

Moffat County Comprehensive Economic Development Strategy (CEDS) September 2016 to September 2021



Prepared by: **Better City**

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Executive Summary

This report represents the Moffat County Comprehensive Economic Development Strategy (CEDS) as created through a comprehensive economic assessment, market analysis and resilient action plan to diversify the economy from coal reliance.

Moffat County, Colorado, is located in northwest Colorado and is the 2nd largest County in Colorado with 4,743 square miles of land and contains 2,544 square miles of federal lands. The region includes the incorporated Town of Dinosaur and City of Craig, the County seat. According to the 2014 Census, the population estimate is 12,928 or 2.9 persons per square mile, with median household income of \$53,231 in comparison with Colorado of \$58,433.

Moffat County has one of the largest power plants in Colorado, Tri State, which is supplied by coal from two local mines, Trapper and Colowyo. These energy industries are Moffat County's largest employers. Moffat County also provides a large portion of the coal employees for the state. According to the 2014 Colorado Department of Local Affairs Severance Direct Distribution, Moffat County has 627 coal employees out of a statewide total of 1,912 or 32.8% of the state workforce.

In August of 2015, Moffat County applied to the United States Economic Development Administration and the Colorado Department of Local Affairs for funding to hire a consultant to complete an economic assessment for Moffat County which evaluates existing economic and demographic trends within the County. The application was made in cooperation with the project stakeholders, City of Craig and Town of Dinosaur, Moffat County Tourism Association, area chambers, Craig/Moffat Economic Development Partnership, Downtown Business Association, Colorado Workforce Center and Colorado Northwest Community College from a common theme of vision, goals and objectives from the letters of support for the project as follows:

Vision: To diversify Moffat County's economy and benefit current businesses.

Goals: Identify economic resources that strengthen and integrate existing plans and strategies, creates a market analysis and action plan.

Objectives: Complete an economic assessment for Moffat County which evaluates existing economic and demographic trends within the County.

The initial stakeholders identified through letters of commitment for their in-kind contribution, although not a formal (CEDS) Committee, are:

Chuck Grobe, Moffat County Commissioner
John Kinkaid, Moffat County Commissioner
Frank Moe, Moffat County Commissioner
Mindy Curtis, Moffat County Finance Director
Jim Ferree, City of Craig Manager
Janelle Oberlander, Colorado Northwestern Community College
Russell George, President, Colorado Northwestern Community College
Melody Villard, Moffat County Tourism Association
Audrey Danner, Craig/Moffat Economic Development Partnership

Although there has been some involvement by these initial stakeholders outside of Moffat County representatives, there has been turnover in positions. Due to the broad interests served by the Board of County Commissioners, the commissioners acted as the CEDS Committee for this process. The broad interest groups they serve are in the following table:

Commissioner	Board/Organization
Chuck Grobe	AGNC/Council on Aging
Chuck Grobe	Colorado Counties, Inc.
Chuck Grobe	Fair Board
Chuck Grobe	Hamilton Community Hall
Chuck Grobe	Human Resource Council (Mo Co United Way)
Chuck Grobe	Land Use Board
Chuck Grobe	Moffat County Tourism Association
Chuck Grobe	Northwest Transportation Planning Region

Commissioner	Board/Organization
John Kinkaid	14th Judicial Community Corrections Board
John Kinkaid	Housing Authority Board
John Kinkaid	Memorial Hospital Board of Trustees
John Kinkaid	NW CO Workforce Investment Board
John Kinkaid	Visiting Nurses Association
John Kinkaid	Weed Partnership
John Kinkaid	Yampa River Legacy

Commissioner	Board/Organization
Frank Moe	Airport Advisory Board
Frank Moe	Craig/Moffat Economic Development Partnership
Frank Moe	Craig Chamber of Commerce
Frank Moe	Library Board of Trustees
Frank Moe	Maybell Ambulance
Frank Moe	Maybell Community Center
Frank Moe	Maybell Sewer Board
Frank Moe	Maybell Volunteer Fire Department Advisory Board
Frank Moe	Museum Board
Frank Moe	Planning Commission
Frank Moe	Yampa Valley Economic Development Council

Moving forward, stakeholders will be asked to join such as: Local Marketing District, City of Craig, Town of Dinosaur, area chambers, Craig/Moffat Economic Development Partnership, Downtown Business Association, Colorado Workforce Center and Colorado Northwest Community College and others. Ideally, this will happen through the CEDS action/implementation plan Goal I to establish information networks included in Appendix B of this report.

The initial CEDS was posted on the Moffat County Website on 6/22/2016 asking for comments. Comments and suggested changes to date for the CEDS document are included in this version which include adding an executive summary, adding the challenge of environmental issues, updating the challenge of the coal section with current events, adding the Balloon Festival to local celebrations, clarifying the amount of Dinosaur National Monument visitors within the 30 mile radius, adding conclusions and adding the CEDS action/implementation table.

In February of 2016, Moffat County contracted with Better City, Inc. to conduct the economic assessment in three phases; Phase 1 – Economic Assessment, Phase 2 – Market Analysis and Phase 3 – Final Report with Recommendations/Action Plan.

Throughout each of these phases, there has been broad based participation. Ninety one-on-one interviews and conversations were held with different stakeholders and community members between 3/14/16 – 5/13/16 with Better City. In addition, approximately 181 people attended various open houses throughout the county that were held between 4/26/16 – 7/13/16 to gather further input and to allow more opportunity for the public to communicate with Better City.

The summary of each of these phases from Better City’s work are as follows:

Phase 1 –Economic Assessment: The information in this report has been collected from previous reports, researched from original data sources, and consolidated from interviews with key

community stakeholders. Because there is so much information about the County that has already been published, the focus of this phase is to mine for differentiation – find and articulate those data and factors that are most critical in identifying points of differentiation that are either impediments that must be overcome or opportunities that can be capitalized.

The primary findings are:

- The County is experiencing out-migration and is losing college graduates at a higher rate than any other group.
- Median incomes have fallen over the past five years.
- Moffat County students have lower performance than the state average on proficiency tests.
- 802 net workers commute out of the County for employment every day.
- The unemployment rate has fallen steadily since 2010.
- Home prices in the County have been flat or have declined over the last two years while rental rates have increased.

The strengths of Moffat County include, in no particular order:

- Community Spirit & Engagement
- Colorado Northern Community College (CNCC)
- Outdoor Recreation Offerings
- Community-Minded Young Professionals
- Inter-governmental Relations
- Competitive Electricity Rates
- Abundance of Water Rights
- Excess Sewer Capacity
- Airport
- Tri-State Generation and Transmission
- Broadband
- Sheep Farming

The major challenges Moffat County faces include:

- Concentrated Coal Economy
- Rural and Remote Location⁵
- Lack of Career Opportunities / Brain-Drain
- Malaise

- Street orientation
- Downtown
- Mental Health Services
- Medical Professionals
- Recreation Amenities
- Environmental Issues

Moffat County is a great community and has a lot going for it. Like any community, it has its challenges but the strength of its community spirit and the determination of its people will enable Moffat County to become a vibrant, prosperous community.

Phase 2 – Market Analysis: The twin industries of coal mining and coal fired energy production have been the bedrock of Moffat County’s economy for a generation. The current environment for the coal industry is very challenging. The County must diversify its economy and begin to invest in other industries in order to ensure its long-term economic health. The good news is that the situation is not dire. While the coal industry as a whole is struggling, the local mines are stable and the Tri State Generating plant is meeting all current regulations. This stability affords Moffat County the luxury of being able to work on economic development ‘base hits’ to bring incremental improvement rather than having to hope for an immediate ‘home run’.

The Location Quotient, Shift Share and Industry Cluster sections of this phase highlight the over-reliance of the economy on the mining and utilities industry sectors and the relative weakness of other clusters. The Regional Economic Linkages model quantifies the outflow of workers to surrounding counties but also underscores the strength of basic industries in the County. The industries that show the greatest potential for Moffat County are Artisan Wool Textile Manufacturing, Manufacturing, Tourism, and Aquaculture. This report examines each of these industries in detail and provides analysis of Moffat County’s relative advantages and challenges in each. The potential economic impact of the industries is also presented.

The number of jobs that could potentially be added in the short run is shown in Table 4. It is important to understand that economic development is a long-term proposition and that new industries most typically start from a small base.

	Direct Jobs	Total Jobs
Artisan Textiles	20	56
Manufacturing	128	527
Tourism	145	213
Aquaculture	17	36

Sources: Bureau of Labor Statistics; TTARA Research Foundation; Business Research Division, Leeds School of Business, University of Colorado Boulder

Table 1: 3 to 5 Year Potential Job Estimates

Economic development and growth will unfold in Moffat County with a focus on downtown redevelopment, creation of critical community assets and the creation of new industries. The initial job creation may be small, but once the pump has been primed and the narrative of Moffat County becomes one of an authentic community who knows who it is and is moving boldly toward a better future, job creation will accelerate.

Phase 3 –Final Report with Recommendations/Action Plan: The Phase 2 study identified several industries that take advantage of Moffat County’s natural strategic advantages as well as areas of focus that would be catalytic for other development and growth. Phase 3 refines those broad areas into specific projects that can be implemented.

The project recommendations build on the findings from the industry analysis and are designed to give sufficient information for Moffat County’s stakeholders to make decisions on which to prioritize. Each project has potential for success and could be an important step in bringing new jobs and economic vitality. Each also has its challenges and risks. The projects are listed in order by those which are most likely to produce results and have the highest likelihood of success.



Following are brief descriptions of the proposed projects:

Downtown Mixed-use Development

Downtown Craig was once a center of commerce and entertainment but over the years has gradually lost some of its vitality and relevance to the region. There is significant and disproportionate retail leakage from the County. Retail leakage of this scale typically indicates that there is market demand for products and services that could be filled from within the County.

There is an opportunity to revitalize downtown and recapture some of the outflowing retail sales through a mixed-use development with housing, retail, professional offices, a community center and a recreation center in a downtown location. The benefit of the project would transcend the increased tax base and retail and professional jobs created. The investment in downtown would bring significant quality-of-life improvements and assist in attracting and retaining quality workers to the area and would create a renewed sense of pride in the community.

Themed Attraction – Dinosaur

Nearly 300,000 visitors come to the Dinosaur National Monument every year but Moffat County gets very little economic impact from these tourists as less than 30,000 come to the Dinosaur, Colorado side of the Monument with the remaining going to the Jensen, Utah side that is less than 30 miles away. Having a themed attraction in Dinosaur would fill a market need for families who visit the visitor’s center but would like more contemporary, active dinosaur-themed activities for their children. The attraction should be co-located with a hospitality product. The incremental lodging tax dollars would help fund further economic development.

Industrial Park

There are two realities with industrial park. The first is that if you don’t have industrial lots that are shovel-ready then you have a significant disadvantage when recruiting companies. The second is that if you build it they won’t necessarily come. The key is to

configure the industrial park for target industries and then aggressively pursue companies in those industries.

Artisan Textile Manufacturing

There is a growing market for artisan goods and materials. With Moffat County's sheep industry and branding as the 'authentic west', there is the potential to create a textile industry in the County that focuses on natural, minimally processed yarns and textiles.

Entrepreneur / Manufacturing Incubator

An incubator is both a location and a system that brings resources and expertise to entrepreneurs. Creating an incubator in Moffat County will encourage entrepreneurship and help existing businesses to grow and become more commercially viable.

Aquaculture/Aquaponics

Inland fisheries where fish are grown and harvested is one of the fastest-growing segments of the food production industry. Because of the availability of waste heat from the electrical generating plant, the opportunity exists to introduce aquaculture or aquaponics in Moffat County.

Other Recommendations

While Maybell will not benefit directly from any of the above projects, there are measures that can be taken to improve that community including potential development at Juniper Hot Springs, increased communication with elected officials and County promotion of the Sombrero Horse Drive.

The County also needs to make a concerted effort to communicate the positive changes and the vision for the future to help improve consumer confidence.

Phase 1 Report

Summary

The Moffat 2035 Final Report listed first under its Economic Pillar action items, “Implement an economic development plan for the region with projects and budgets.”¹

Moffat County has had many analyses and reports over the past six years. There is a wealth of data available about almost every demographic and economic aspect of the County (See the Bibliography at the end of this report for a partial listing of the studies). In the fall of 2015, the Moffat County Commissioners made the determination to take the next step and undertake a Comprehensive Economic Assessment that will result in projects being identified and vetted in preparation for their implementation.

The purpose of this Phase 1 report is to present the demographic, economic and social data that is most helpful in understanding Moffat County – its strengths, its weaknesses and its opportunities. This information will form the foundation for the analysis of markets and industries in Phase II and the identification of catalytic projects in Phase III.

The information in this report has been culled from previous reports, researched from original data sources, and consolidated from interviews with key community stakeholders.

Because there is so much information about the County that has already been published, the focus of this report is to mine for differentiation – find and articulate those data and factors that are most critical in identifying points of differentiation that are either impediments that must be overcome or opportunities that can be capitalized.

The primary findings are:

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- Median incomes have fallen over the past five years.
- Moffat County students have lower performance than the state average on proficiency tests.
- 802 net workers commute out of the County for employment every day.
- The unemployment rate has fallen steadily since 2010.
- Home prices in the County have been flat or have declined over the last two years while rental rates have increased.

