

Economic Sustainability Element

“Economic growth is never an accident.” - Gary Sherrer

Vision: Achieve and maintain an adaptive, resilient, vital economy providing opportunities and stability for County residents.

Overview

All the other elements of the Countywide Comprehensive Plan, when combined, will go a long ways towards creating an economically sustainable community in the County. Issues related to land use, environment, transportation, housing, facilities, cultural resources, open space, recreation, trails, and the economy are not mutually exclusive. It is the intent for all elements of the Plan to work together to support sustainable development, enhance visitor experiences, and improve the quality of life of all residents. For example, preserving our open spaces, protecting our environmental resources, and maintaining our recreational amenities will help ensure that the County remains an attractive location for visitors and residents in the future. While acknowledging the contributions of the other portions of this Plan, this element provides additional guidance for planning and implementing a balanced and countywide approach to attaining a more economically viable community.

In principle, economic sustainability in any community is difficult to achieve and measure. Economic sustainability and development is influenced by market, physical, regulatory, financial, and political issues. Moreover, economic sustainability is a multifaceted ideology subject to constantly changing growth pressures. Therefore, whether it is at the federal, state, or local level, virtually all entities view economic sustainability and address economic development differently.

However, the fundamental purpose of economic sustainability or development is shared between all levels and types of policy and program decision making: to create and maintain an economically healthy community. According to the International Economic Development Council, an economically healthy community is one that satisfies all four of the following:

- Exports goods and services and imports cash.
- Meets public service needs/expenditures with revenues.
- Maintains a sustainable tax base.
- Provides opportunities for personal growth.

Factors considered critical to the success of an economically sustainable community include:

- A savvy understanding of the local economy, economic development capacity, and supporting infrastructure.
- Economic development policies/programs designed around comparative advantages in the local economy.
- Local leadership that is effective at stimulating cooperation among key players.
- Flexibility of vision to adapt to changing circumstances and to take advantage of unexpected opportunities.
- Diversification.

As the County nears build-out, it faces major challenges in the context of economic sustainability. It is difficult to reach consensus in defining what economic sustainability is and identifying opportunities that

exist in a County where three-quarters or more of the base economy revolves around tourism and recreation. Other major factors contributing to this challenge include the fiscal viability of economic sustainability, limited land area for development, high land costs, lack of developed incentives, fragmented interjurisdictional efforts, and no formalized economic development organization or strategic plan.

*Economic Development - “Any change in a community that enables greater production, increased employment, and a better distribution of goods and services.”
- American Planning Association*

The Local Economy

Tourism and recreation dominate the County’s economy. The local economy has transitioned from a dependence on mining in the late 1800s to dependence on some of the Country’s best-known and premier recreation and winter resorts. The dominance of the ski industry initially created a seasonal economy dominated by tourism. However, recently skier visits have been growing slower and even declined after the 2000/2001 season. What started decades ago as a traditional seasonal ski economy is developing into a diverse year-round tourism-based economy.

The economic foundation and drivers in the County will continue to be dominated by recreation-based tourism, and associated economic growth related to construction and servicing for second homeowners. An inherent and critical interdependence exists between year-round visitors, second homeowners, and local economic issues. The limited commercial and industrial base in the County further emphasizes the importance of this interdependence.

In the future it will be important to continue to enhance tourism opportunities, retain visitors and protect and develop the recreation base. Enhancing the County as an attractive and functional place to visit through improving services, the transportation system, housing, and aesthetics is critical. However, an attempt to diversify the economic base in a manner that is compatible with being a resort-based community needs to be explored. Thus, the goals and policies/actions of this element are focused on both instituting and implementing measures to address economic sustainability through continued tourism and recreation growth, as well as diversification.

The major byproduct of tourism has been the real estate industry, both commercial and residential. Activities related to real estate development, rental, and leasing contributes significantly to the economy. Physically this is apparent through the high concentration of offices of real estate agents and brokers and residential property managers. Fiscally the presence of the real estate industry is evident by total housing sales in the incorporated and unincorporated areas of the County. Housing sales totaled \$308,153,148 between January-June, 2001 alone (Source: Summit County Statistician).

Work Force and Labor Trends

While the tourism industry dominates the planning area economy, unemployment is atypical. Over 94 percent of the people who live in the County work in the County.

