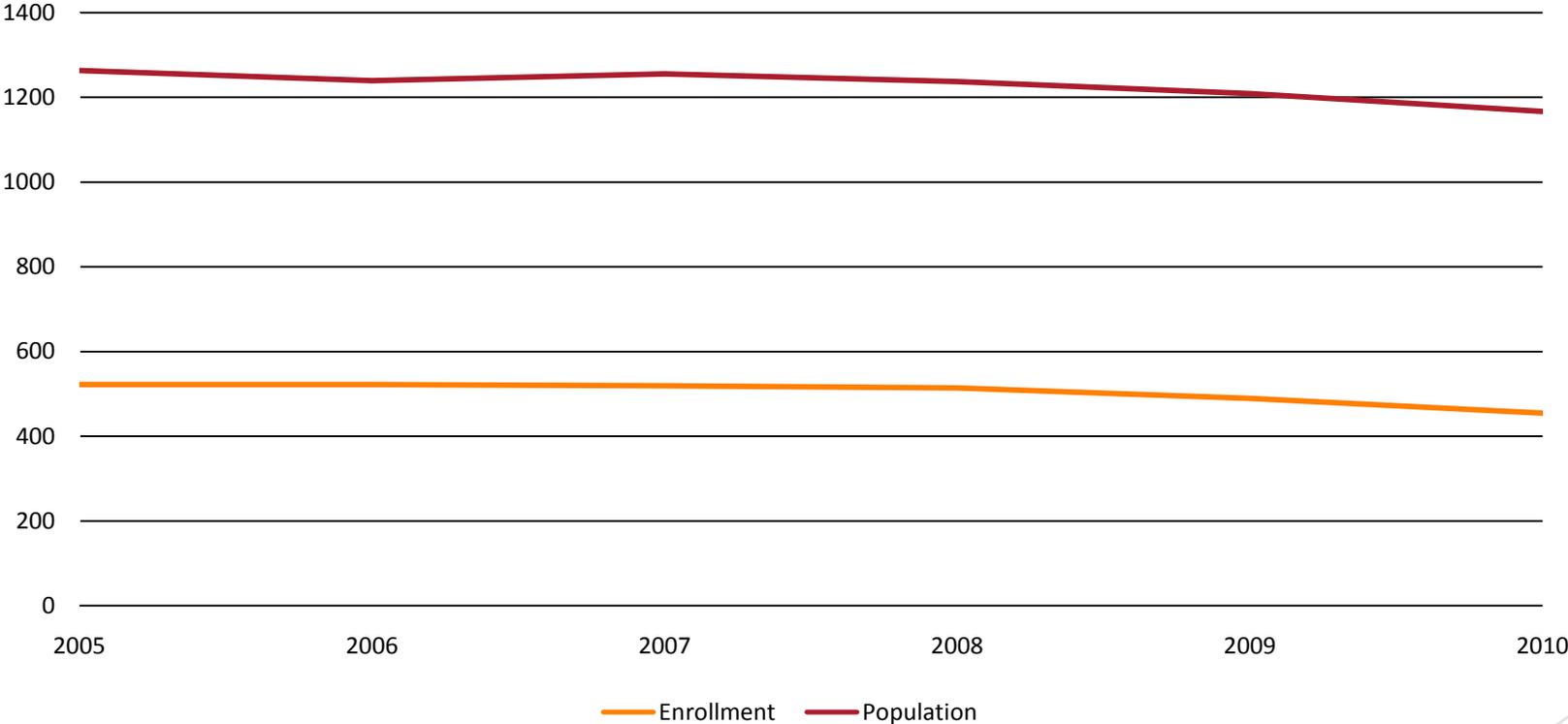


Source: DOLA

# Education

School enrollment in Custer County schools dropped **16%** since 2004.

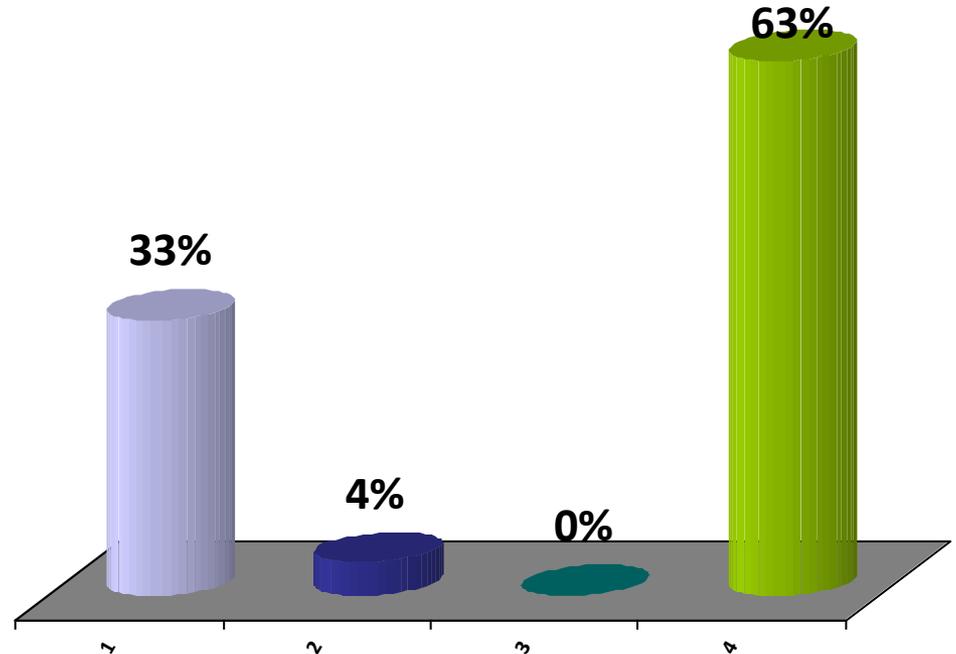
### School Enrollment vs. School Age Population (5-19)



Source: CO Dept of Education

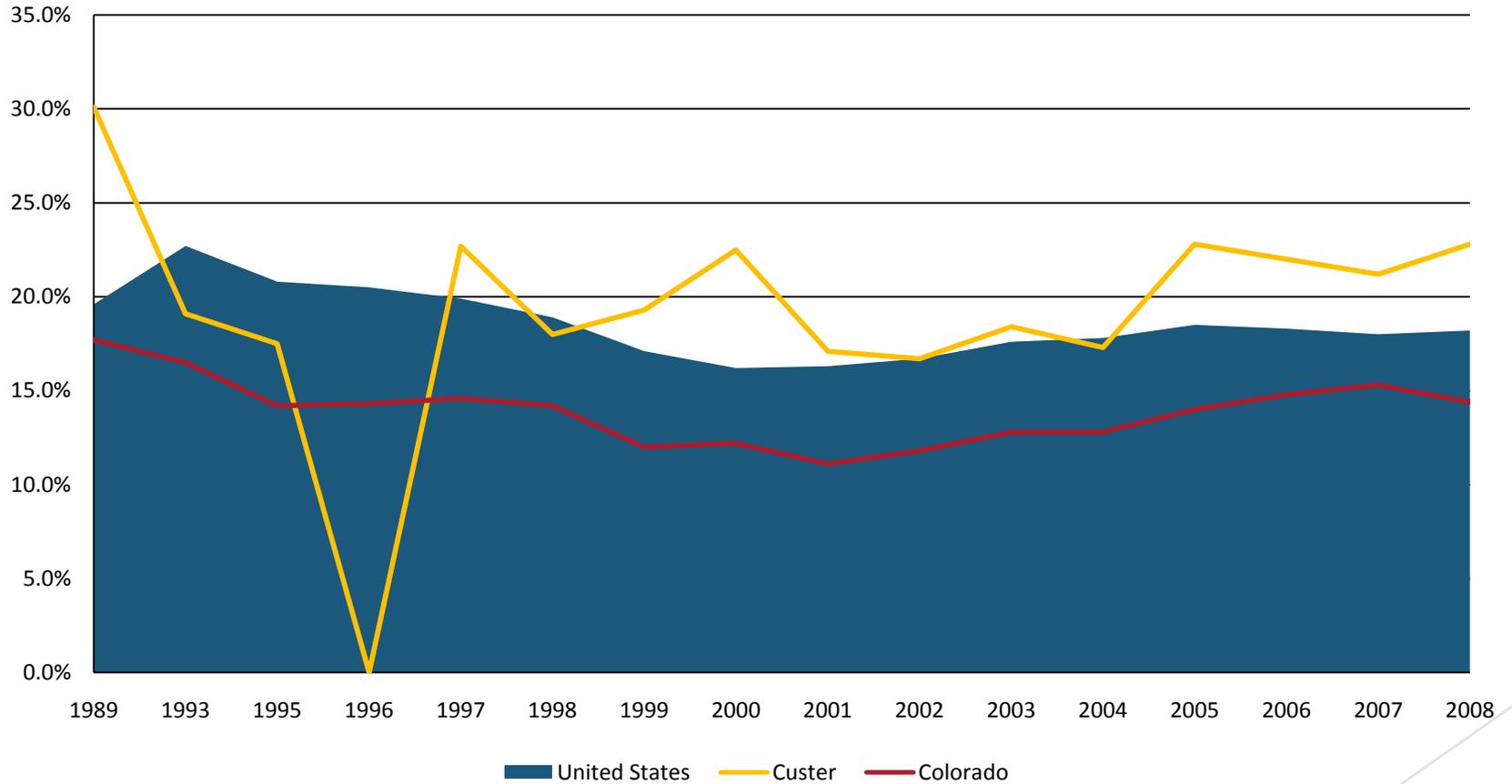
# Why are school enrollments declining?