The strengths of the County include, in no particular order:

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- Outdoor Recreation Offerings
- Community-Minded Young Professionals
- Inter-governmental Relations
- Competitive Electricity Rates
- Abundance of Water Rights
- Excess Sewer Capacity
- Airport
- Tri-State Generation and Transmission
- Broadband
- Sheep Farming

The major challenges the County faces include:

- Concentrated Coal Economy
- Rural and Remote Location
- Lack of Career Opportunities / Brain-Drain
- Malaise
- Street orientation
- Downtown
- Mental Health Services
- Medical Professionals
- Recreation Amenities
- Environmental Issues

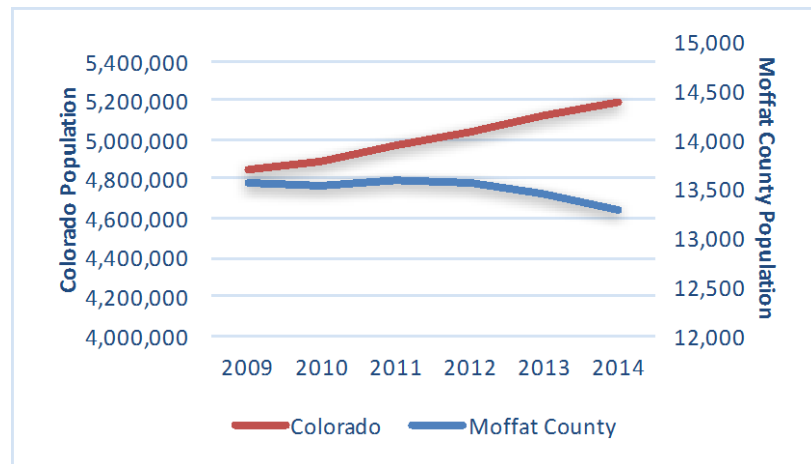
¹ Moffat 2035 Final Report

Moffat County is a great community and has a lot going for it. Like any community, it has its challenges but the strength of its community spirit and the determination of its people will enable Moffat County to become a vibrant, prosperous community.

Demographic Data

Population

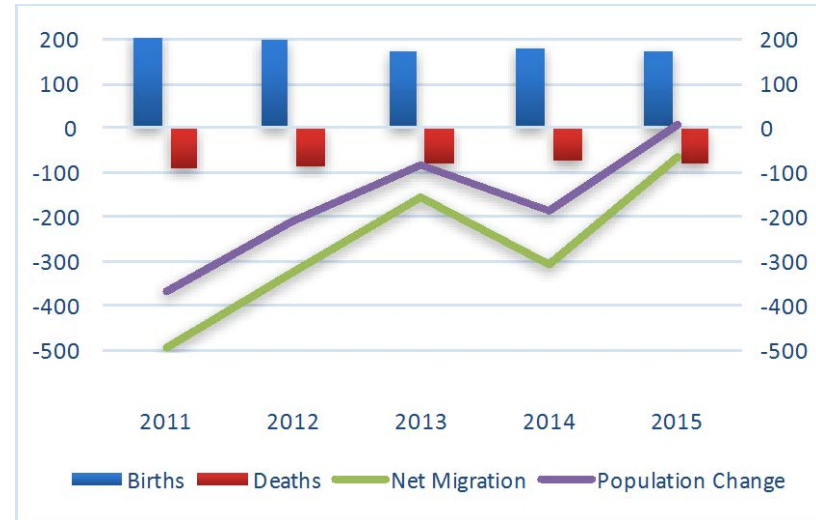
Moffat County's population has declined by 1.7% over the last five years while the state's population has increased by 6.4% (See Figure 1). A declining population is a problem for the economy because it puts deflationary pressure on the housing market – reducing the value of most people's largest asset, and reduces economic activity for all sectors of the economy. A shrinking population leads to a shrinking economy and can create a negative cycle of disinvestment.



Source: US Census ACS Survey

Figure 1: Population Change

The number of births exceeds death every year, so the decline in population is attributable to out-migration (See Figure 2). The positive news is that this trend has improved over the past five years and in 2015 the County added a total of five new residents. If the trend line continues in 2016, Moffat County could see its first significant increases in population in many years.

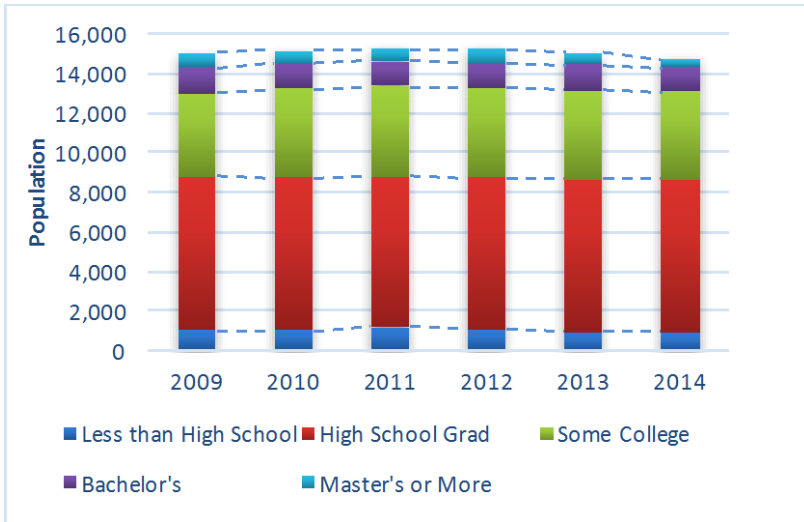


Source: US Census Bureau

Figure 2: Net Migration

From 2009 to 2014, the population aged twenty-five years or older fell by 302 while the number with a bachelor's degree or higher fell by 362 (See Figure 3). The data indicates that not only are the majority of students leaving to obtain bachelor's degree and not returning to the County, but 18% of those holding bachelor's degrees left the County. This 'brain drain' is a significant threat as the economy of the future will be ever more dependent on information and technology to create new jobs.

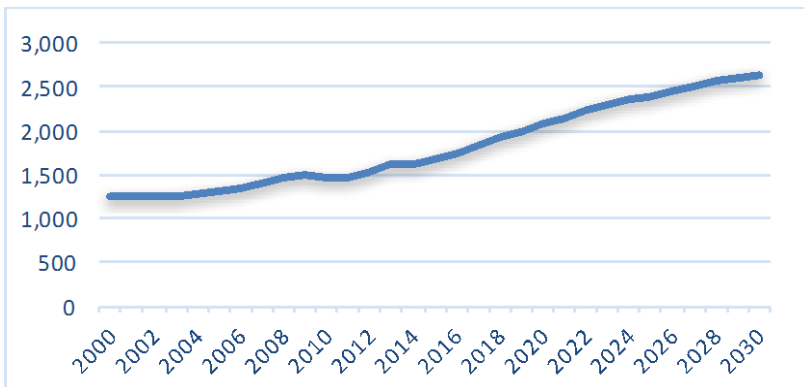
The fabric of society is in danger if a community's primary export is its best and brightest children. It is not just the loss of population but the loss of continuity of generations and a diminishing sense of place that is such a threat to a community.



Source: US Census ACS Survey

Figure 3: Population Change by Education Level

During the interviews, some pointed to senior citizens as a potential demographic category that could contribute to future population growth.

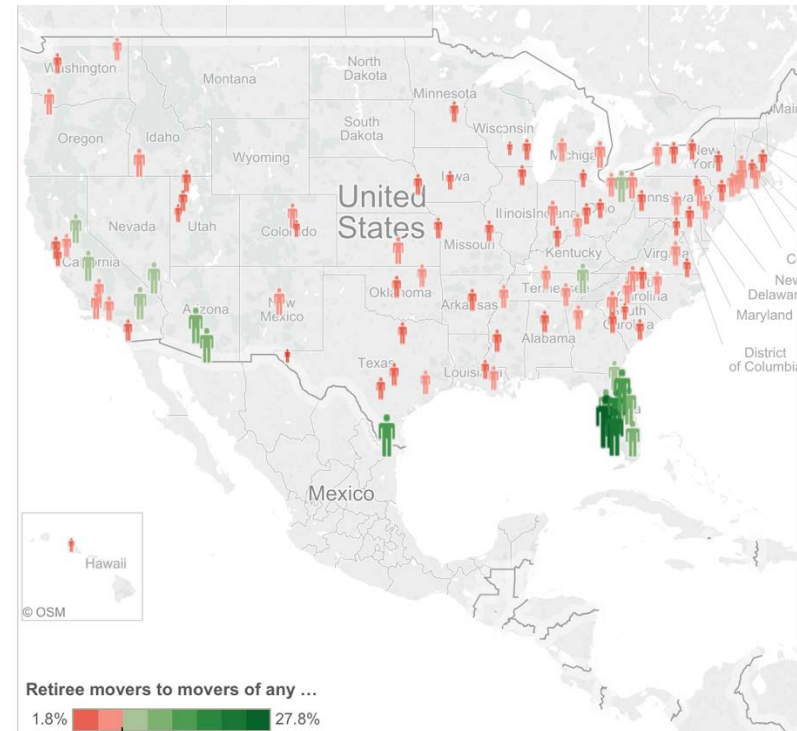


Source: Colorado Department of Local Affairs

Figure 4: Over 65 Population Projections

The Colorado Department of Local Affairs has published a prediction that the population over 65 will grow by 56% over the next 15 years (See Figure 4). Such a high rate of growth would represent a significant departure from the historical trend as that group has only grown by 36% over the last 15 years. The state demographer's assumptions appear to be aggressive in light of the trend toward more seniors moving to retirement communities in the southwest.

In Figure 5, the size of the figures represents the number of people moving into the area from 2010 to 2012 and the greenest have the highest proportion of retirees moving in. The west coast, southwest and Florida remain the destinations of choice for seniors.

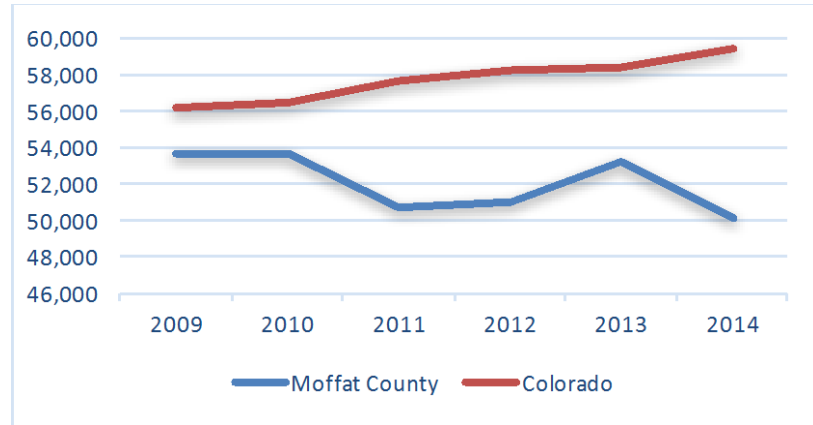


Source: Nadia Evangelou, Research Economist, National Association of Realtors

Figure 5: Where Seniors Are Moving

Income

The change in median income in Moffat County and the state is depicted in Figure 6. While the state has experienced strong and consistent growth, incomes are falling in Moffat County.



Source: US Census ACS Survey

Figure 6: Change in Median Income

Education

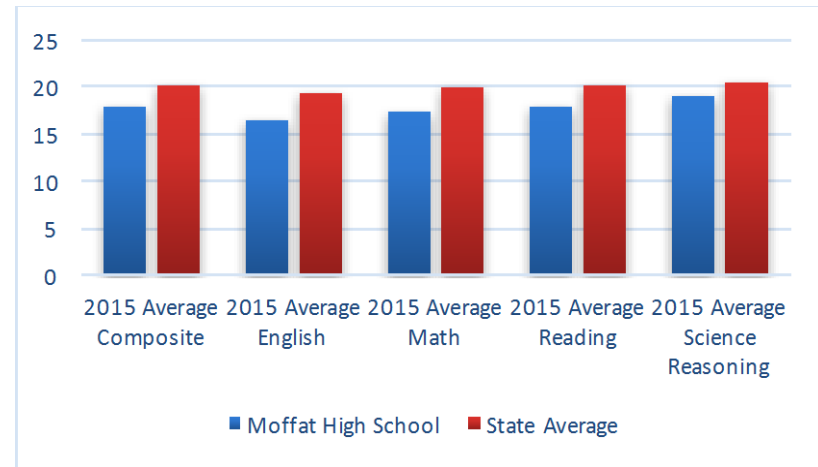
Moffat County schools have almost exactly the same portion of their students receiving free and reduced lunches as the state average (See Table 2).

	% FREE	% REDUCED	% FREE AND REDUCED
Moffat	33.70%	8.30%	42.00%
Colorado	34.70%	7.40%	42.20%

Source: Colorado Department of Education

Table 2: Free and Reduced School Lunches

The number of free and reduced lunches is an important measure because there is an inverse correlation between free and reduced lunch percentages and scores on proficiency tests.



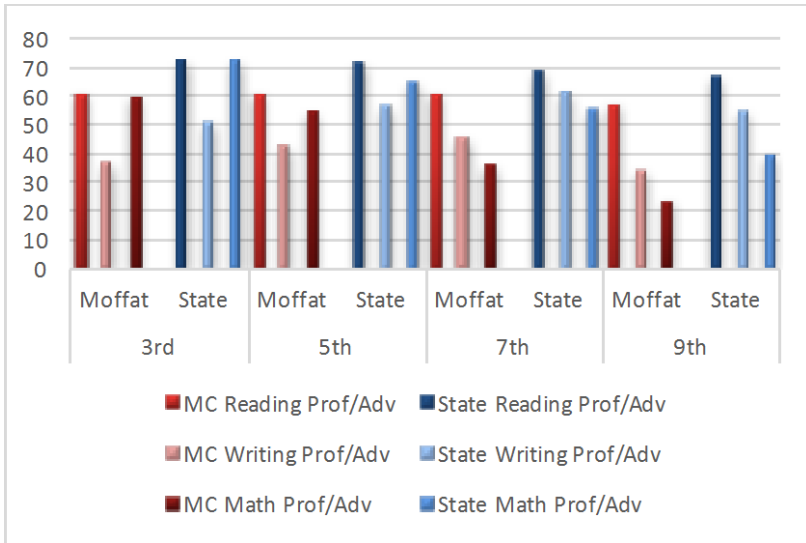
Source: Colorado Department of Education

Figure 7: ACT Scores

Moffat High School students had an average ACT college entrance exam that was 2.3 points lower than the state average (See Figure 7). The high school was in the 30th percentile in the state for the performance of its students on the test.