Table 1. Summit County Residents Place of Work		
County	Count¹	Percent
Summit	15,044	94.3%
Eagle	235	1.47%
Denver	164	1.03%

County	Count ¹	Percent
Jefferson	71	0.44%
Grand	39	0.24%
Clear Creek	30	0.18%
Lake	26	0.16%
Park	21	0.13%

¹ Total Count = 15,959.

Sources: U.S. Census Bureau 2000; Colorado Department of Local Affairs.

The majority of County jobs are in the services and wholesale and retail sectors. Together these accounted for almost 70 percent of the 1999 employment, while approximately 25 percent of all workers were employed in the construction, government, finance, insurance, and real estate industries.

Industry	Number	Percent
Services	9,547	40.3
Wholesale and Retail Trade	6,398	27.0
Construction	2,698	11.4
Government	2,142	9.0
Finance, Insurance, and Real Estate	1,631	6.9
Transportation/Utilities	552	2.3
Agriculture	428	1.8
Mining and Manufacturing	307	1.3
Total	23,703	100%

Source: Colorado Demography Section, Department of Local Affairs, June 2001.

In 2000, 64.9 percent of total County jobs were estimated to be tourism related.

Basic Industry Group	Jobs (Percent)	Income Average Wage
Tourism	64.9%	\$22,665
Households: retirees, commuters	11.8%	\$26,777
Indirect (unassigned)	10.8%	\$40,089
Regional Center/National Service	7.5%	\$37,954
Government	4.1%	\$34,308
Agribusiness	0.5%	\$7,450
Manufacturing	0.4%	\$37,859
Total & Mean	100%	\$29,586

Source: Colorado Demography Section, Department of Local Affairs.

Markedly, the educational attainment of the County is one of the highest in the Country.

Place	Bachelor's Degree or Higher
Summit County	48.3%
State	32.7%
U.S.	24.4%

Source: U.S. Census Bureau 2000.

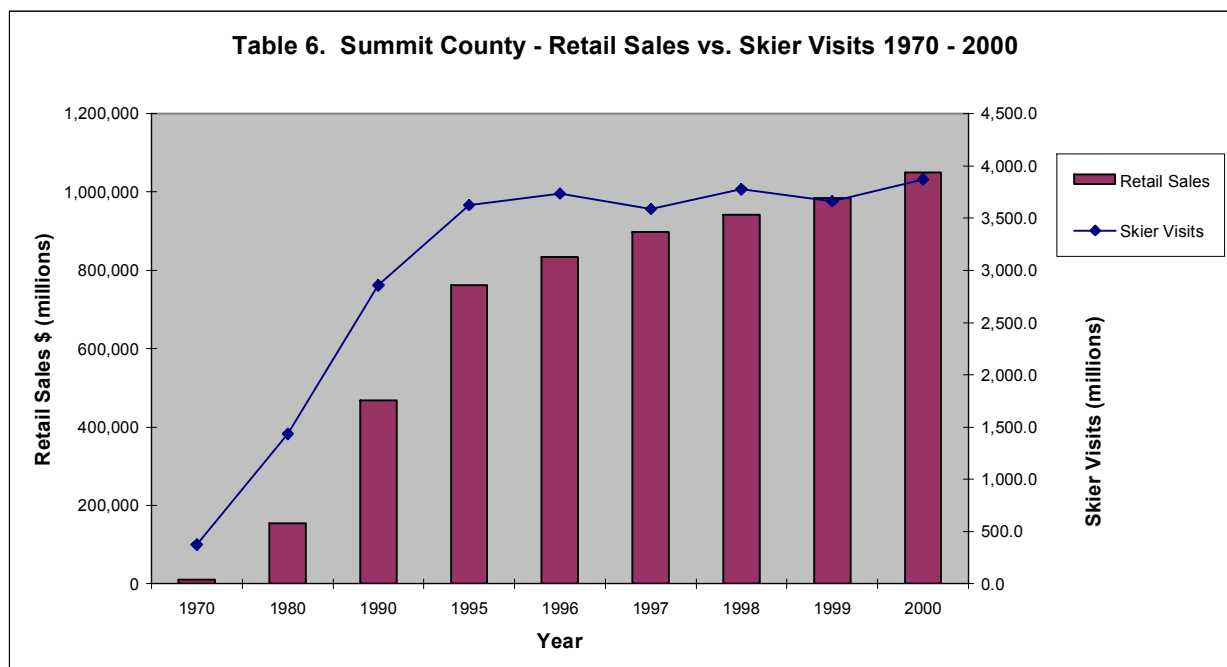
The County has shifted to a year-round economy driven by a combination of the tourism, construction, and real estate industries. During the past decade job growth has been outpacing population growth. Future projections show this trend continuing with larger numbers of commuters and migrants coming into the County to fill jobs. Factors fueling job growth has been the construction of second homes, real estates sales, and the strengthening of industries that support new home development.