1. Fewer families with young children
2. Families prefer to enroll their children in other counties
3. Families are choosing private schools
4. Many families are choosing to home school or cyber-school their children



# Poverty

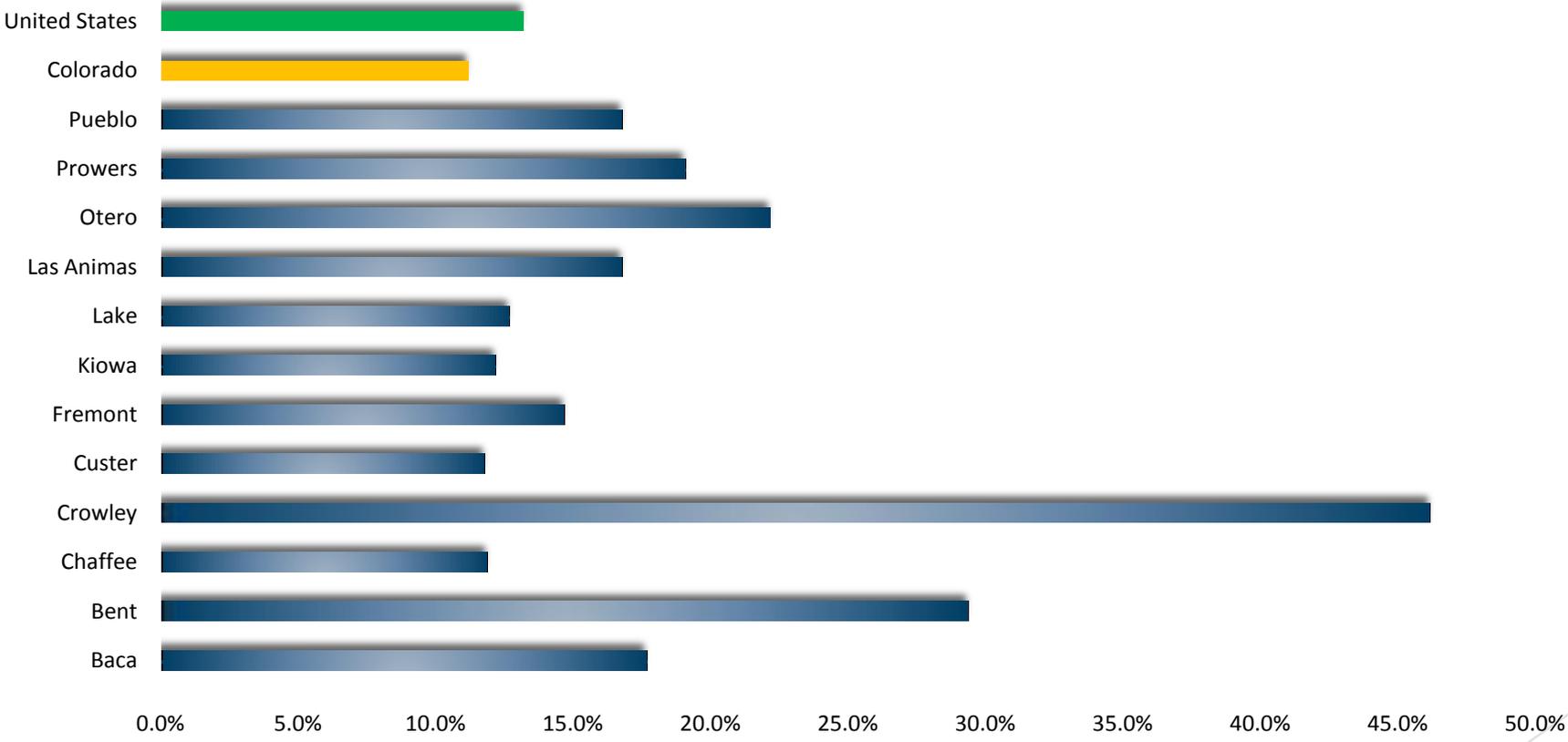
## Population Under 18 in Poverty



Data is unavailable for 1996  
Source: Bureau of Economic Analysis

# Poverty

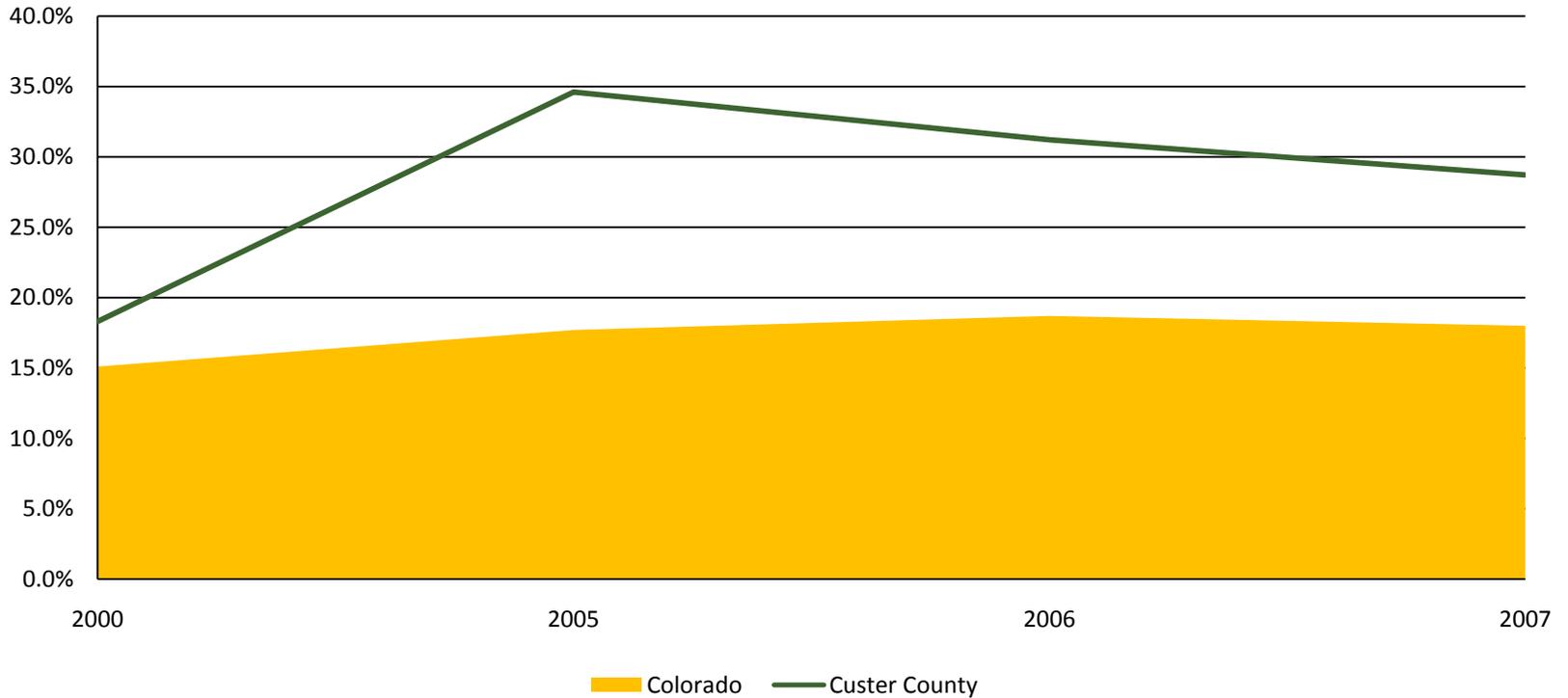
## 2008 Percent of SCEDD District Population in Poverty