Students in each grade take the Transitional Colorado Assessment Program (TCAP) every year to determine if they have attained proficiency on that year’s curricula. The results are consolidated into the categories of Unsatisfactory, Partially Proficient, Proficient and Advanced.

The results of the 2014 assessments for four grades are shown in Figure 8. The chart shows the percentage of students who were Proficient or Advanced. On average, 13.5% fewer students in Moffat County are achieving higher subject matter proficiency than the state average. One of the biggest variances from state averages is the percentage of students achieving Advanced proficiency with Moffat County trailing State averages by 8%.



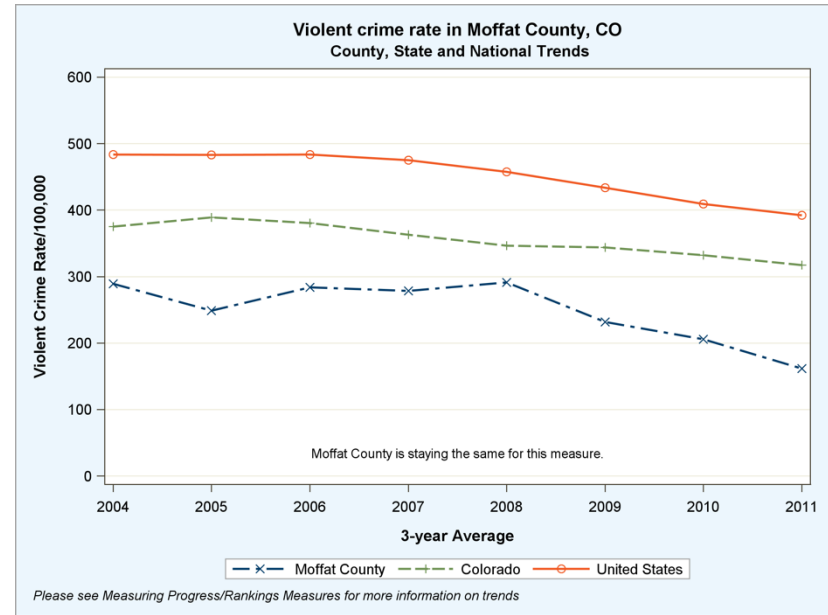
Source: Colorado Department of Education

Figure 8: Subject Matter Proficiency

Quality of Life

There are several metrics that measure the quality of life and health of a community.

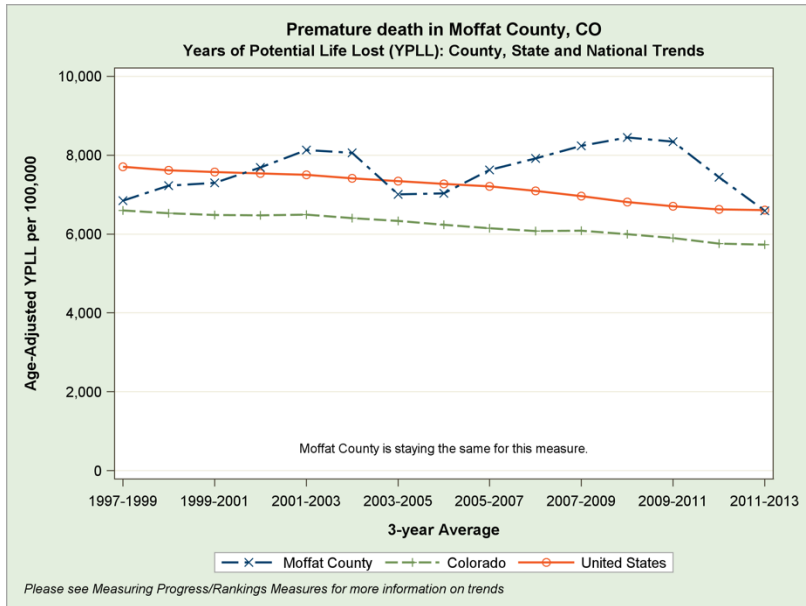
Moffat County has very low and continually declining rates of violent crime (See Figure 9). A sense of safety is a primary contributor to quality of life and Moffat County does excellent in this area.



Source: www.countyhealthrankings.org

Figure 9: Violent Crime Statistics

Premature death is a measure of the potential years of life lost by those who die before the average year of death. While Moffat County has had some years that were significantly higher than the national average, the trend over the last four reported years is that the level of premature deaths is declining (See Figure 10).



Source: www.countyhealthrankings.org

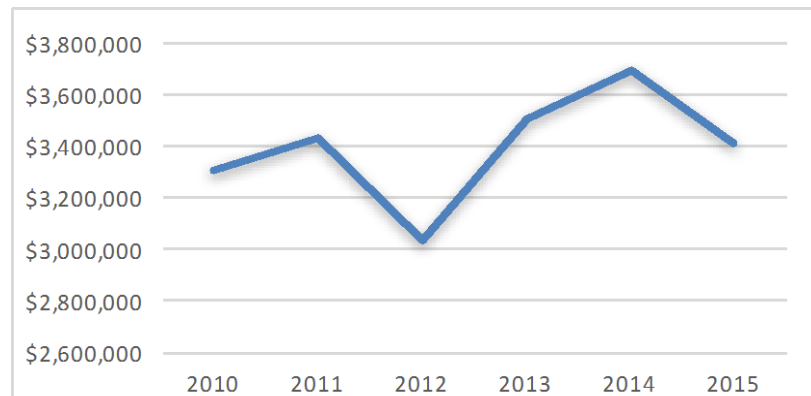
Figure 10: Premature Death

Economic Data

The following economic data are the most salient in understanding the current state of Moffat County's economy and in projecting its future.

Despite falling population and declining median incomes, County sales tax receipts have actually been relatively flat from 2010 (See Figure 11).

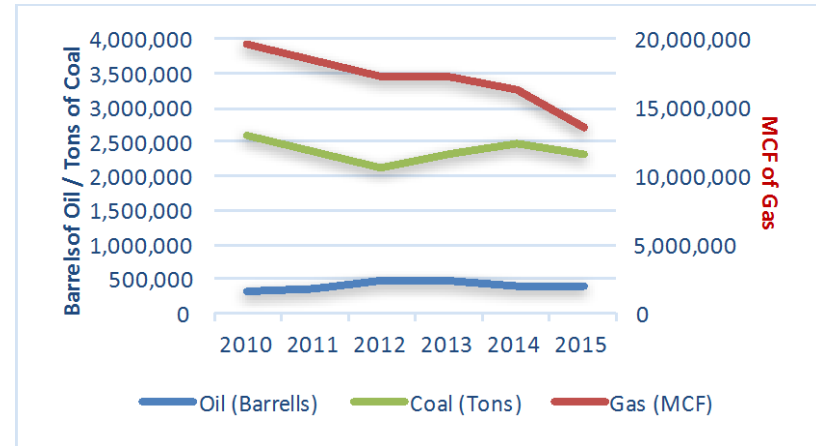
The retail market is showing more strength than would otherwise be expected.



Source: Moffat County Budget

Figure 11: County Sales Tax Receipts

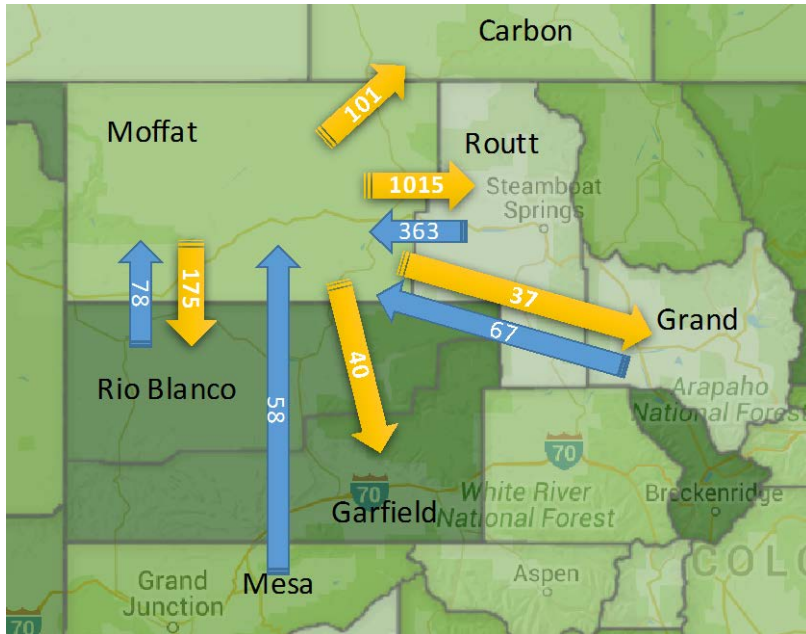
The energy-related commodities produced in Moffat County are depicted in Figure 12. Despite the decline in global oil prices, oil production has been relatively stable in the County. Coal has also remained fairly consistent and the only commodity in decline is natural gas.



Sources: Colorado Oil and Gas Conservation Commission, Colorado Division of Reclamation, Mining and Safety

Figure 12: Commodities Produced

There are 802 more workers who leave the County for work every day than come in. Figure 13 depicts the flows of workers into and out of the County. Note that estimates of worker mobility that were not outside of the margin of error were not included in the analysis. The largest flow of workers is from Moffat County to Routt County and the resorts of Steamboat Springs.



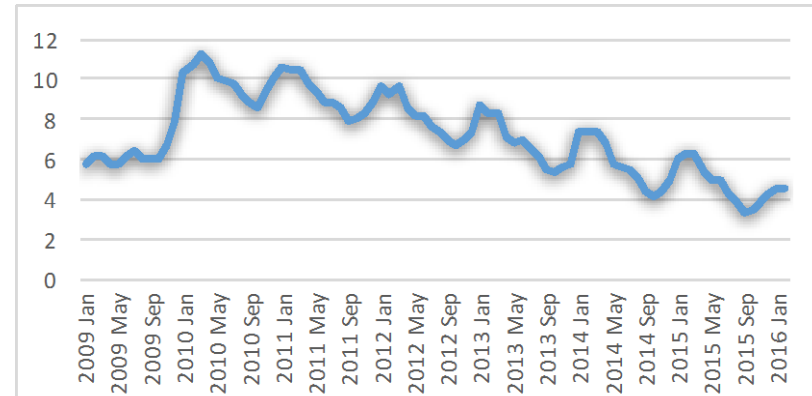
Source: Bureau of Labor Statistics

Figure 13: Worker Migration

The unemployment rate has fallen consistently from the beginning of 2010 (See Figure 14). The February 2016 rate of 4.5% is indicative of a well-functioning labor market.

A tight labor market is inconsistent with falling wages, however. If employers have difficulty finding workers then they must raise wages to compete with others seeking skilled employees, but the falling median wage suggests that is not happening yet.

Rich Thompson from Tri-State Generation and Transmission indicated that the plant has no trouble filling positions when they become available and that there are many applicants for each posted position. That would indicate that the jobs that are being created are at the low end of the wage scale and any increases in wages at that end of the market would be insufficient to alter the median wage.

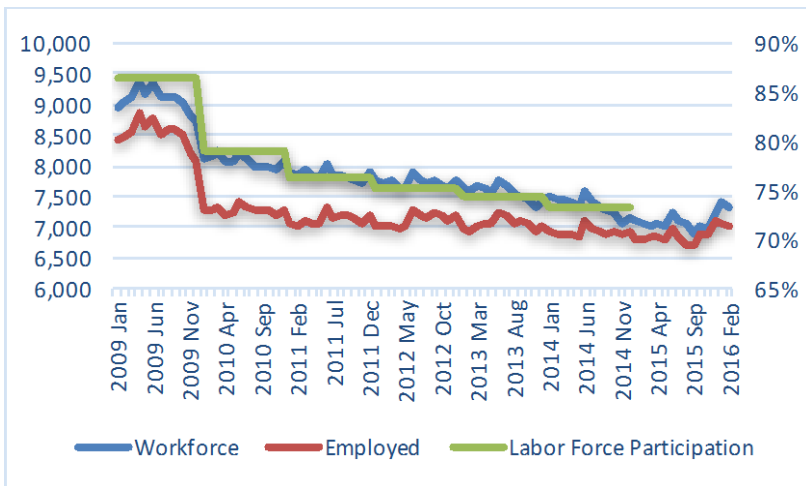


Source: US Bureau of Labor Statistics

Figure 14: Unemployment Rate

A more troubling trend is the decline in the labor market (See Figure 15). The number of adults either working or seeking employment has fallen steadily from 2009. This could be attributable to out-migration or discouraged workers who are no longer looking for work.

The decline in the labor force mirrors the falling unemployment rate and indicates that one of the primary reasons that unemployment has decreased is because adults are leaving the labor force while the number of jobs remain constant. This is manifest in the employment line staying relatively constant around 7,000 since 2010 while the labor force has fallen.