Economic Trends

Skier visits have been increasing at only a modest rate per year, which represents a trend of flattening skier visit activity. However, sales tax revenue continues to experience strong growth trends. Decreased disparity between the biggest retail months of December and March and the rest of the year is becoming apparent.

Year	Skiers
1990-91	2,875,043
1995-96	3,632,867
1999-00	3,660,812
2000-01	3,871,611
2001-02	3,695,077
2002-03	3,840,424

Source: Summit County Planning Department; USFS.



Month	1995	Percent of Annual Sales	2000	Percent of Annual Sales	Percent Change 1995 - 2000
January	\$49,819	10.0%	\$56,443	9.2%	13.3%
February	\$55,681	11.1%	\$60,783	10%	9.2%
March	\$60,599	12.1%	\$67,825	11.1%	11.9%

Month	1995	Percent of Annual Sales	2000	Percent of Annual Sales	Percent Change 1995 - 2000
April	\$37,282	7.4%	\$40,932	6.7%	9.8%
May	\$23,530	4.7%	\$33,563	5.5%	42.6%
June	\$32,287	6.4%	\$46,204	7.6%	43.1%
July	\$41,985	8.4%	\$51,148	8.4%	21.9%
August	\$38,406	7.6%	\$53,422	8.8%	39%
September	\$37,026	7.4%	\$49,798	8.1%	34.5%
October	\$27,364	5.5%	\$38,606	6.3%	39%
November	\$29,920	6.0%	\$38,759	6.3%	29.5%
December	\$66,366	13.4%	\$72,898	12%	9.8%
Totals	\$500,265	100%	\$610,381	100%	Mean - 25%

¹ Adjusted to account for inflation using a constant in 1982-84 dollars. Data includes incorporated areas.
Source: Summit County Statistician, 2001.

Strengths, Weaknesses, Issues, and Opportunities

For economic development efforts to be effective, it is important the County focus on strategic planning and activities in areas where there is a competitive advantage and where the greatest opportunity lies. To measure or gauge the County's economic sustainability, it is essential to further examine these opportunities. Furthermore, it is critical to concentrate on inventorying and assessing the built environment, monitoring the work force, fostering quality development, and analyzing strengths and weaknesses, opportunities, and threats.

To address economic sustainability efforts would require the County to build on its strengths, correct weaknesses, and protect against vulnerabilities and threats. The need for countywide guiding principles and a coalition to focus on short-term actions that support a long-term economic sustainability strategy is key.

The following embodies some of the major issues that should be further promoted and studied to capitalize on strengths and improve economic sustainability efforts throughout the County:

- Proximity to Denver.
- Supporting the development of telecommunications infrastructure alternatives to meet demand.
 - Fiber optics, digital subscriber lines, fixed wireless, cable modem service, integrated services digital network, satellite service, 3rd generation wireless, or conventional T1 service.
- Initiating relevant and innovative programs to create and sustain economic development efforts.
 - Formalize a countywide economic development authority/corporation, with cooperation from all major players (e.g., towns, resorts).
- Lifestyle, quality of life, and existing recreational opportunities and amenities.
- Analysis of land ownership patterns and zoning to accommodate for different economic opportunities that arise.
- Understanding the current role of national forest management and its impacts on the economy.
- The public role in marketing.
- Infrastructure and incentives to retain and recruit businesses.
 - Telecommunications infrastructure.
 - Business retention and expansion program.
- Identifying and recruiting target industries/niche opportunities, such as:
 - Elder population/senior living services and facilities.
 - Medical center, healthcare facilities, and social assistance.