US Census-SAIPE

# Poverty

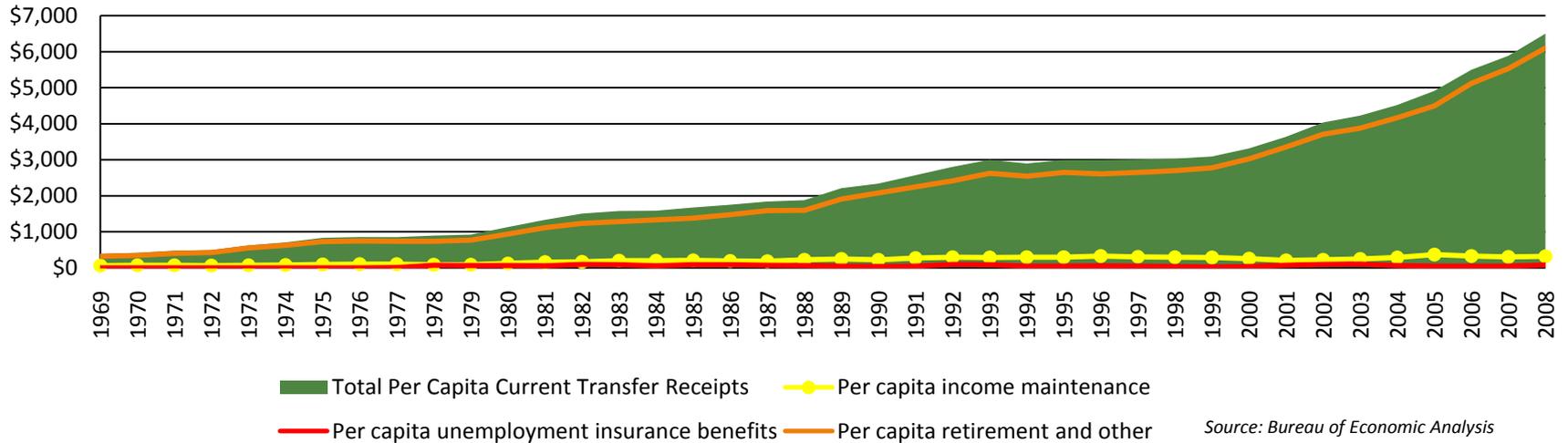
## Population Under 65 Uninsured



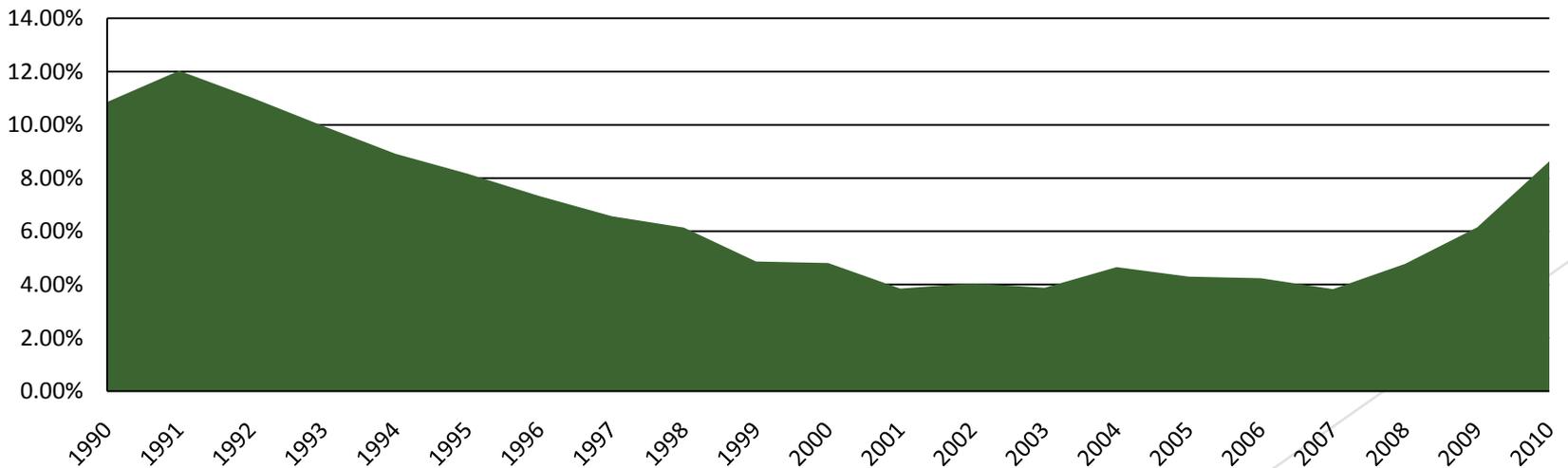
Source: Census

# Poverty

## Per Capita Transfer Receipts



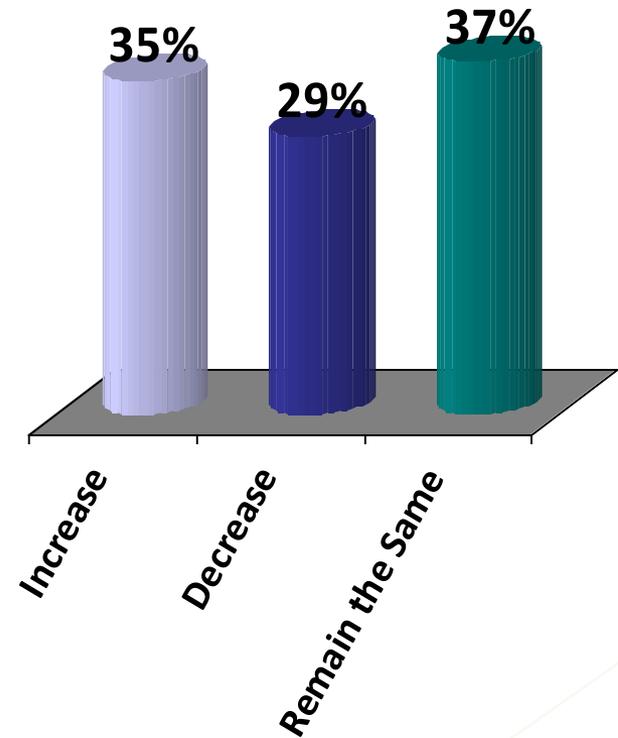
## Food Stamp Participation



Average of January & July report periods  
Source: USDA

# Over the next ten years do you think the standard of living in Custer County will . . .

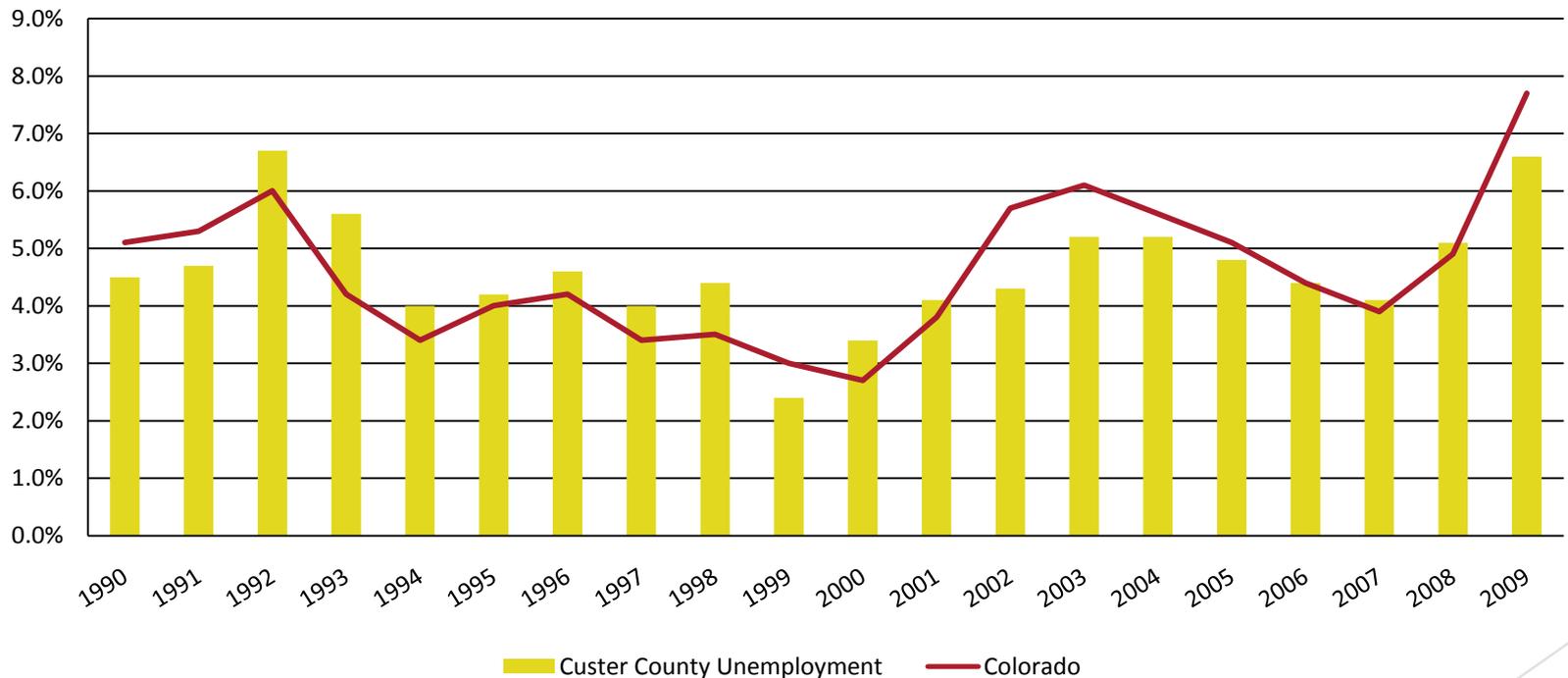
1. Increase
2. Decrease
3. Remain the Same



# Local Economy

Custer County's unemployment rate has ranged from 2.4% to 6.6% in the last ten years. In 2009, Colorado's unemployment rate was 7.7%, while Custer County was 6.6%; the highest unemployment rate for the County since 1992.

### Custer County Unemployment Rate Compared to State

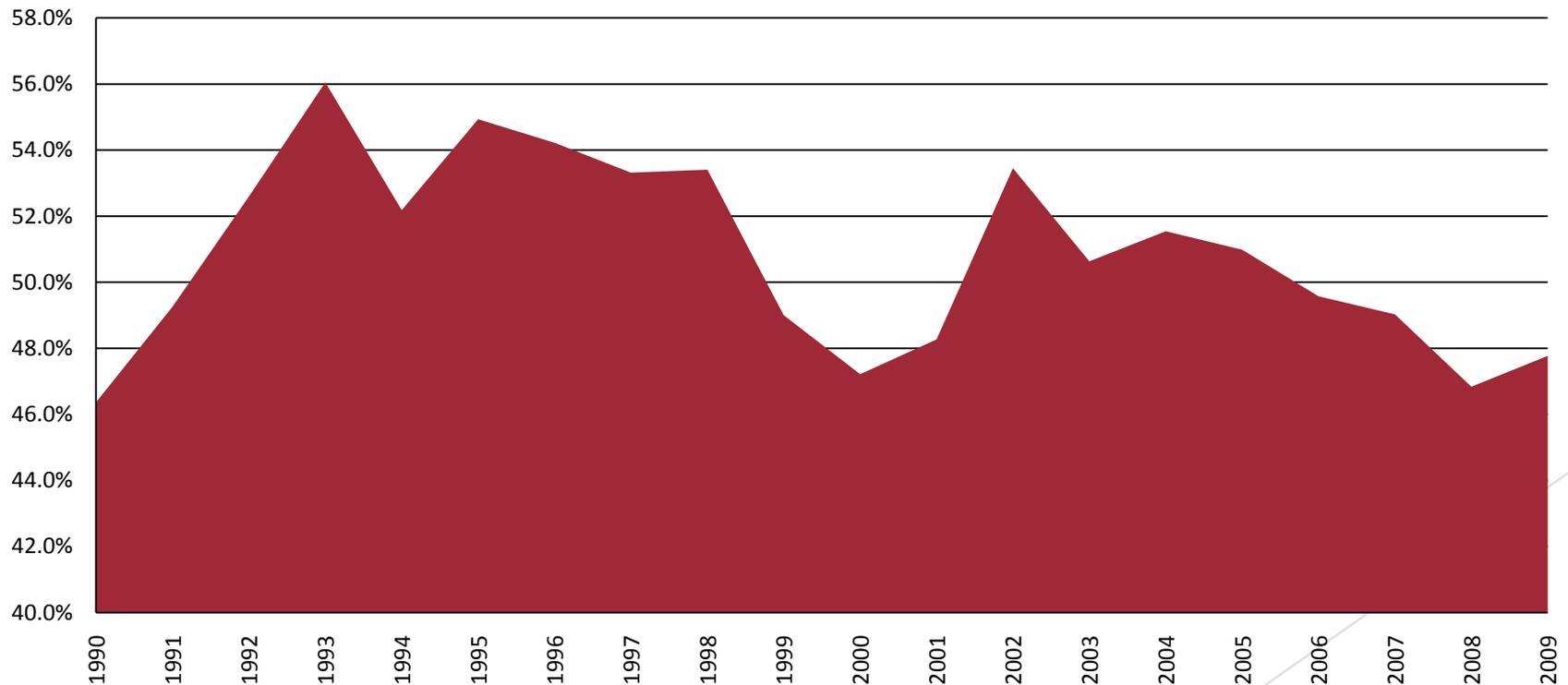


Source: LMS-CO Workforce

# Local Economy

This ratio indicates the degree to which a population is working or actively seeking employment. A low rate might indicate a significant prison population, reliance on other forms of income or a significant number of discouraged workers. A higher rate may indicate a tight labor market. As of June, 2010 the Colorado rate was 68.3% and the National rate as of July, 2010 was 64.6%. Custer County's rate as of December, 2009 was 47.8%.

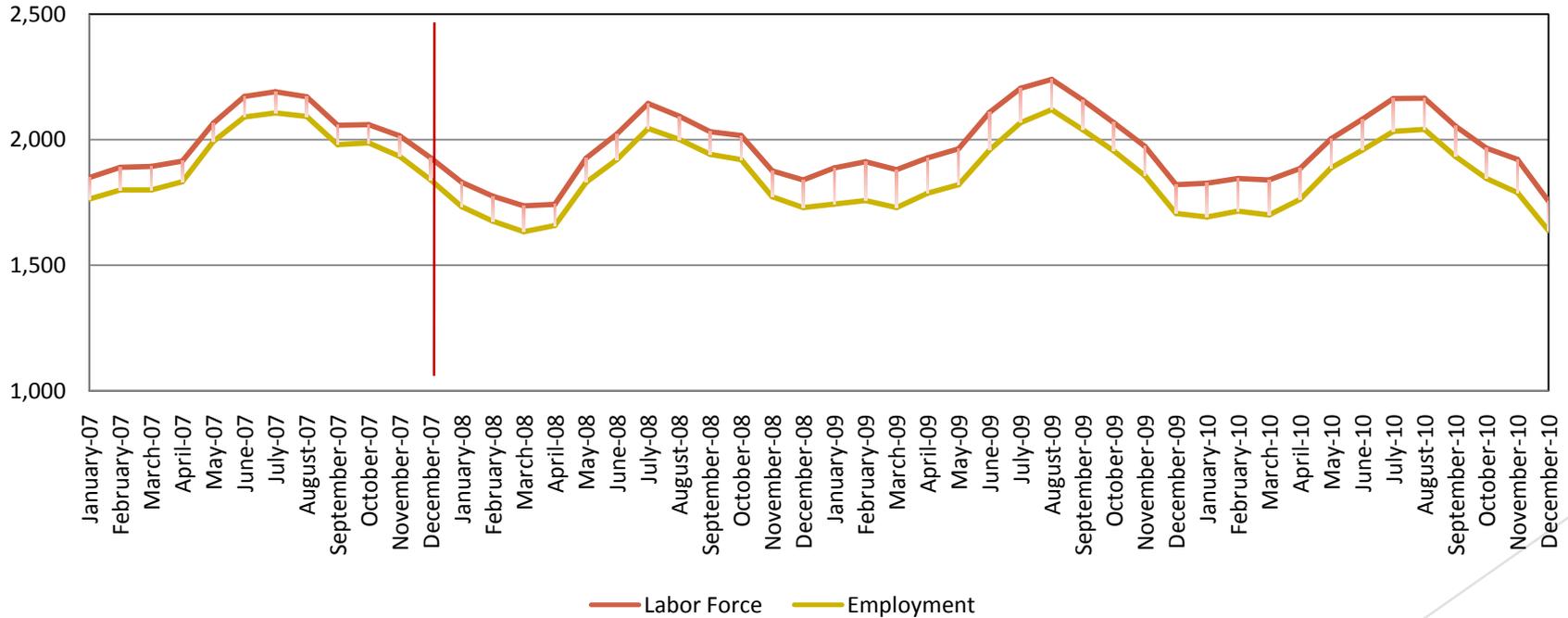
### Custer County Labor Force Participation Rate



# Local Economy

The chart below represents the monthly labor force data beginning January, 2007. The recession began in December, 2007 and is reflected by the solid red line; the recession ended June, 2009. The gap between the data represents the unemployed.