Source: US Bureau of Labor Statistics

Figure 15: Labor Force

In a survey of business owners in 2010, “Housing” was identified as the “#1 issue” in attracting and keeping good employees.² The impact of inadequate housing was reiterated in interviews with key stakeholders – especially with respect to being able to attract and retain medical professionals.

The changes in the median listing price per square feet and median listing price of homes for sales are displayed in Figure 16 and Figure 17.

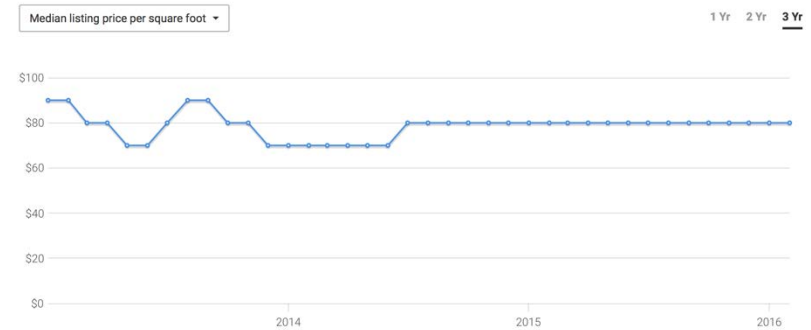
Housing prices are either stagnant or falling in the County. A declining housing market is a significant impediment to economic growth because houses tend to be the largest source of wealth for families. Falling prices means declining wealth for families and a negative ‘wealth effect’ which causes consumers to spend less – even though their income is unaffected – because they feel less confident about the future.

² Listening to Business Survey Report, El Pomar/Meas State College, Q2 2010



Market Trends

Real Estate Market Trends in Moffat, CO

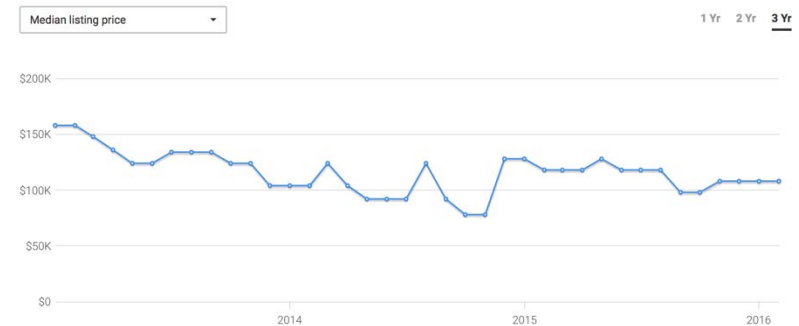


Source: www.realtor.com

Figure 16: Median Listing Price per Square Foot

Market Trends

Real Estate Market Trends in Moffat, CO



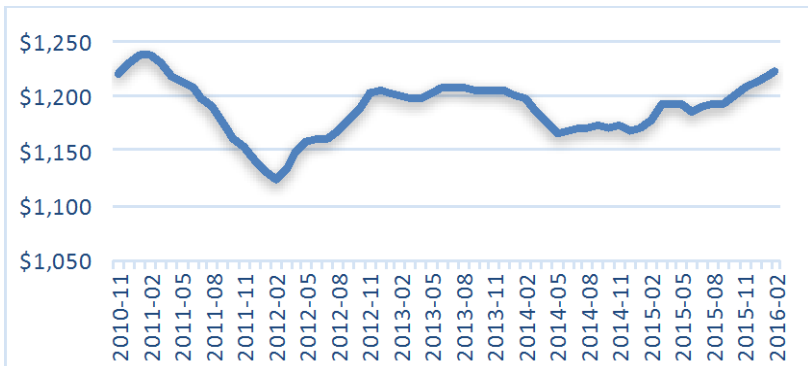
Source: www.realtor.com

Figure 17: Median Listing Price

A declining housing market is a natural result of population declines because there is more housing stock than families to live in them and sellers must drop their prices to attract buyers. Falling home prices is another important reason why a declining population is such a pressing economic problem.

Even though home prices are falling, rent rates have actually increased from 2012 (See Figure 18). This corroborates the input

from many stakeholders that the rental market is very constrained and it is hard to find quality rental properties.



Source: Zillow

Figure 18: Zillow Rent Index

Assets / Strengths

Through the interviews with community members and observations from the data and tours, the following have emerged as key community assets or strengths:

Community Spirit

The 2013 Listening Report characterized the people of Northwest Colorado as “friendly, accepting, supportive, loyal, hard working with a pioneer spirit and a determined, true grit. Many people are fiercely independent ... they have a ‘do it yourself’ attitude. There is a sense of pioneer spirit that has morphed into entrepreneurship.”³

If this is true of Northwest Colorado as a whole, it is a particularly accurate portrayal of the people of Moffat County and their spirit.

How strong is the sense of community spirit in Moffat County? Consider the following:

Non-Profits. In 2006, there were 84 non-profits registered with the IRS in Moffat County. In the County there is one non-profit for every 158 residents while in the state there is one non-profit for every 206 residents.⁴

According to onlyinyourstate.com, residents of Moffat County are the 10th most charitable in Colorado – donating 3.99% of their adjusted gross income (AGI) or \$6,566,000 to charities annually.⁵

Rallying in time of need. During the course of the interviews, many mentioned the way the community rallies around people in times of need as being one of the community’s best qualities. Amanda and Aspen from the United Way gave several examples

³ Northwest Colorado Rural Philanthropy Days –Listening Tour Report, Yampa Valley Data Partners, August 2013

⁴ 2006 Nonprofit Report for Moffat and Routt Counties, Yampa Valley Data Partners, 2006

⁵ www.onlyinyourstate.com/colorado/generous-co/



of when families had tragedies strike and their neighbors rallied around them and the whole community supported them in their time of need.

The amazing way the community mobilized and engaged during the consideration of the sage grouse for endangered designation and the enhanced emission regulations for coal-fired electrical plants are other examples.

Does Moffat County care about its community and are they willing to stand up and make a stand? Just ask the distributors of New Belgium beer.

Local Celebrations. Another manifestation of the community spirit is the number of local festivals and celebrations including:

- Grande Olde West Days
- Sheep Wagon Days
- Wyman’s Winter Festival
- Chili Cook Off
- Whittle the Wood
- Little Britches Rodeo
- Taste of Chocolate
- Balloon Festival

Outdoor Recreation

Moffat County has been trademarked as the “Elk Hunting Capital of the World.” The County is home to two of the largest migratory elk herds in North America and is widely acknowledged to have some of the best elk hunting anywhere. Every year, thousands of people come from around the world to hunt elk in the County.

Aside from elk, Moffat County also has excellent deer hunting, has eight ponds, lakes or river sections for fishing and has hunting opportunities for water fowl and small game.

Young Professionals

Recently a group of professionals under the age of thirty has begun to meet together in an effort to create a networking

opportunity for those key leaders and also to help them engage with the community. The group has been involved in service projects and in helping the young professionals get involved with various boards and groups.

Having young professionals who are anxious and willing to be engaged in the community and make a difference is very unique. This group is a great asset to the community now and as they become the leaders of the future will be a great benefit.

Another positive contribution of the young professionals group is that they are including school teachers with the intent of helping them to establish connections and reduce the turnover in the schools.

Local Marketing District (LMD)

On November 3, 2015 51.9% of voters in Moffat County voted to approve the creation of a Local Marketing District. This LMD is funded by a 4% tax on hotel room rates. According to Title 29, Colorado Revised Statutes Article 25, Section 111 Local Marketing District funds may be used for:

- A. Organization, promotion, marketing and management of local events;
- B. Activities in support of business recruitment, management, and development;
- C. Coordinating tourism promotion activities.⁶

The creation of this fund was a forward-thinking strategy that will prove to be critical for the County's economic development for years to come. Having a consistent funding source to pay for a full-time economic development professional as well as having funds available to use for incentives for business recruitment and retention will be critical to Moffat County's economic future.

Intra-Governmental Relationships

The elected officials of Moffat County have proven that they can 'punch above their weight.' Though Moffat County is just the 34th most populous county in the State it has made its voice heard at both the state and federal levels.

Following are a few examples:

In July of 2015, and after a concerted media and political campaign by the County Commissioners, Interior Secretary Sally Jewell came to Craig to defend her decision not to appeal a District Court ruling that the environmental assessment for the Colowyo Coal Mine was not legal. This event was possible because of the diligent persistence of Jon Kincaid.

On June 20, 2013, Commissioner Chuck Grobe testified before the US House of Representatives Small Business Subcommittee on Ag, Energy and Trade about the impact of coal mining on the Moffat County's economy.

In March of 2015, Moffat County was one of seven counties chosen from across the U.S. to participate in the National Association of Counties (NACo) Innovation Challenge Workshop in Pikeville, Kentucky. Frank Moe was the team lead at this conference.

The Moffat County team was selected to lead the 2nd Innovation Challenge Workshop in Grand Junction, Colorado in September 2015.

Commissioner Chuck Grobe has been selected by the Governor to serve on the state Air Quality Control Commission.

In September of 2014, EPA Region 8 Administrator Shaun McGrath came to Moffat County to discuss the Obama Administration's Clean Power Plan.

⁶ www.tornado.state.co.us/gov_dir/leg_dir/olls/sl1998/sl_276.htm

Electricity Rates

Yampa Valley Electric's rate for large electric customers is 9.223 cents / kwh. The average rate is 11.2 in Colorado and 12 for the country.⁷

Water Rights

The City of Craig has surface water rights to around 9.5M gallons per day (gpd) from the Yampa river. At present, usage averages 1.8M gpd while in the summer months peak demand can reach as high as 5M gpd.⁸

In the northwest Rockies where water is such a scarce commodity, having excess water rights is a rare and valuable asset.

Sewer Capacity

The City of Craig's sewer treatment plant has capacity of processing 2.4M gallons per day. At present, the plant is operating at around 50% of its capacity.⁹

Industrial customers often produce significant waste water so having treatment capacity is an important asset.

Airport

Moffat County has its own airport that provides business travelers and tourists the opportunity to fly directly to the County on private aircraft.

The airport is used frequently by management and other professionals from Tri-State Generation and Transmission.

There is also a commercial airport just 25 miles from Craig in Hayden that has around 150,000 passenger enplanements. During the winter, there are flights from Yampa Valley Regional

Airport (HDN) to 13 destinations throughout the US while during the off-peak season there is one daily flight to and from Denver.

Tri-State Generation and Transmission

Moffat County is very fortunate to have as one of its largest employers Tri-State Generation and Transmission. Tri-State has demonstrated a strong commitment to the area and is also committed to being a responsible producer of power. The plant is on schedule to be in full compliance with all current and future federal mandates and regulations with the exception of those that are being reviewed in the appellate court system.

Tri-State's continued investment in its plant not only shows its commitment to Moffat County but also brings money into the community.

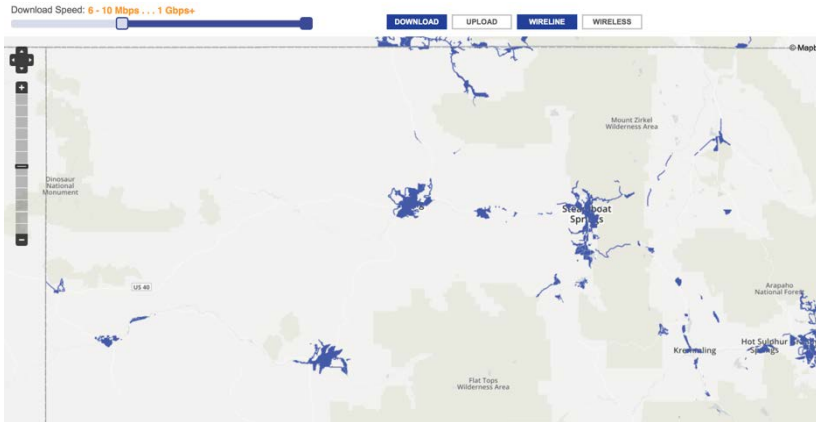
Broadband

The areas where broadband speed is in excess of 6mbps is available is depicted in Figure 19 (Craig is in the center of the map). While Craig and its surrounding areas have good access to broadband (the same map for 10mbps is nearly identical), the outlying areas don't have any coverage. The problem with broadband availability in rural areas is far from unique to Craig, however. There is no broadband service available anywhere in northwest Colorado except in larger towns.

⁷ www.npr.org/sections/money/2011/10/27/141766341/the-price-of-electricity-in-your-state

⁸ Interview with Mark Sollenberger, Director Water/Wastewater

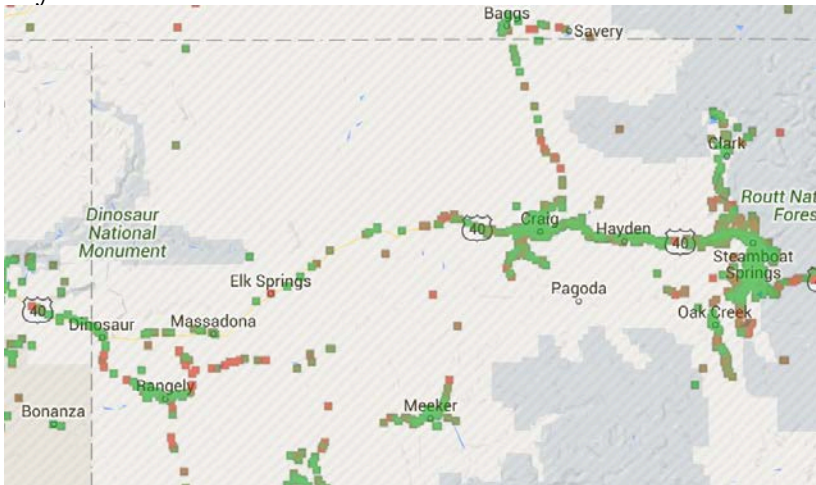
⁹ Interview with Mark Sollenberger, Director Water/Wastewater



Source: www.broadbandmap.gov

Figure 19: Advertised Download Speeds Over 6mbps

Residents in outlying areas are not without internet, however. The map of 3G and 4G availability is shown in Figure 20. With a good LTE signal and a cell phone with Hotspot capabilities, anyone with cellular service can have internet access.