- Wholesale sporting goods.
- Executive and corporate retail or satellite offices (e.g., Patagonia mail-order headquarters—formerly in Bozeman MT).
- Public Relation firms specializing in outdoor sports (e.g., Stanwood and Partners - Jackson Hole WY, Backbone Media - Aspen CO, Fuse Marketing - Burlington VT, Resort Support Network (RSN) – Summit County).
- Recreational goods manufactures and retailers (e.g., Osprey Packs – Cortez CO, Chaco Sandals – Paonia CO, Big Agnes Products - Steamboat Springs CO, Melanzana clothing gear – Leadville CO, Unity Snowboards - Dillon).
- Educational opportunities/institutions (e.g., Colorado Mountain College, Breckenridge Outdoor Education Center).

Goals, Policies/Actions

Goal A. Sustain and create opportunities conducive to growth in tourism and recreation.

Policy/Action 1. Promote tourism and recreation as a major industry.

Policy/Action 2. Continue to develop year-round, multifaceted tourism opportunities consistent with community adopted land use patterns and overall community character.

2.1 Encourage and support the use of a wide-range of community and resort facilities that make up the tourism industry infrastructure.

2.2 Continue to make the County attractive and convenient for visitors through enhancements to appropriate services and infrastructure (e.g., aesthetics and pedestrian facilities).

Policy/Action 3. Amend the Land Use and Development Code to combine the Code’s fiscal impact requirements with the requirements for major development projects.

3.1 Refine the definition of major development projects in order to strengthen the County’s ability to require fiscal impact analyses for large projects in urban areas.

Goal B. Diversify and update the County’s economic base to increase resilience to changing external conditions.

Sustainability

Policy/Action 1. Identify the County's land use carrying capacity and as it pertains to recreation, tourism, and second home sectors.

Policy/Action 2. Support the development and deployment of appropriate infrastructure alternatives to meet demand (e.g., telecommunications).

Policy/Action 3. Explore and pursue opportunities that diversify the County’s basic industries and revenue streams (e.g., decrease reliance of on sales tax revenue).

3.1 Evaluate land use needs, availability, and patterns for industrial and commercial uses.

3.2 Identify, seek, and recruit target industries/niche opportunities.

Cooperative Efforts

Policy/Action 4. The County, in concert with the towns, resorts, and chambers of commerce, should form a countywide economic development authority/corporation to generate a proactive economic strategy/plan aimed at diversifying, balancing and stabilizing the County's economy.

4.1 At a minimum, this strategy should focus on establishing actions that the County should pursue to minimize the economic impacts of future economic cycles. Additionally the strategy could address:

- Exploring the feasibility of providing land acquisition and assistance for business retention and expansion.
- Developing and providing incentives for businesses to locate within appropriate areas, including infrastructure investment.
- Developing a targeted business approach to attracting investment.
- Maintaining adequate job base and wages to serve County residents.
- Explore programs and opportunities with the Colorado Mountain College (CMC) to serve local businesses.

Policy/Action 5. The County shall continue to support the efforts of the Economic Linkages Project sponsored by the Northwest Colorado Council of Government set forth in Building Bridges to identify linkages between major land use decisions, the local economy and fiscal impacts.

5.1 Once a better understanding of these economic linkages is understood and quantified, revisions to the plan should be undertaken to insure that infrastructure and land use are adequately planned for to accommodate anticipated development.

Policy/Action 6. Increase efforts to support business retention and expansion, while also focusing on attracting new businesses.

6.1 Identify and obtain local, state and federal resources to provide economic development incentives or tools (e.g., tax increments financing for infrastructure, enterprise zones) for businesses to locate within appropriate areas of the County.

Policy/Action 7. The County should be proactive in promoting a philosophy and programs that purport sharing sales tax revenue between all jurisdictions/towns.

Commercial & Retail

Policy/Action 8. Promote infill and redevelopment to accommodate new business needs.

Business Attraction/Senior Population

Policy/Action 9. Develop the services and businesses that will benefit the growing senior population and positively impact the County.