## Custer County Recession Labor Force

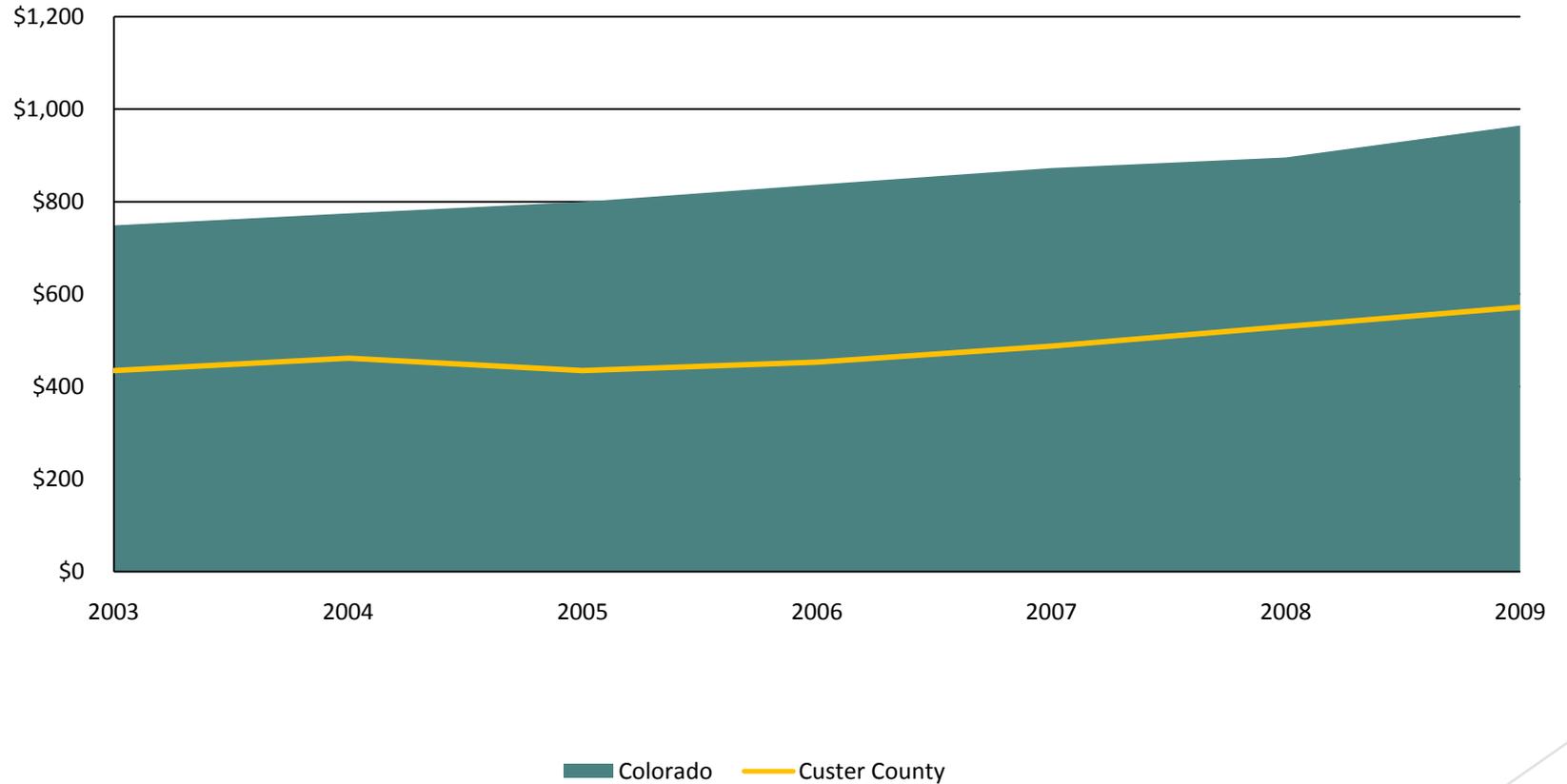


Source: Bureau of Labor Statistics

# Local Economy

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## Average Weekly Wages

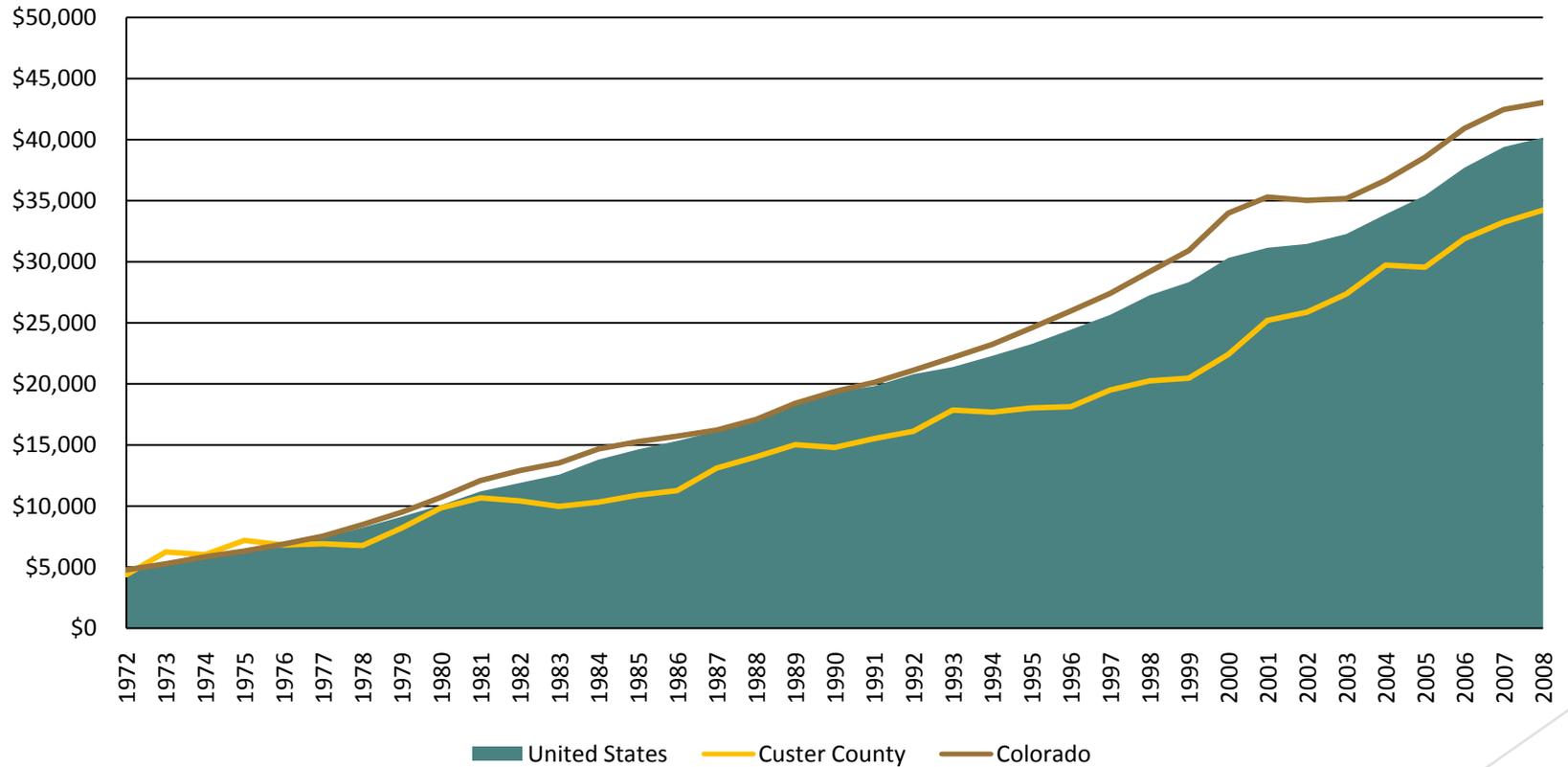


Source: Bureau of Labor Statistics

# Local Economy

The per capita personal income for Custer County is **20% below** the State average.