Source: www.opensignal.com

Figure 20: 3G and 4G Availability

Yampa River

The Yampa River is a beautiful and important waterway. It is recognized as one of Colorado’s best rafting rivers and has many Class III and one Class IV rapids. It is also an important source of culinary and agricultural water and provides fishing recreation opportunities.

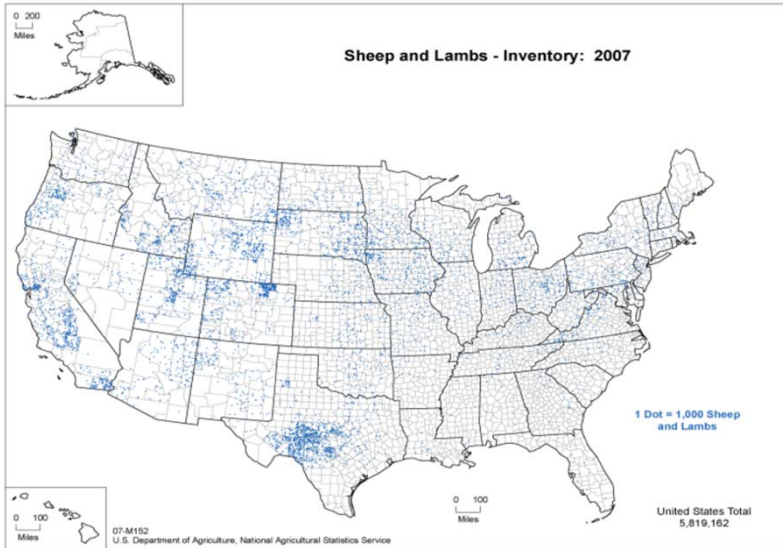
SET Plan

In June 2014, the Craig Moffat Economic Development Partnership along with economic development officials from Routt and Rio Blanco counties completed a Stronger Economies Together (SET) plan for the region.

SET plans are sponsored by the USDA and are a requirement to apply for their implementation grants. Having a SET plan in place could be a valuable asset when the County is ready to move forward with implementation.

Hayden

Hayden, Colorado is 17 miles from Craig. Though located in Routt County, Hayden is more closely aligned socially and economically to Craig than the county seat of Routt County – Steamboat Springs. Having a city in such close proximity can be a benefit as its 1,634 residents represent potential consumers for Moffat County goods and services.



Source: USDA

Figure 21: Sheep and Lamb Inventories

Sheep farming

In the 1960s the average person in US ate 4.5 pounds of sheep every year while today it is less than a pound.¹⁰ Colorado is third in the nation in total sheep inventory at 435,000 head and has 8% of all the sheep in the Country.

The concentration of the sheep industry in Moffat County relative to the rest of the country is represented in the map in Figure 21. The concentration of sheep in the area is not insignificant.

¹⁰ www.harvestpublicmedia.org/article/long-slow-decline-us-sheep-industry

Challenges

Every community has its own set of challenges. While the challenges need not define a community nor dictate its future, it is important to identify impediments to prosperity to know how to overcome them.

Malaise

Moffat County median incomes are at 85% of the state average but its cost of living is 91% of the state level.¹¹ Overall, economically, residents of Moffat County are doing relatively well.

With a total population of 13,286, the County has enough residents to support a healthy retail industry.

Yet, interviews with stakeholders revealed a prevailing sense of malaise. The overall appearance and energy of the community, though impossible to quantify, also reflect this sense of an economy in the doldrums.

Many describe the threats to the power plant from new federal regulations as a “cloud hanging over the county.” Yet the threats to the plant, if any, are years away and Tri-State has made every indication that it intends to comply with the regulations and keep the plant in operation.

In early September 2016, the Tri-State Generation and Transmission, operator of the local power plant, announced the closure of Craig Station’s Unit 1 by 2025. This announcement translates to 1/3 less coal being required after 2025 at the Craig Station. Effects of reducing coal demand by 1/3 questions economic viability of the two mining operations that supply the Craig Station with Coal as well as the feasibility of implementing the soon to be issued Collom Area Development Project permit at one of the mining operations.

Consumer confidence is one of the most closely watched and predictive economic indicators. The Stern School of New York

¹¹ www.bestplaces.net



University explains, “Consumer confidence correlates closely with joblessness, inflation, and real incomes. Consumer confidence is important because Consumption spending represents about 56% of the GDP.”¹²

In other words, if consumers feel a sense of impending doom, they are less likely to spend and the reduction in spending means less sales, less jobs, less taxes generated and it creates a negative cycle.

It may be that one of the biggest impediments to growth for Moffat County may be consumer confidence.

Street orientation

In post-World War II urban planning, the focus of transportation engineers was to maximize the speed of moving vehicles moving through streets. One-way streets appeared to be most efficient at moving high traffic volumes the most quickly. The one-way street fad reached its nadir in the 1960’s and 1970’s with many cities changing their streets during this period.

Over the past several years, however, many cities are reversing the trend on one-way streets. Dallas, Denver, Sacramento, Tampa and Ogden, Utah are just a few of the places that have converted their streets back to bi-directional.¹³

A study by Vikash Gayah, a civil engineer from Penn State University demonstrated that properly designed two-way streets are actually the best at maximizing “trip-serving capabilities” (a more comprehensive metric of total trip time rather than speed along a certain thoroughfare).¹⁴

A study by John Gilderbloom demonstrated that when two major streets in Louisville switched from one-way to two-way, traffic

¹² www.pages.stern.nyu.edu/~nrubini/bci/ConsumerConfidence.html

¹³ www.citylab.com/commute/2013/01/case-against-one-way-streets/4549/

¹⁴ Analytical Capacity Comparison of One-Way and Two-Way Signalized Street Networks, Vikash Gayah, 2012

incidents declined by 36% and 60%, crime dropped by 25%, property values rose, pedestrian traffic increased, business revenue increased as did city tax receipts.

The one-way streets in Craig are confusing for visitors and discourage shopping. The goal should not be to speed traffic through the town as quickly as possible but rather to create such a compelling and inviting environment that tourists want to stop and shop.

Downtown

There has not been sufficient prioritization of creating a vibrant and compelling downtown. One key to a healthy downtown is density. When possible, any new retail establishment or commercial establishment should be encouraged to build in the downtown area to create more density. Locating new hotels, hospital and CNCC campus away from the downtown core represents a significant lost opportunity to bring workers and patrons to your downtown – which would generate more traffic and help create density.

The retail and office space is spread out through a wide area and although Yampa Avenue has a nice layout and historical buildings with authentic charm, there is not enough retail density for the area to truly thrive.

Mental health services availability

In 2012 there were 800 unduplicated mental health clients in Moffat County – 173 of whom were under the age of 18.¹⁵ Many of the social services professionals that were interviewed cited the shortage of supply of mental health care relative to the demand as a major challenge. Mind Springs Health is the primary provider of mental health care service in the County.

The ratio of mental health providers to population is shown in Table 3.

RATIOS OF PRIMARY AND MENTAL HEALTH PROVIDERS TO POPULATION IN MOFFAT COUNTY AND COLORADO

Year	Moffat number of people to one primary care physician	Colorado number of people to one primary care physician	Moffat number of people to one mental health care provider	Colorado number of people to one mental health care provider
2013	1,974:1	1,287:1	No Data	No Data
2014	2,242:1	1,273:1	1,015:1	570:1
2015	2,200:1	1,262:1	771:1	392:1

Source: County Health Rankings & Roadmaps

Table 3: Ratio of Health Professionals to Population

Medical Professionals

The Consumer Preference Study from 2012 showed that 43% of ‘Doctor Services’ were performed outside of the County. Similarly, 29% of ‘Dental Services’ and 22% of ‘Hospital Services’ are provided outside of the County.¹⁶

The total direct economic loss of the services being provide outside of the County is \$4.2M. Jennifer Riley, Chief of Marketing and Business Development from Memorial Hospital cites the difficulties of recruiting and retaining doctors as a significant problem. The lack of attractive housing options seems to be one of the primary obstacles.

Recreation Amenities

While Moffat County offers a wide range of high-quality outdoor recreation opportunities and has a good recreation sports program, many stakeholders identified the absence of recreational amenities as a short-coming in the community. Respondents to the Moffat 2035 survey identified indoor

¹⁵ Northwest Colorado Rural Philanthropy Days – Listening Tour Report 2013, Yampa Valley Data Partners

¹⁶ Consumer Preference Study – Moffat County, Yampa Valley Data Partners, December 2012

recreation as one of the four most important social assets behind education, health care and crime and safety.

Many residents have expressed that the dearth of recreational and entertainment opportunities – particularly during the winter months - is a challenge of living in Moffat County.

Environmental Issues

Moffat County is home of the largest Greater Sage Grouse populations in Colorado. In September 2015 the Bureau of Land Management issued final sage grouse plans which amended existing planning documents across 11 western states. Moffat County will feel the economic impacts of new sage grouse regulations which prevent many previously leased oil and gas leases from being re-leased. BLM's new planning documents will significantly restrict and prevent new oil and gas leases, wells, and infrastructure from being developed in sage grouse areas.

Yellow Billed Cuckoo (threatened song bird) habitat has been identified along the Yampa River in the cottonwood forest. Moffat County has strong concerns about 'critical habitat' designations impacting private landowners who have 'a nexus' to federal programs. Moffat County expects habitat designation for the Cuckoo will hamper development along the Yampa River. Other Counties in Colorado have already experienced conflict with proposed parks and trails along river corridors with Cuckoo habitat.

There are over 2000 miles of roads and trails on Bureau of Land Management Lands, which are undergoing Travel Management Planning in both the White River BLM and Little Snake BLM offices. Results of these planning efforts will likely span the next 20 years and have lasting effects on recreation, industrial uses, and agriculture.

The vast majority of Moffat County has not been mapped for 100 year floodplain designation by FEMA. One-Hundred year floodplain maps generally exist within 5 miles

of Craig and around the Lay area west of Craig. If building projects are proposed within the mapped 100 year floodplain, the County Planning Department requires an Elevation Certificate, and incorporation of flood mitigation depending on the situation.

Moffat County is not aware of any areas of the County that have been classified under EPA standards as Non-Attainment. Informal discussions with Colorado Department of Health and Environment reveal that in certain years when inversions trap cold air in the Maybell area, that area may have elevated Particulate Matter for a day or two in certain years, but nothing reoccurring or meeting the threshold for a Non-Attainment classification.

There have been no sole source aquifers identified for drinking water in the project area, as municipality water comes from Yampa River, which is largely supplied by snow melt. There are several sites managed for archeological, historic characteristics, and prehistoric characteristics throughout Moffat County. Most of which are tied to early Fremont occupation, and most of which are managed by either, the Bureau of Land Management, National Park Service, or the US Fish and Wildlife Service.

Phase 2 Report

Summary

The twin industries of coal mining and coal fired energy production has been the bedrock of Moffat County's economy for a generation. The current environment for the coal industry is very challenging. Since January 2015, five American and one Australian coal companies have declared bankruptcy.¹⁷ The County must diversify its economy and begin to invest in other industries in order to ensure its long-term economic health.

The good news is that the situation is not dire. While the coal industry as a whole is struggling, the local mines are stable and the Tri State Generating plant is meeting all current regulations. This stability affords Moffat County the luxury of being able to work on economic development 'base hits' to bring incremental improvement rather than having to hope for an immediate 'home run'.

The Location Quotient, Shift Share and Industry Cluster sections of this report highlight the over-reliance of the economy on the mining and utilities industry sectors and the relative weakness of other clusters. The Regional Economic Linkages model quantifies the outflow of workers to surrounding counties but also underscores the strength of basic industries in the county.

The industries that show the greatest potential for Moffat County are Artisan Wool Textile Manufacturing, Manufacturing, Tourism, and Aquaculture. This report examines each of these industries in detail and provides analysis of Moffat County's relative advantages and challenges in each. The potential economic impact of the industries is also presented.

The number of jobs that could potentially be added in the short run is shown in Table 4. It is important to understand that

economic development is a long-term proposition and that new industries most typically start from a small base.

	Direct Jobs	Total Jobs
Artisan Textiles	20	56
Manufacturing	128	527
Tourism	145	213
Aquaculture	17	36

Sources: Bureau of Labor Statistics; TTARA Research Foundation; Business Research Division, Leeds School of Business, University of Colorado Boulder

Table 4: 3 to 5 Year Potential Job Estimates

A prime example is Ogden, Utah where even with downtown renovation and the creation of community assets the initial number of jobs from the outdoor recreation industry were quite small. It took several years before the recruiting efforts gained traction and dozens of jobs became hundreds and eventually thousands. Once the hard work of development was done and the narrative of the new Ogden became authentic, however, firms from ancillary industries began to come to Ogden and prosperity followed.