Policy/Action 10. The County should partner, where appropriate, to strengthen local healthcare services or establish a regional medical center/facility.

Sustainability Measures

Programs and procedures are needed to initiate activities to address economic sustainability. Ideally this would be accomplished through an economic development committee/corporation. It should be the intent of this type of organization to identify and establish measurable economic sustainability targets through a countywide economic strategy/plan. In addition to establishing targets, this group could set priorities to guide programs. This could be accomplished through establishing goals and defining benchmarks to measure progress in an array of areas deemed pertinent to economic sustainability.

County	2000 Count	Percent	2010 Count	Percent
Summit	15,044	94.3%		
Eagle	235	1.47%		
Denver	164	1.03%		
Jefferson	71	0.44%		
Grand	39	0.24%		
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Sources: U.S. Census Bureau 2000; Colorado Department of Local Affairs.

Industry	1999	2010
Services	9,547	
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Finance, Insurance, and Real Estate	1,631	
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Agriculture	428	
Mining and Manufacturing	307	
Total	23,703	

Source: Colorado Demography Section, Department of Local Affairs.

Basic Industry Group	Jobs Percent Basic 2000	Income Average Wage 2000	Jobs Percent Basic 2010	Income Average Wage 2010
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Manufacturing	0.4	\$37,859		
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Source: Colorado Demography Section, Department of Local Affairs.

Year	Skier-Visits	Percent Increase/Decrease
2000/2001	3,871,611	
2001/2002	3,695,077	(4.8%)
2002/2003	3,840,424	3.9%
2003/2004		
Etc.		
Mean		

Source: Summit County Planning Department.

Month	2000	2005	% Change 2000 – 2005	2010	% Change 2005 - 2010
January	\$501,550				
February	\$557,451				
March	\$570,100				
April	\$294,928				
May	\$172,596				
June	\$257,379				
July	\$266,181				
August	\$176,525				
September	\$288,338				
October	\$188,804				
November	\$228,169				
December	\$500,748				
Totals	\$610,381		Mean		Mean

¹Summit County jurisdiction; towns not included.
Source: Summit County Finance Department.

Implementation Strategies

Many of the policies and actions identified in this element require some future work, such as an amendment to the Land Use and Development Code, in order to see their successful implementation. The table below identifies specific strategies needed to fully implement the Economic Sustainability Element. Priorities are identified to give an indication of the current relative importance of a particular implementation strategy. These priorities are provided as guidelines only.

Table 14. Economic Opportunity Element Implementation Strategies			
Goal, Policy/Action	Project/Description	Timeframe	Priority
B.1, B.5	The need exists to identify the County's land use carrying capacity as it pertains to recreation, tourism, and second home sectors. This could be accomplished through the County's continued participation in the Economic Linkages Project sponsored by the Northwest Colorado Council of Government set forth in Building Bridges. The project aims to identify linkages between major land use decisions and the local economy. Continued participation in the Project should be supported. Once a better understanding of these economic linkages is understood and quantified, revisions to this Plan should be undertaken to insure that infrastructure and land use are adequately planned for to accommodate anticipated development.	1-3 years	High
B.3, B.4, B.6	To strengthen County economic development efforts, it is essential to coordinate and form a public/private economic development committee or council. The organization would be tasked with developing an economic strategy/plan. This would help initiate and focus efforts aimed at diversifying and balancing the local economy to minimize impacts of future economic cycles. Additionally the strategy could address: <ul style="list-style-type: none"> • Exploring the feasibility of providing land acquisition and assistance for business retention and expansion. • Developing and providing incentives for businesses, including infrastructure investment. • Developing a targeted business approach to attracting investment. • Maintaining adequate job base and wages to serve County residents. 	1-3 years	High
A.3	Amend the Land Use and Development Code to combine the Code's fiscal impact requirements section with the section for major development projects. This will eliminate redundancy and streamline requirements for fiscal impact analyses. As part of the amendments, the definition of what constitutes a major development project should be clarified, particularly to implement fiscal impact analyses requirements for large projects in urban areas.	1-3 years	Low

Sources: Assisted Living Feasibility Study, SCHA; Shaping Our Summit, Indicators of a Healthy Community, Summit County Planning Department; Department of Local Affairs; U.S. Census Bureau 2000.

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