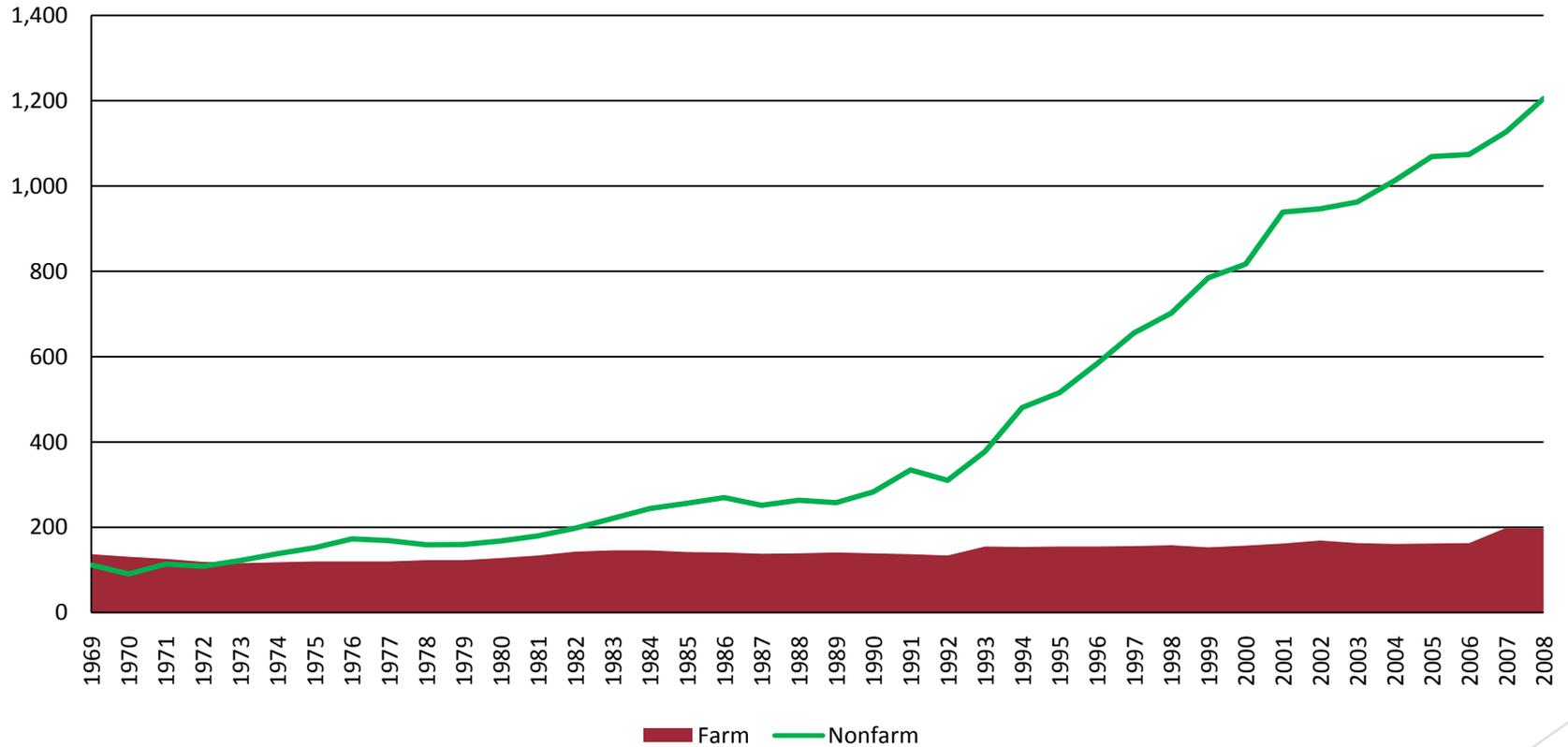
## Per Capita Personal Income



Source: Bureau of Economic Analysis

# Local Economy

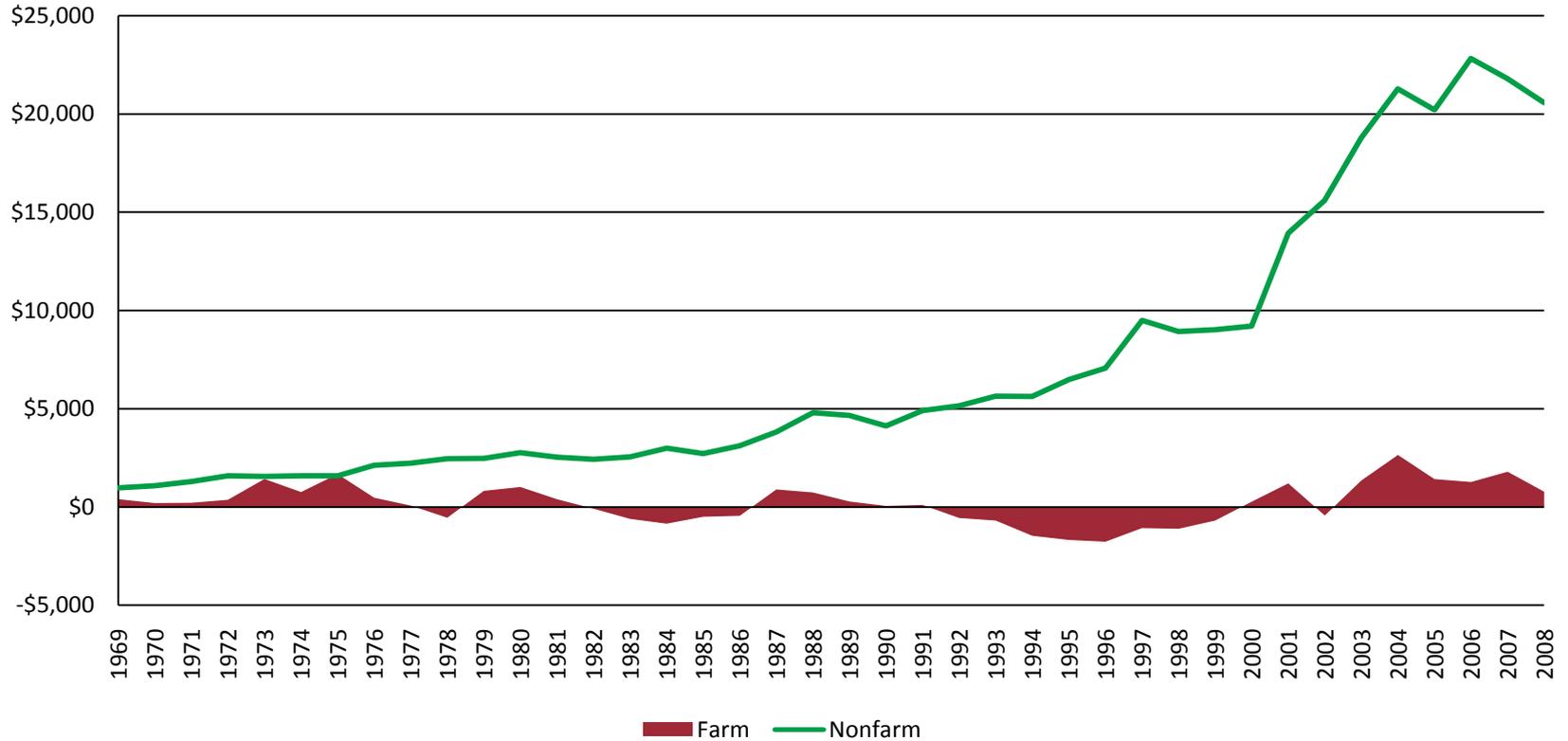
## Number of Proprietors



Source: Bureau of Economic Analysis

# Local Economy

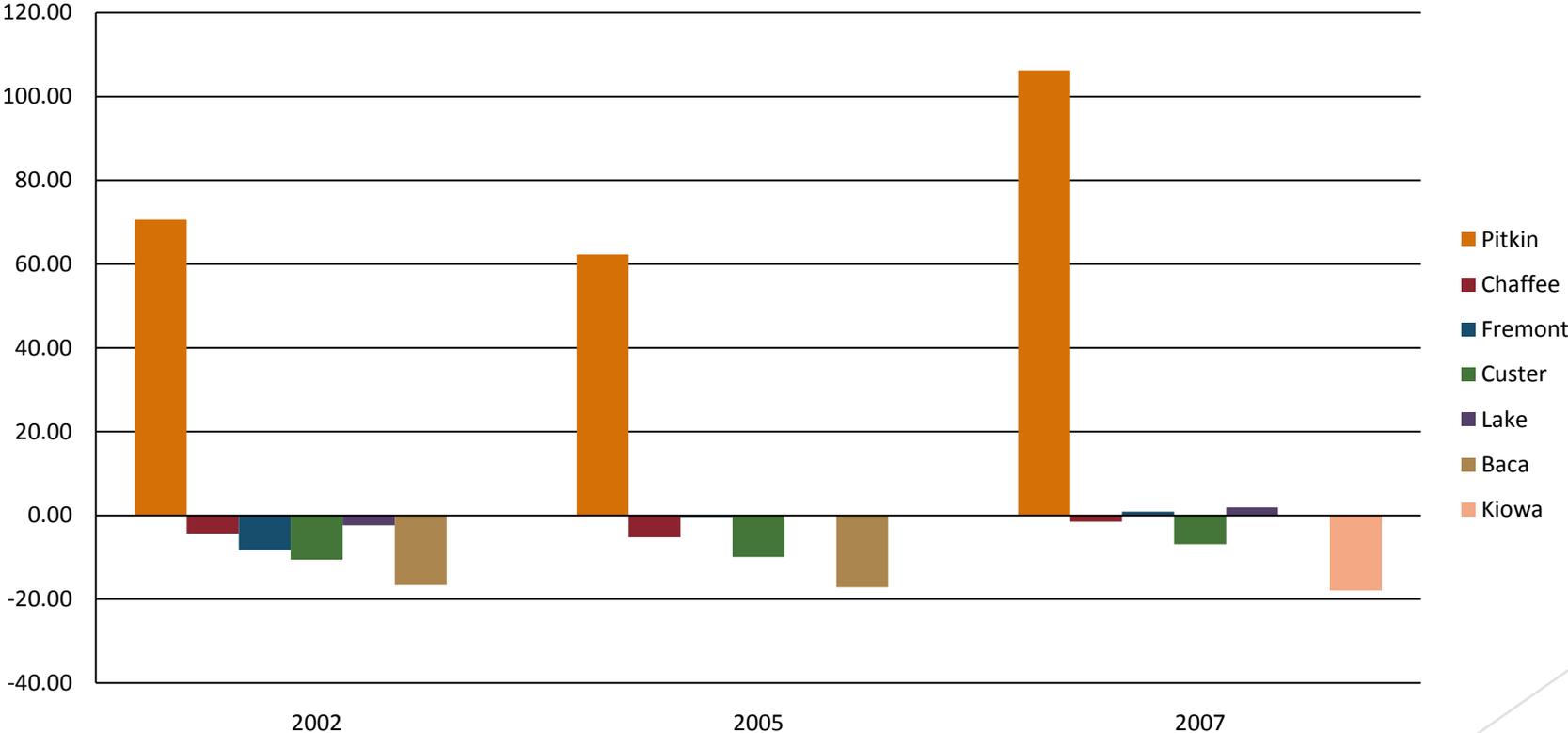
## Proprietor's Income



Source: Bureau of Economic Analysis

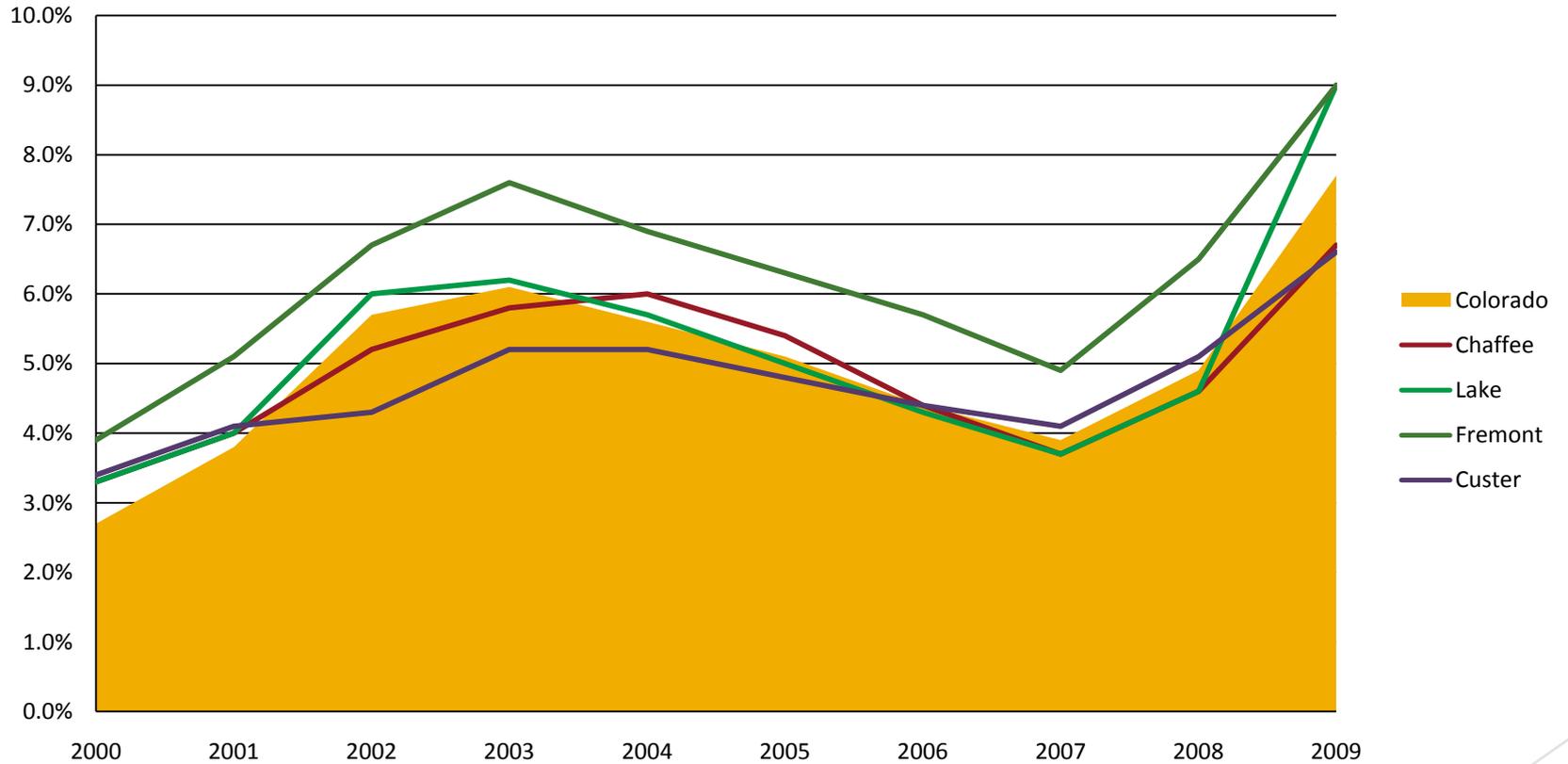
# Regional Economy

## Upper Arkansas Region Cost of Living Index



# Regional Economy

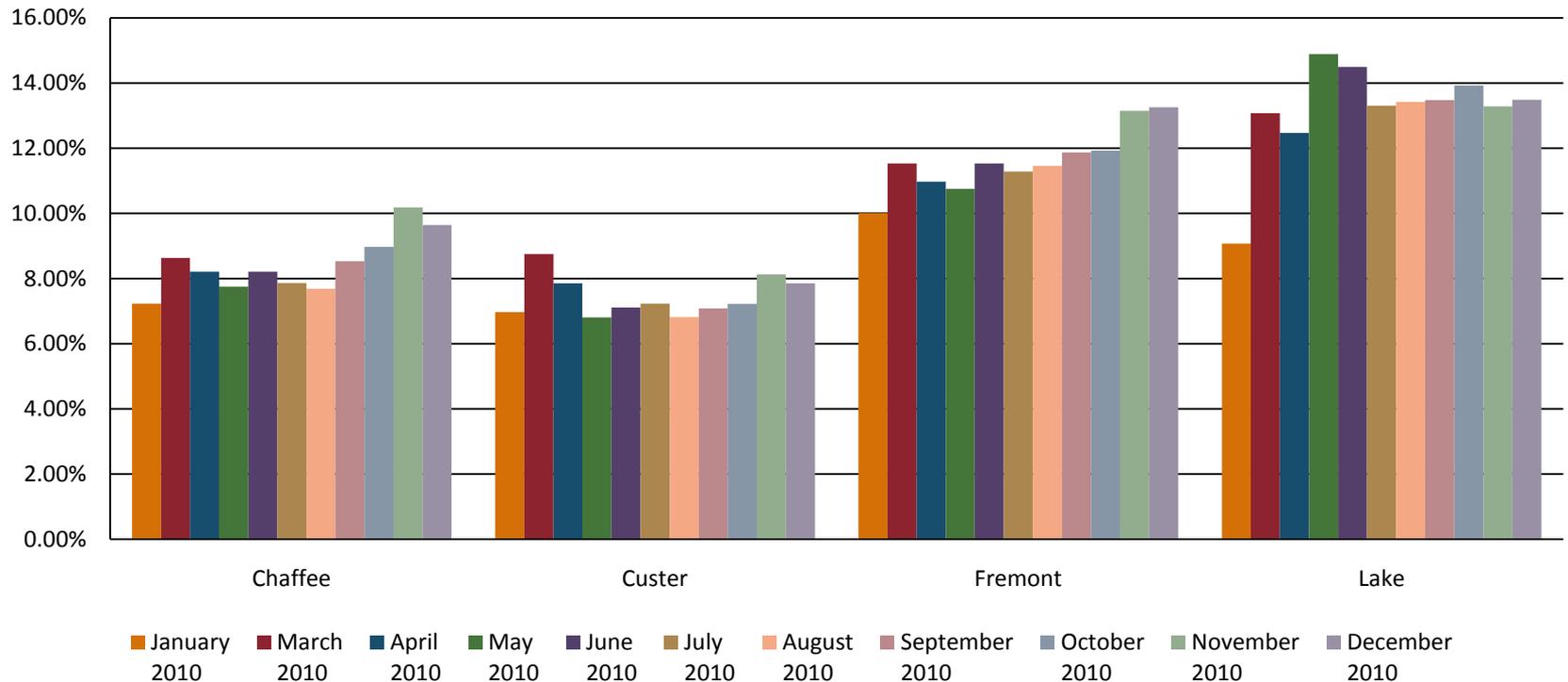