The same path will unfold in Moffat County with a focus on downtown redevelopment, creation of critical community assets and the creation of new industries. The initial job creation may be small, but once the pump has been primed and the narrative of Moffat County becomes one of an authentic community who knows who it is and is moving boldly toward a better future, job creation will accelerate.

¹⁷ The Economist, April 16, 2016, Page 52.

Industry Analysis

This section reviews the different industries of the County to analyze their growth and size relative to the state. These analyses can help to identify sectors where Moffat County has strategic or historical advantages and opportunities for future expansion.

Location Quotient

Methodology

Employment Location Quotient (LQ) is a method of quantifying the concentration of an industry cluster in an area compared to the State average.

LQ's are calculated as shown below.

Location Quotient (LQ) =

$$\frac{\text{Local Proportion}}{\text{State Proportion}}$$

Local Proportion =

$$\frac{\text{Wages paid in Industry X in County}}{\text{Wages paid in County}}$$

State Proportion =

$$\frac{\text{Wages paid in Industry X in State}}{\text{Wages Paid in State}}$$

For example, in 2014, workers in the County received total wages of \$294M and workers in the retail industry received wages of \$24.1M resulting in a local proportion of 8.2%. For the same period, Colorado workers received \$167,426M in wages of which \$9,258M was paid to retail workers for a state proportion of 5.5%. The LQ is derived by dividing the 8.2% local proportion by the 5.5% state proportion resulting in a Location Quotient of 1.49. This indicates that the concentration of retail jobs in the County is approximately 150% percent greater than the state as a whole. An LQ of 1.0 would mean that the local concentration of an industry is identical to the statewide concentration.

Industries with high LQ's (above 1.25) are typically export-oriented industries that are beneficial to a local economy because they bring outside money into the region. High LQ industries may also indicate a higher than average demand in an area. Industries that have both high LQ's and high job numbers typically form a region's economic base. Such industries not only provide jobs directly, but also have a multiplier effect, creating jobs in other dependent industries like retail trade and food services. Industries that are unable to support local demand typically have an LQ below 0.75.

Analysis

The LQ calculations for Moffat County compared to the State is shown in Figure 22 (Note that Utilities has a LQ of 26.1 and Mining, Oil and Gas 6.37). The dashed lines in the figure represent the 1.25 and 0.75 thresholds as described above. The most concentrated industries in the County are

- Utilities (26.1)
- Mining and oil/gas (6.37)
- Retail (1.49)

Both the utilities (Tri-State) and mining and oil/gas industries are key sources of outside revenue and their concentration in Moffat County is predictable because of the coal mine and electrical generating station.

Because there are over 26 times more workers in the utilities industry than the state average, every other industry is proportionally underrepresented. If utility employment were at the state average, then every other industry's LQ would be .3 higher.

The only other industry that has industry concentration that is significantly higher than the state average is retail. This outcome is somewhat unexpected since there is retail leakage outside of the County. Two possible explanations are that either the wages paid to retail workers are higher in Moffat County than in other

areas of the state or that the level of retail leakage in the County is less than the state average.

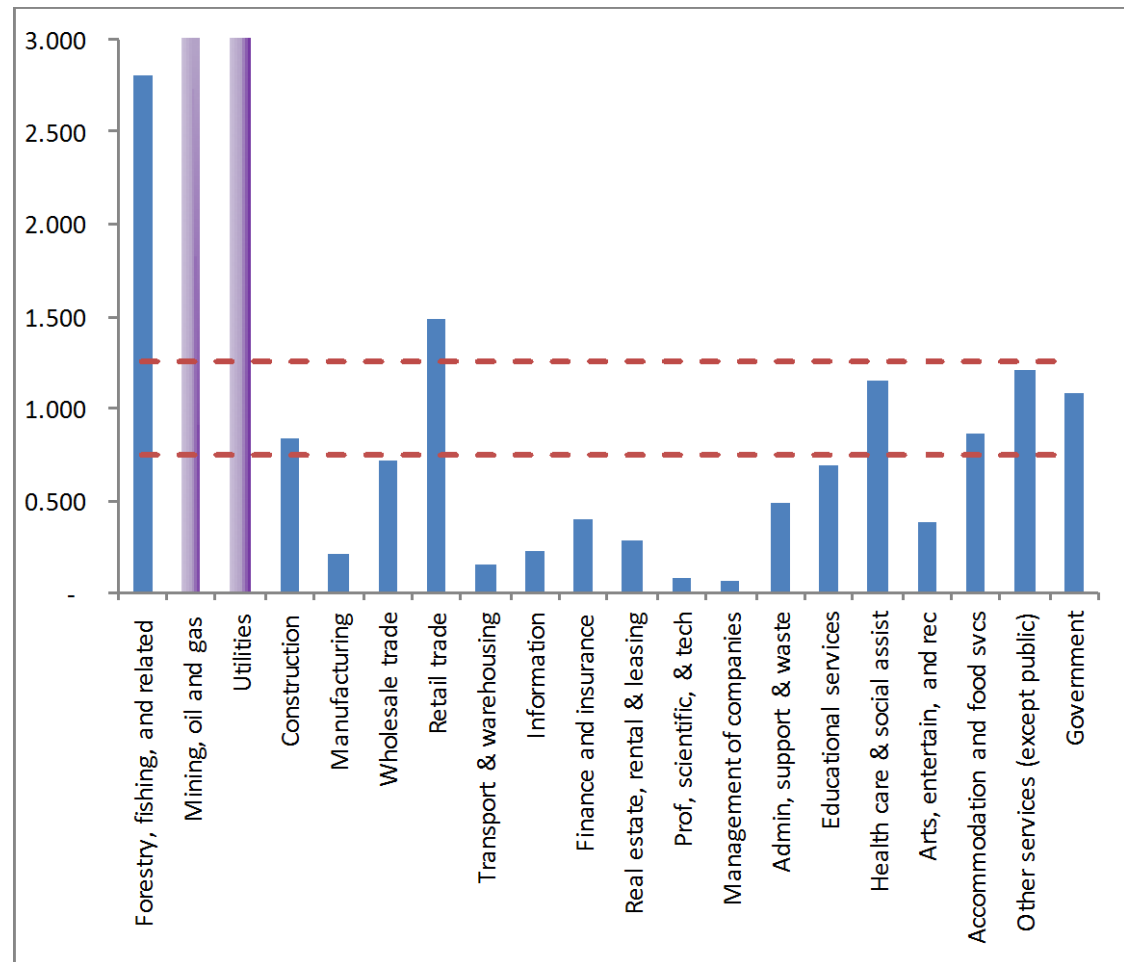
The industries that have significantly lower representation in Moffat County than the State average are:

- Manufacturing
- Wholesale Trade
- Transportation & Warehousing
- Information
- Finance and Insurance
- Real Estate, Rental and Leasing
- Professional, Scientific and Technical Services
- Management of Companies
- Admin, Support & Waste
- Arts, Entertainment and Services

Unfortunately, most of these are the ‘white collar’ industries that employ college-educated workers and pay higher than average wage. Most are also export oriented.

In summary, Moffat County’s economy is heavily reliant on the mine and power plant and also has disproportionate retail employment. The County benefits from the higher wages of the mine and utility industries while the retail industry typically has lower wages. The County is underrepresented in white-collar industries and those which produce goods and services for export outside of the County. The industries that would employ professionals and college graduates have much lower representation in

Moffat County that is typical in the state.



Source: US Bureau of Economic Analysis

Figure 22: Location Quotient

Shift-Share Analysis

Methodology

Shift-Share analysis is a method of parsing total employment compensation growth into its constituent parts to better detect the factors contributing to growth. The analysis uses 2010 and 2014 as reference years and identifies the following three components:

State Share

State Share is the portion of wage growth that can be attributed to overall economic growth that has occurred from 2010-2014 in the State of Colorado. It is calculated by multiplying the wages paid in the local area at the beginning of the time period by the Statewide growth rate. The calculation produces the level of wages that are expected to be gained (or lost) if the County experienced the same overall growth rate as the State.

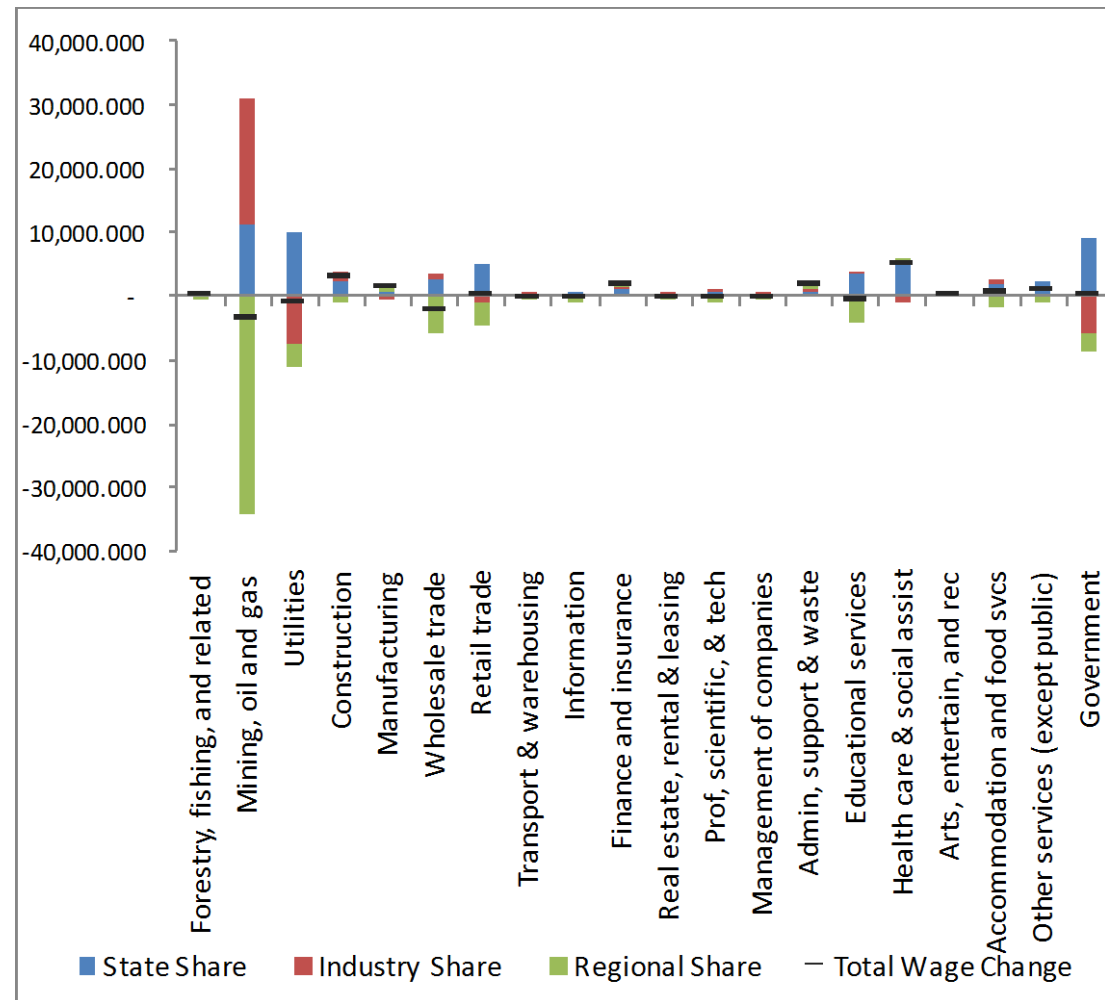
Industry Share

Industry Share represents the portion of an industry's wage growth in an area due to that industry's statewide expansion or contraction. It is calculated by multiplying the wages in the local area at the beginning of the time period by the Statewide growth rate for the specific industry, and subtracting state share.

Local (Regional) Share

Local Share is the most important component of wage growth for economic development. It highlights the change in employment that is due to an

area's competitive advantages in a particular industry. It is calculated by subtracting industry mix and state share from the total change in wages in each local industry.