## Upper Arkansas Region Unemployment



Source: LMS-CO Workforce

# Regional Economy

## Upper Arkansas Region Stress Index



### Stress Index Methodology:

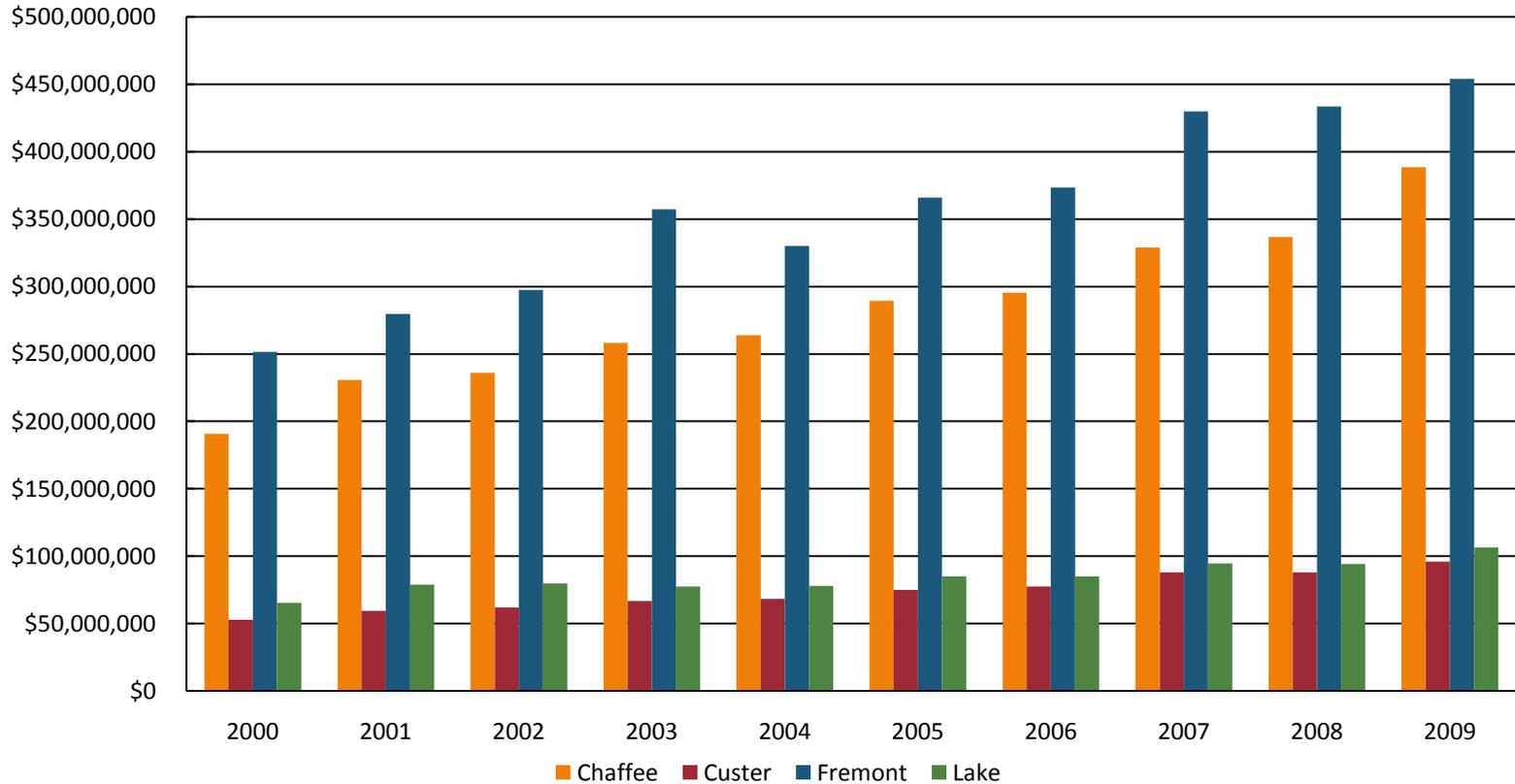
The three rates were converted from percentages to decimal values between 0 and 1 before consolidating in the following calculation:

$$[1 - [(1 - \text{unemployment rate}) \times (1 - \text{foreclosure rate}) \times (1 - \text{bankruptcy rate})]] \times 100$$

Source: Associated Press Economic Stress Index

# Regional Economy

## Upper Arkansas Region Assessed Valuation



Source: DOLA

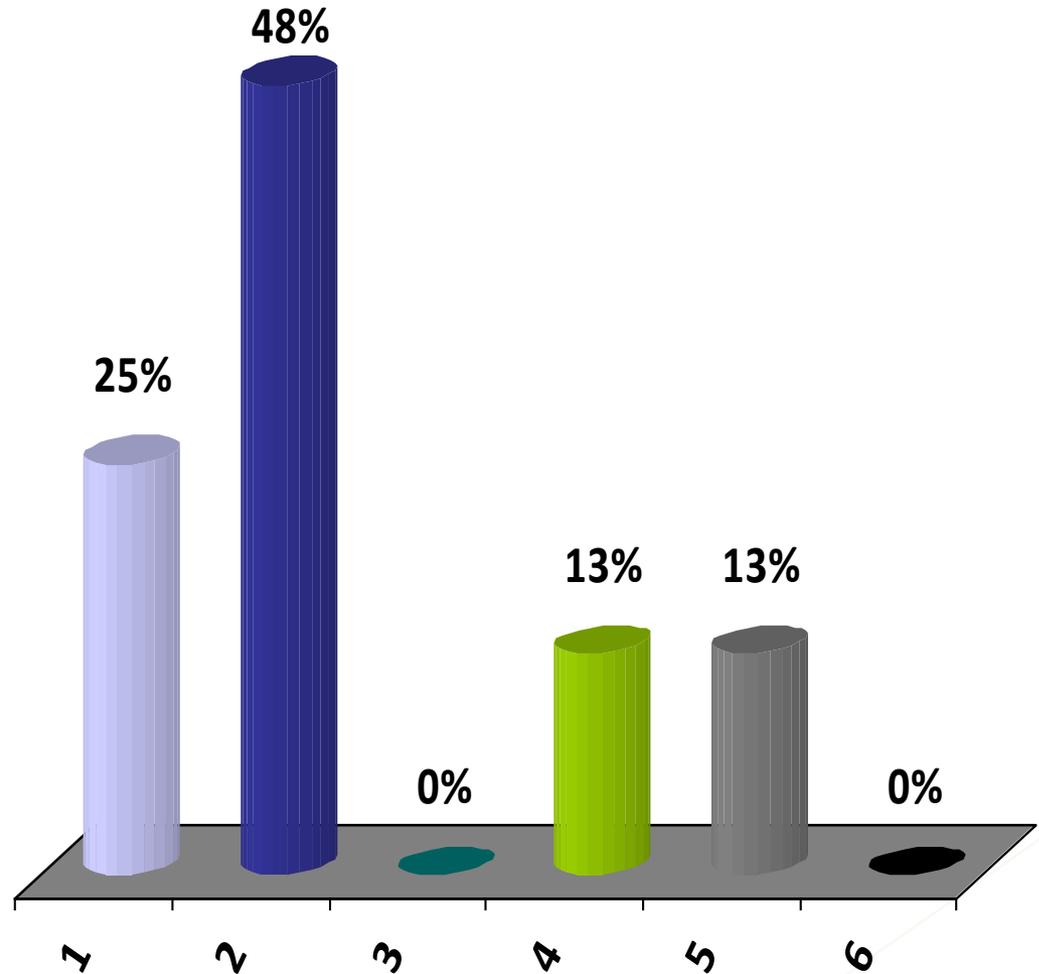
# Summary

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1. Population growth rate is steep but slower than previous decade.
2. County is becoming more dependent on property taxes.
3. Housing is becoming less affordable.
4. 44% of dwelling units are second homes.
5. Tourism spending has fallen sharply since the recession.
6. School enrollment is down 16%
7. Child poverty is higher than the state average.
8. Food stamp use is double the pre-recession usage.
9. Few than half adults are in the workforce.
10. Employment not significantly different from pre-recession.
11. Wages are 41% lower than the state average.
12. Proprietors and their income increasing.
13. County is not considered “stressed”.

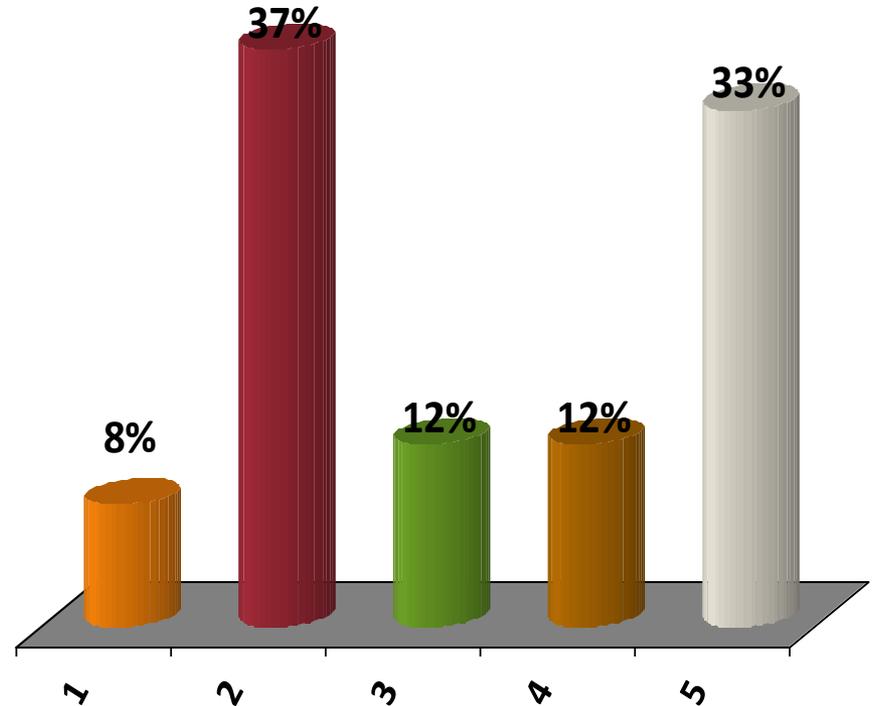
# What is the worst problem facing Custer County?

1. Lack of jobs
2. Seasonal economy
3. High cost of housing
4. Tourism falling
5. Low wages/income
6. Population growing too fast.



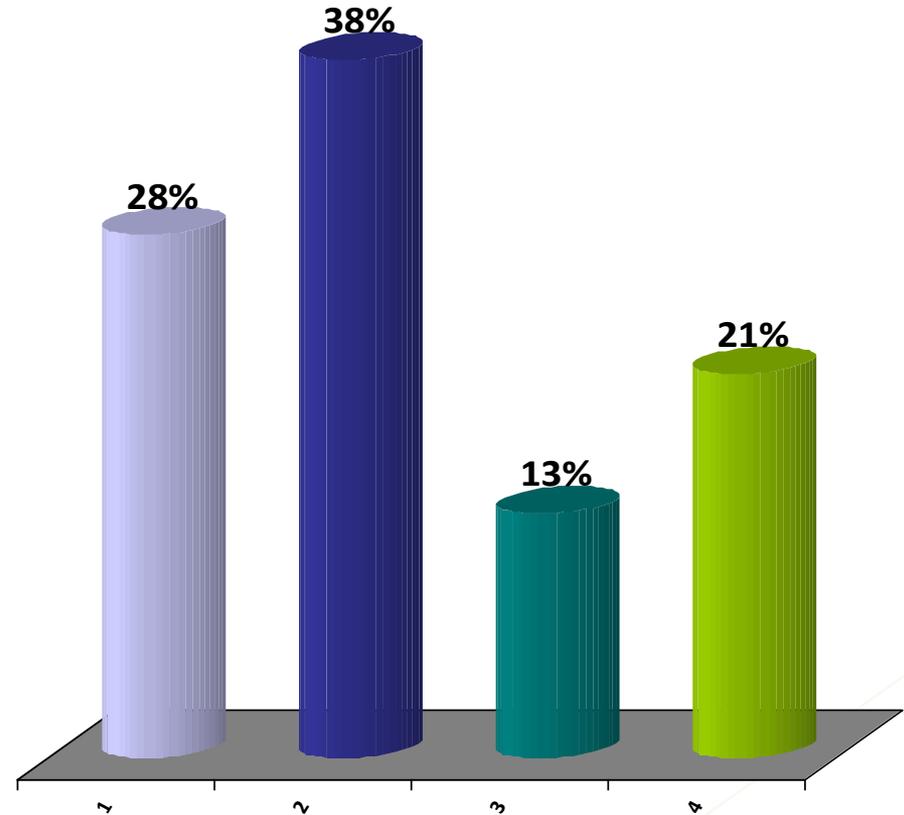
# What should be the primary economic development focus of the county?

1. Support and assist existing business to expand
2. Tourism marketing
3. Develop renewable energy
4. Increase retail sales
5. Attract new businesses



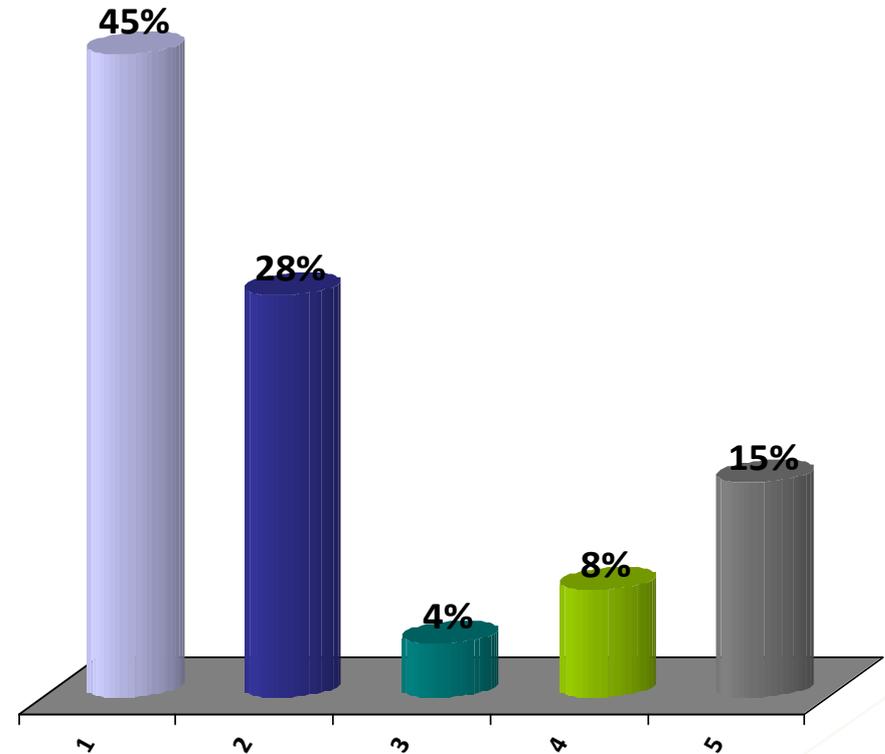
# How difficult would it be for an entrepreneur to open/move a business here?

1. Easier than in other counties
2. No worse than in other communities
3. Very difficult because of local regulations
4. Impossible



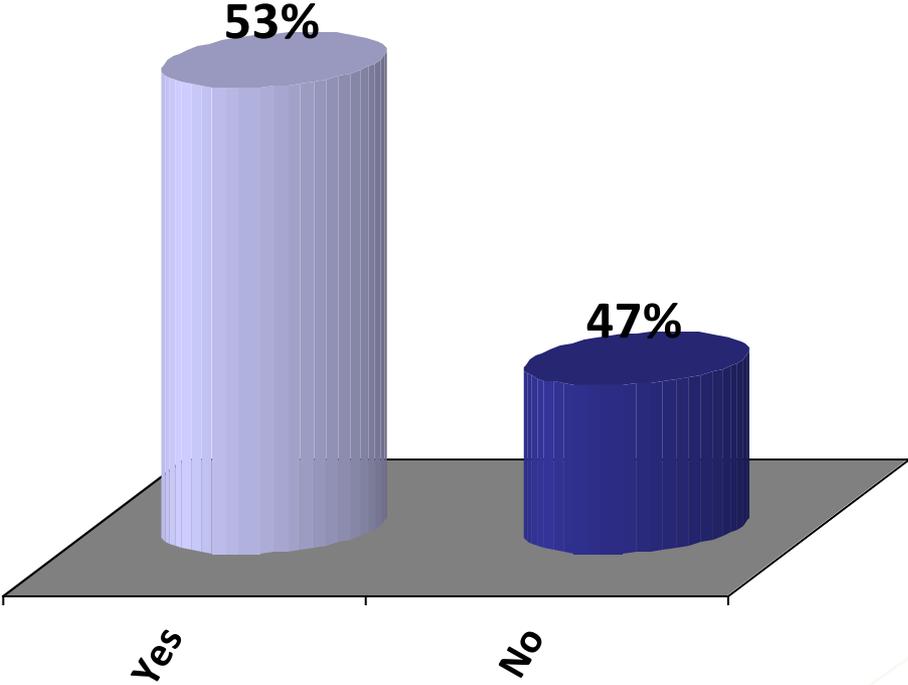
# What would be the biggest hurdle for a new business in Custer County?