Source: US Bureau of Economic Analysis

Figure 23: Shift Share Analysis

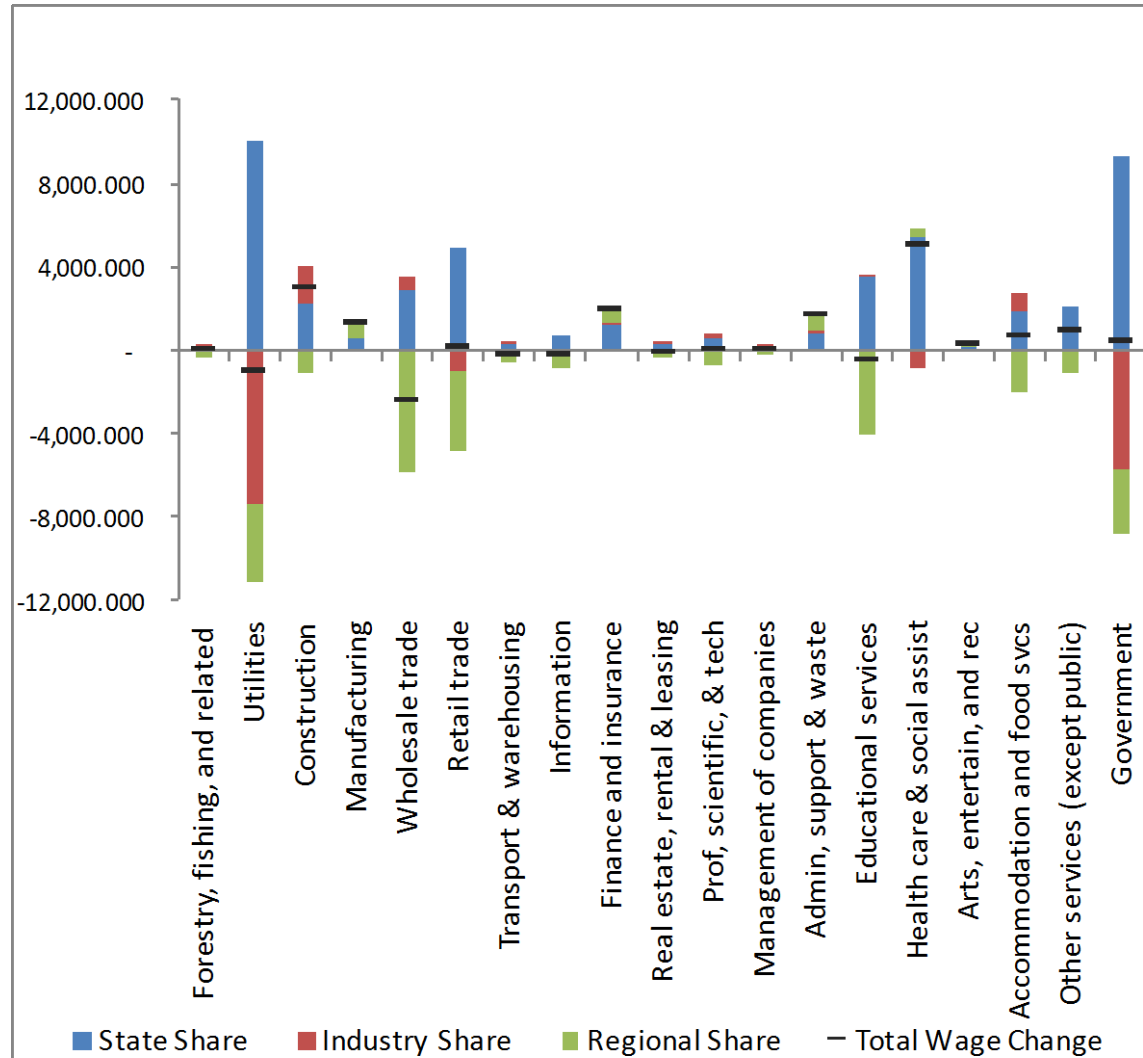
Analysis

The Shift-Share analysis for Moffat County is depicted in Figure 23.

Overall, from 2010 to 2014, Moffat County’s total compensation to employees (which includes wages and benefits) increased by \$9.0M or a 3.2% increase. Total employment, however, fell by 392 or 5% during the period. The growth in labor compensation, therefore, was entirely due to increases in wages or benefits of 8.2% that were offset by the decreases in total employment.

With health care costs increasing by 5% per year in Colorado¹⁸, over the four years, the compounded increase in health care costs alone would have been 22%.

In looking at the individual industries, the most striking observation is the pronounced shifts in the Mining industry that are on a scale that is larger than the cumulative changes in all the other industries in the County combined. While the total net change in wages in the Mining industry was only \$3.3M (only the second largest change over the four years), the constituent components of the off-setting changes are extremely large. The overall economy in Colorado grew by 21% from 2010 to 2014 so the expected change in wages from the growth in the economy would be expected to be \$11M.



Source: Bureau of Economic Analysis

Figure 24: Shift Share Analysis excluding Mining Industry

¹⁸ Kaiser Family Foundation, State Health



The Mining industry experienced 57% growth during that period so if Moffat County's mines would have grown by the industry rate they would have added another \$19.8M in earnings. The fact that total earnings actually declined by \$3.3M, however, means that there was a negative impact of \$34.1M that was due to local conditions.

	Change in Employment	% Change
Forestry, fishing, and related	3	2.2%
Mining, and oil and gas	-65	-9.7%
Utilities	N/A	
Construction	42	10.6%
Manufacturing	36	39.1%
Wholesale trade	-82	-27.8%
Retail trade	-50	-5.4%
Transport and warehousing	N/A	
Information	-34	-32.7%
Finance and insurance	2	1.0%
Real estate, rental and leasing	-19	-7.4%
Professional, scientific, and technical	N/A	
Management of companies	N/A	
Admin, Support & Waste Mgmt	22	9.2%
Educational services	N/A	
Health care and social assistance	N/A	
Arts, entertainment, and recreation	-6	-4.5%
Accommodation and food services	-12	-2.3%
Other services (except public admin)	-6	-1.2%
Government	-151	-11.5%

Source: Bureau of Economic Analysis

Table 5: Employment Changes



In Figure 24 the Mining industry was excluded to allow for a more expansive view of the other industries that had much smaller volume changes. Only the Manufacturing, Finance and Insurance, Administration, Support and Waste, Health Care and Arts and Entertainment industries experienced growth due to local conditions.

The change of employment in all of the industries is shown in Table 2 (Health Care data is excluded from the BEA reports because there are too few companies reporting to avoid the disclosure of confidential information if they were included.) Of particular interest is manufacturing which saw a \$1.3M increase in payroll, \$0.8M of which was due to local or business-specific conditions. By extrapolation, 22 of the new jobs could be attributed to local economic factors. Manufacturing is clearly an industry cluster that is performing well and having success.

Administration, Support and Waste is an amalgamation of all business support-type industries including the solid waste industry. Of the \$1.7M increase in payroll, \$0.8M was due to local conditions. Typically, these types of businesses would move in tandem with the local economy since they provide services to other businesses. With total employment in the County actually falling, however, the fact that the total number employed in these industries actually grew by 9% means that they are exporting some of their services.

The Finance and Insurance industry only saw job growth of 2 positions from 2010 to 2014 but total compensation grew by \$2.0M. Of this, \$1.4M was due to state and industry factors while \$0.6M was attributable to local factors. Because the industry only grew by two jobs, the impact was almost entirely confined to increases in compensation. In 2010, the average total compensation was \$29,902 (including benefits) but jumped to \$39,708 in 2014.

Every industry except the five identified above experienced declines from regional factors. The sectors with the largest declines due to local conditions are:

- Mining
- Educational Services
- Wholesale Trade
- Retail Trade
- Utilities
- Government

From 2010 to 2014, total labor spending in the Educational Services sector declined by \$0.4M. This decline was due to austerity measures by the Moffat County School District and ran counter to the state trend which added 21%. Data for the changes in total employment are not available for this industry sector.

Wholesale trade in the state grew by 21% but declined by 17% in Moffat County. Wholesale trade is the transaction of commodities or products where there is no value added. In total, this sector lost 82 jobs in four years.

The Retail trade was discussed in the Location Quotient section as having disproportionately large representation in Moffat County. Despite the growing state economy, however, the retail sector is contracting and the industry share declined by 4%. The declines in Moffat County due to local factors are even more pronounced and the sector lost 50 jobs from 2010 to 2014.

Because of the small number of companies in the Utilities sector, employment data is not available but there were significant declines in the industry and local markets that more than offset the growth in the state economy. The overall compensation for Utilities workers fell by \$1M in Moffat County.

The Government sector has declined in the state as well as in Moffat County. Government labor spending has declined by 12.9% across the state while in Moffat County it dropped by another 6.9%. The drop in local government payrolls are a result of prudent austerity measures and are a productive reallocation of resources to adjust to changing demographic realities.

Industry Cluster Analysis

Methodology

Shift share and location quotient measures can be combined into a matrix analysis to provide a more comprehensive view of the local economy. The analysis plots industries in a two-by-two matrix with the natural logarithm of location quotient on the x-axis and job growth as represented by regional shift on the y-axis. The size of each industry bubble in the matrix represents the total amount of wages paid in the industry within the County. Similar analysis can be performed using other measures for job growth and industry concentration; however, regional shift and the natural logarithm of the location quotient provide advantages over other variables. These advantages are shown in Table 6.

Other Variables	Better City Variant
Y Axis: Industry Job Growth Rate	Y-Axis: Regional Shift as calculated using Shift Share Analysis. Advantage: This method shows the growth that is due to inherent strengths in the region, excluding growth due to statewide and industry trends.
X-Axis: Location Quotient	X-Axis: Natural Logarithm of Location Quotient Advantage: Large outliers can cause apparent clustering of other industries. This variable depicts the differences between LQs, but on a comparable scale. With this measure, an industry with a concentration equal to the state average would have a value of 0 rather than 1.

Table 6: Derivation of Industry Cluster

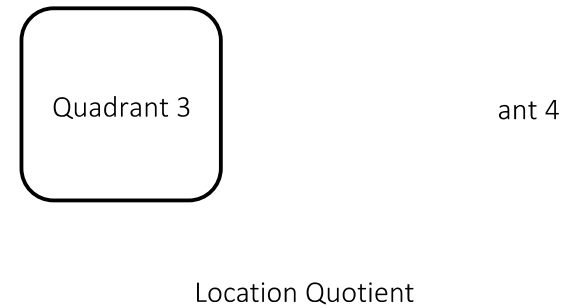


Figure 25: Cluster Analysis Quadrants

In this analysis, industries will fall into one of four quadrants, as shown in Figure 25.

Quadrant One: Industries in this quadrant are concentrated in the region and are growing due to regional advantages. Large industries in this quadrant distinguish the regional economy as they increase workforce demand. Small industries in this quadrant are possibly emerging exporters that should be developed.

Quadrant Two: Industries in this quadrant are growing over time, but are still less concentrated than the state average. Depending on the industry, they may settle at the state average or continue to grow and move into Quadrant One.

Quadrant Three: Industries in this region are less concentrated than state averages and are losing ground. Such industries may face significant competitive disadvantages in the area.

Quadrant Four: Industries in this quadrant are declining, but are still more concentrated than the state average. If a large industry is in this quadrant the region is often losing its export base. The County should plan and invest accordingly. The Industry Cluster for Moffat County is shown in Figure 26. As with the other industry analyses, the size of the Government, Mining and Utilities industries relative to all others distorts their relative importance.

Figure 6 is the same Cluster analysis but excludes the Government, Mining and Utilities sectors.

The analyses again reinforce the County's disproportionate reliance on these three sectors. For the Mining and Utilities industries, the location quotient places them to the right of the vertical axis meaning that they constitute a greater percentage of Moffat County's economy than the state average.

While both sectors provide higher-waged jobs, it is risky for a community to rely on them too much because of their volatility. The size of the bubbles that represent the industries give graphical reference to how big those two industries are relative to all others in the County.

The downside of their volatility is illustrated by the fact that both lie below the horizontal axis meaning that they are declining.

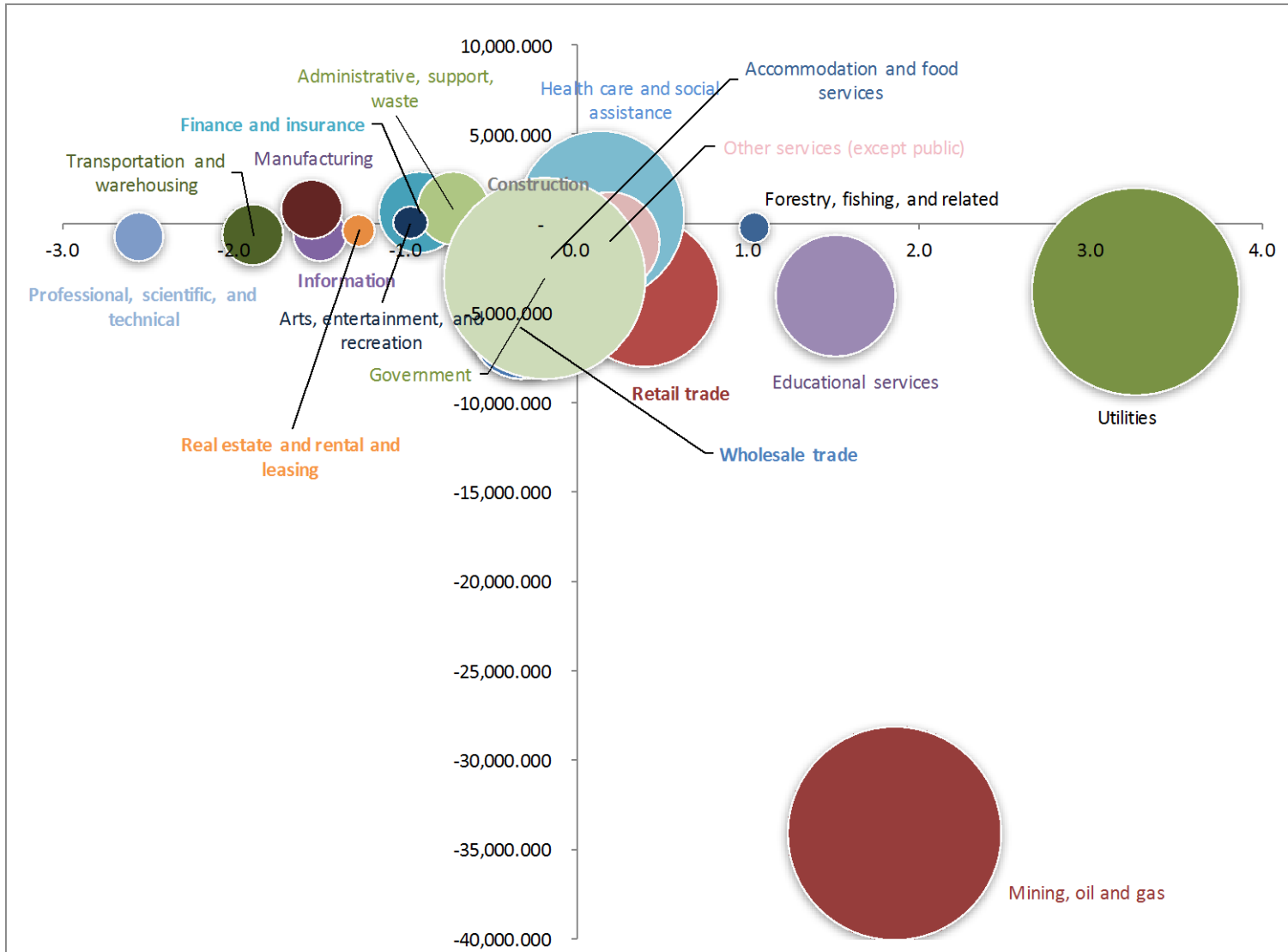
Because the Government sector takes revenue from the community it serves, it is redistributive rather than accretive. Over-reliance on Government for wages is a net negative for a local economy. The fact that the government sector has a negative location quotient as well as negative growth means that

in Moffat County less jobs are in the Government sector than the state average and the sector is declining. Both are healthy trends and speak to the foresight and wisdom of elected officials in controlling spending.