1. Accessing capital
2. Finding qualified employees
3. Acquiring planning and zoning permits
4. Finding a suitable location
5. Other



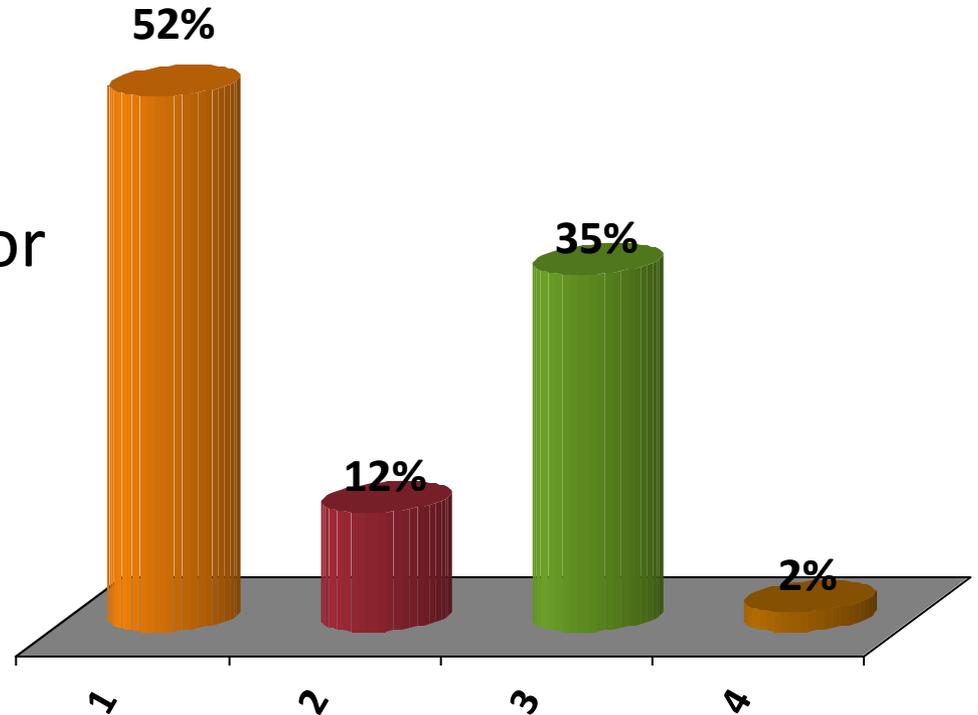
# Do you believe water is a factor limiting growth and prosperity in Custer County?

- 1. Yes
- 2. No



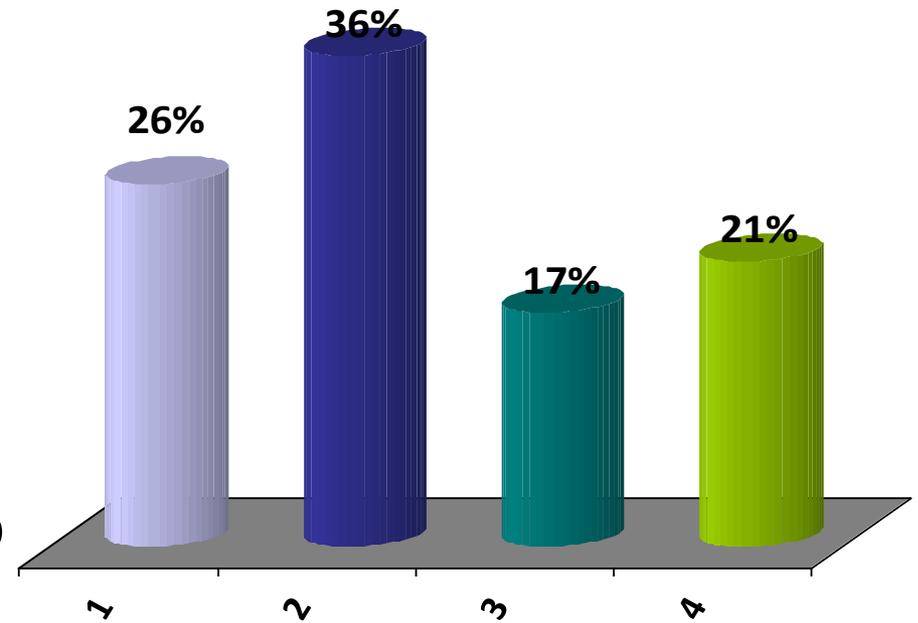
# Is internet access in your community...

1. Available and adequate
2. Largely unavailable or inadequate
3. Available but too slow or unstable
4. I don't use the Internet



# What are your thoughts on construction of a nuclear power plant?

1. No to a nuclear power plant anywhere in Colorado
2. Yes to a nuclear power plant in Pueblo
3. Yes to a nuclear power plant in SE Colorado
4. Yes--anywhere in Colorado



# Southern Colorado Economic Development District

**Break**

**Custer County  
2010 CEDS**

# Economic Risks for Custer County

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What would be the worst headline you could read in the newspaper tomorrow morning about your local economy?



# Threats to the Local Economy

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- Run out of water
- International banking system collapses
- Main Street burns to the ground
- Detention Center Opens
- Forest fire
- Subdividing Custer P&Z Valley floor
- \$5 gallon fuel
- Environmentally unfriendly businesses
- Reserving valley floor view shed
- Drought
- New Walmart
- Ranching economy declines
- Ace Hardware Closes
- School Closure
- Clinic Closure
- Horn Creek Christian Resort Closure
- Rock Slide closes Hard Scrabble
- Bird Flu
- Oil
- Uranium

# Strengths and Assets

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## What are Custer County's strengths and assets?

- Small community/atmosphere
- Outdoor recreation
- Low stress
- Quality of Life
- Scenic beauty
- Clean air/natural resources
- Clean water
- Friendly people
- Great weather
- Out of box thinkers
- Diverse "thinking" population
- Volunteers
- Open spaces
- Low crime
- Library
- Clinic
- 4 day school week
- Music
- Theaters
- Passion for our community
- Close knit community
- Rotarian van
- Large veteran presence
- Land use regulations that preclude inappropriate development
- Large untapped land resource
- Talented citizens
- Strong community organizations
- Good school district
- Business friendly
- History

# Opportunities

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## What opportunities can we pursue to improve the Custer County economy?

- Educating people on what products and services are available locally
- Expanding three music festivals and extending tourist season
- Large number of conference capacity in winter
- Call center
- Stabilizing and increasing efficiency of energy consumption
- Heritage Tourism
- High speed internet and telecommunication infrastructure
- Centurylink is provider
- Improve news coverage of Westcliffe
- Unknown manufacturers
- Primary employers
- Local higher education and vocational opportunities
- Community supported agriculture
- Sustainable economic development
- Job training/educate businesses
- Improve access to Sangre de Cristo (atv/golf carts)
- Attract business to backcountry recreation on forest service lands
- Cross country skiing
- Wind energy/solar and a little geothermal
- Better cooperation with local utilities
- Five county heritage tourism council
- Energy coordinator
- Expertise of retired community to teach courses-utilize workforce funds for retraining process to involve businesses “school without walls”
- Support/shop local business

# Economic Development Projects

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Identify projects that will improve the economy in a measurable way:

- Higher wages
- More jobs
- Diversify the economy
- Increase tourism
- Extend seasonal employment
- Other measurable economic activity

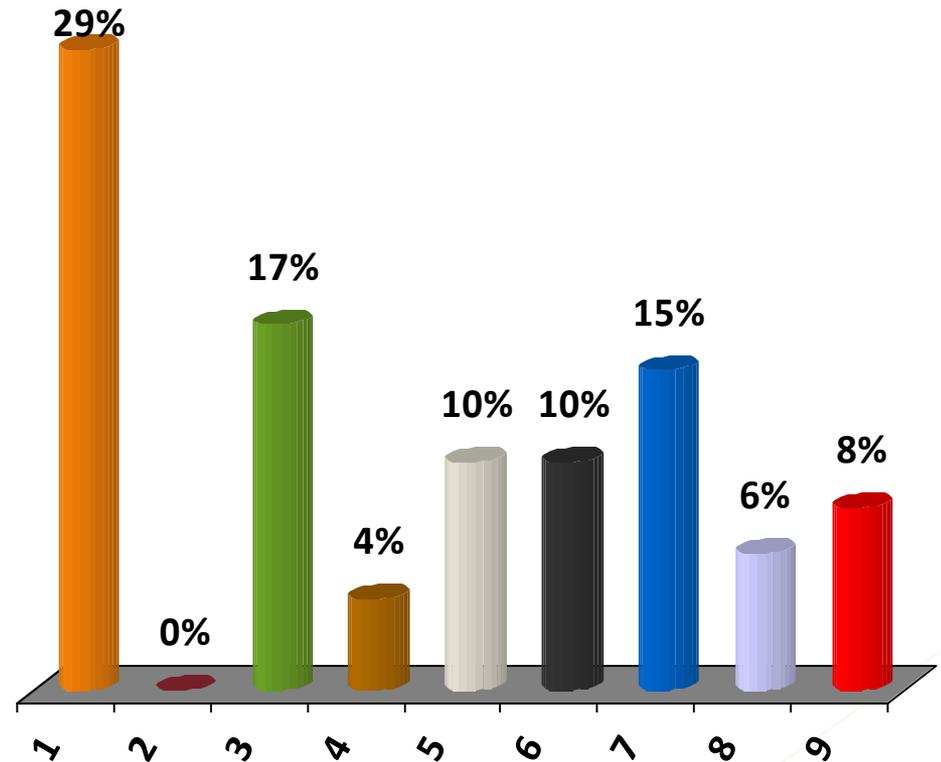
# Suggested Projects

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- Telecommunication infrastructure/improvements
- Transportation system to airports etc.
- Develop a tourist welcome center/outfitter

# What resource/actions from the State of Colorado would be most helpful in order to implement the county economic development plan?

1. Strategic grants to leverage projects
2. Business loan funds/access to capital
3. Incentives for job growth
4. Tax credits for job growth
5. Streamline regulations & permitting
6. Technical assistance & assessment visits to develop action plans
7. More worker training programs
8. Entrepreneurial programs
9. Better information about existing state programs



**Thank you!**

**Please visit [www.scedd.com](http://www.scedd.com) to  
complete the county survey.**

# **Southern Colorado Economic Development District**

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Pueblo, CO 81003**

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