From Figure 26 where the three largest sectors are excluded, it is evident that the only industries in the 1st quadrant are Health Care and Social Assistance. The regional shift for these sectors in Moffat County was relatively flat while the industry shift in the state was negative. The overall growth, therefore, was primarily attributable to the growth in the state economy. Since Moffat County's didn't participate in the state growth at the same level, the increases signify unusual strength for these sectors in the local economy. Given the amount of retail leakage (See Phase 1 Report) in the Health Services sector, there are probably even greater opportunities to expand this sector.

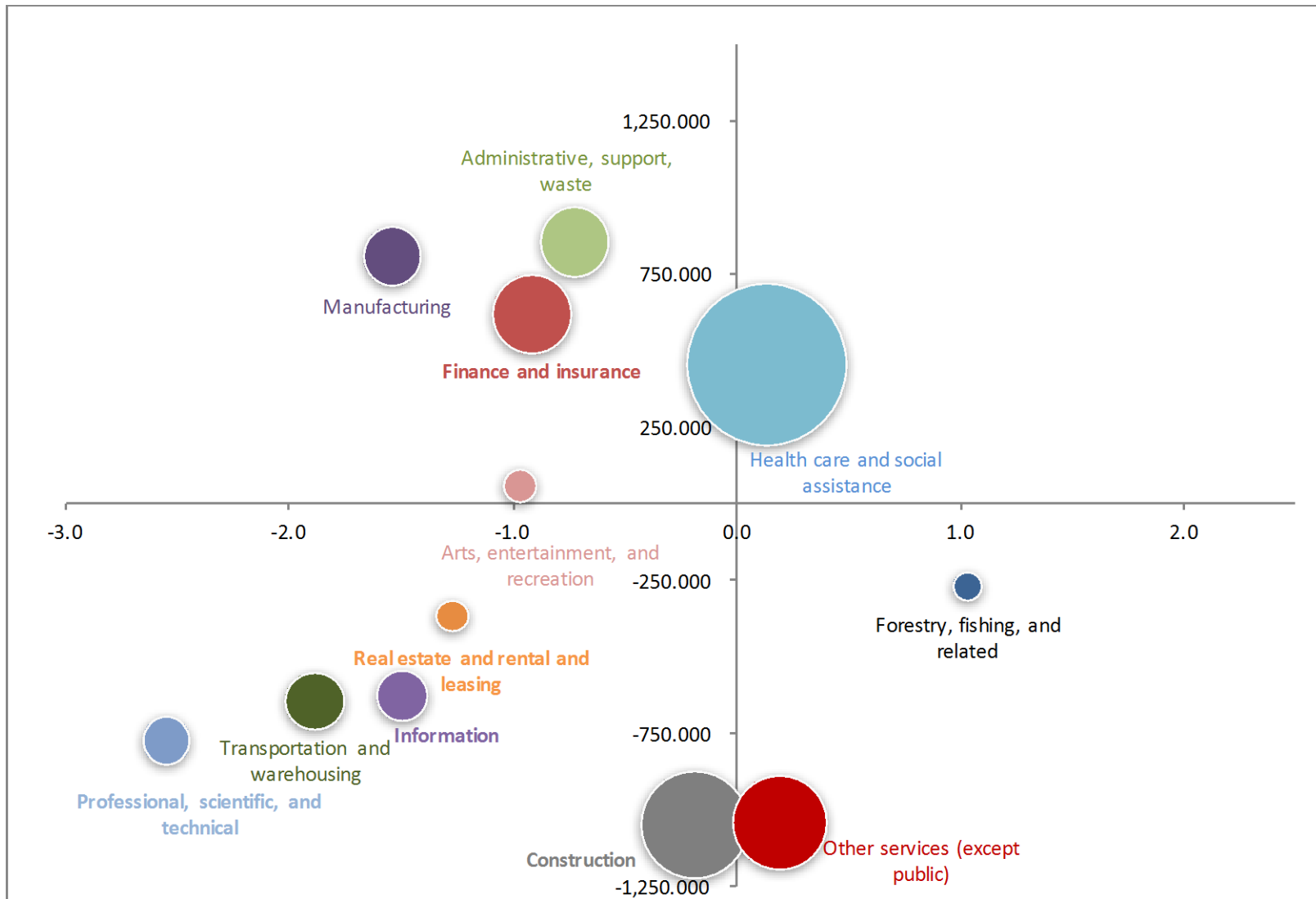
The Forestry, Fishing and Related sector has a positive location quotient due to the number of outfitters in the County. The overall size of the industry and the fact that it is declining, however, make it a less desirable focus industry for growth.

The other three industries that are showing growth (even though they have negative location quotients) are Admin, Support & Waste, Finance and Insurance and Manufacturing. Each is large enough to have critical mass and can be built upon. Manufacturing, in particular has shown good growth and is proportionally underrepresented in Moffat County and could be a good industry for growth provided barriers to entry and impediments to growth are adequately addressed.



Source: US Bureau of Economic Analysis

Figure 26: Industry Cluster



Source: US Bureau of Economic Analysis

Figure 27: Industrial Clusters including Mining, Utilities and Government

Regional Economic Linkages

A simplified model of a local economy identifies the key flows of labor, capital, and goods and services. Those flows, and quantifies those for which data is available is shown in Figure 28. The local residents (D) provide labor (F) to local industries (H, I) and receive wages (E) in return. In addition to those who live and work in the County, some labor commutes into (K) or out of (B) the County in exchange for wages that flow out of (L) or into (C) the County respectively. Local industry can be separated into two groups: Direct Basic industries (H) that export goods and services outside of the County and Non-Basic Industries (I) that primarily provide goods and services to local residents. Basic industry exports are the key source of outside revenue (J) for the local economy. Such revenue is necessary for the local economy to be able to import goods and services that are not produced inside the County. Finally, transfers of capital (A) into the economy include government transfers such as Social Security and investment income. Transfers out of the economy include savings, contributions for government social insurance, and taxes.

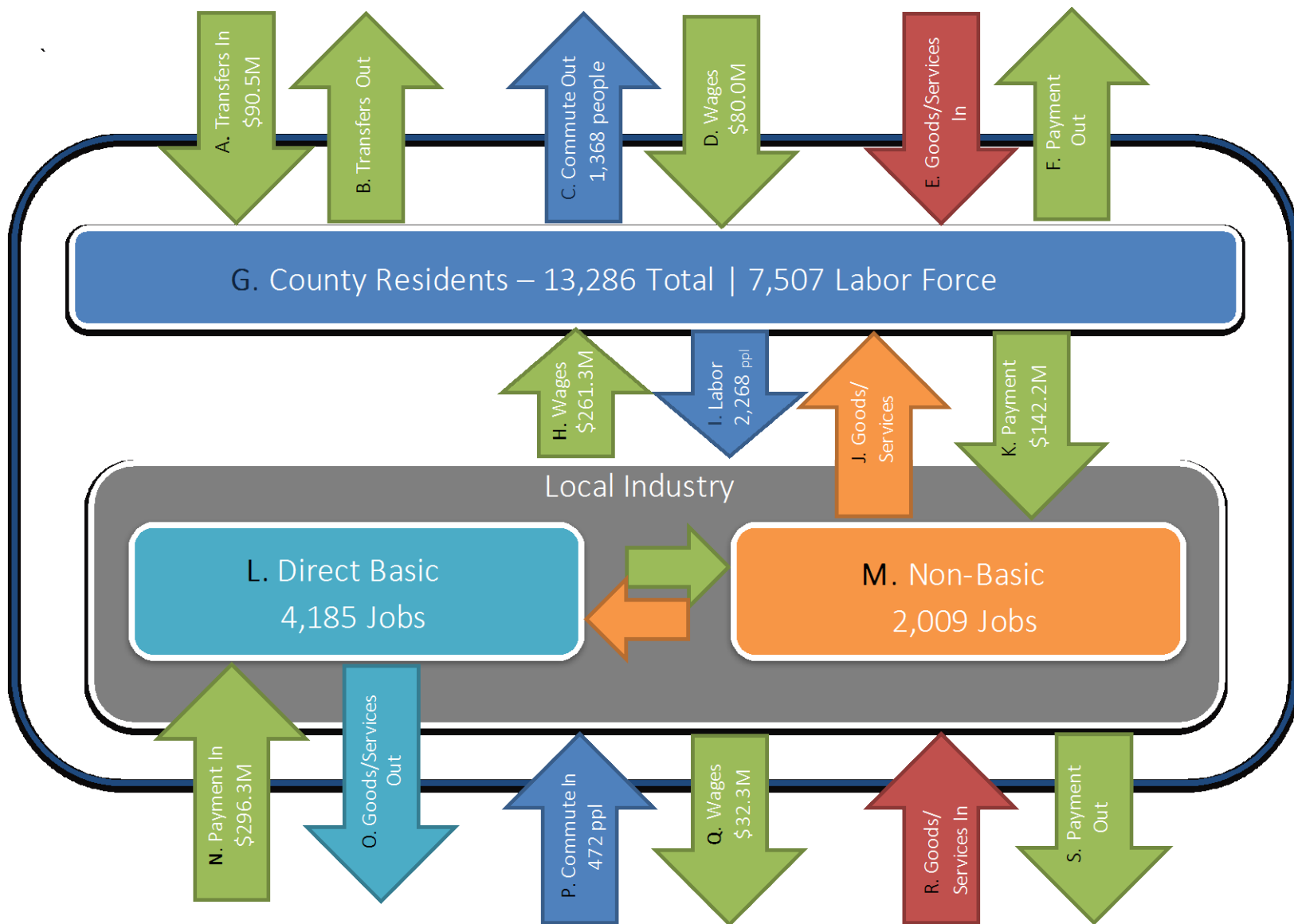
The key finding from this analysis is the number of Basic workers in the County.

Economies that are export oriented are typically healthier and create more jobs over the long run than economies whose main source of jobs is creating services for their own residents.

In Moffat County, 68% of all jobs are basic – producing products or services that are consumed outside of the County. This is a very healthy ratio. The downside is that the majority of these jobs are in the oil extraction, coal mining and energy generation industries which have proven to be volatile and subject to commodity prices and government regulations.

The upside is that the County's workers and businesses have experience with competing in open markets and understand market forces. The importance of this is significant as it is hard to convert an economy that has been accustomed to looking inward for growth to one that focuses on production and export.

The other significant observation is the number of workers who commute outside of the County for work. This was covered in detail in the Phase 1 report.



Sources: Bureau of Economic Analysis, Colorado Department of Revenue, Colorado Department of Local Affairs

Figure 28: Regional Economic Model

Potential Growth Industries

During more than 70 individual interviews and from comments from approximately 65 citizens who attended community forums, many suggestions were provided about possible industries to expand or recruit into the County. These and other industries were considered and analyzed for their viability in Moffat County and for their potential to create economic vitality.

From that broad group, those industries that were judged to have the greatest potential were identified and their merits and challenges are presented below.

Artisan Yarn / Fabric Manufacturing

There has been an explosive growth in demand for locally-produced, authentic, artisan products. “Artisan” is defined as “a person or company that makes a high-quality, distinctive product in small quantities, usually by hand and using traditional methods”¹⁹

The poster-child for the growth in locally produced, artisan goods is the internet firm Etsy. “Etsy is a marketplace where people around the world connect, both online and offline, to make, sell and buy unique goods.”²⁰ Etsy specializes in artisan goods produced by craftsmen. In Q1 2016, Etsy had 1.6 million active sellers and 25 million active buyers with \$2.4B in annualized sales.²¹

The Economist noted that “the rise of Etsy may say more about consumers than about sellers. “People are getting tired of the same old big-box retail products,” says [Chad] Dickerson [Etsy’s CEO], adding that young adults in particular are attracted by the life stories of the sellers whose products they buy.”²²

A growing number of consumers are willing to take more time and spend more money to buy products that are ‘authentic’. A certain segment of consumers wants to feel closer to the people producing their goods and want to spend their money on meaningful, unique items rather than mass-produced sameness from China.

¹⁹ www.goodfoodworld.com/2011/11/when-the-label-says-artisan-what-does-it-mean/

²⁰ www.etsy.com/about

²¹ www.investors.etsy.com/phoenix.zhtml?c=253952&p=irol-newsArticle&ID=2164531

²² www.economist.com/news/business/21592656-etsy-starting-show-how-maker-movement-can-make-money-art-and-craft-business

The Economist article continues, “The maker movement can no longer be dismissed as just a bunch of tech-loving amateurs. In November Etsy published a study based on a survey of 5,500 of its American sellers, of whom 88% were women. Although 97% worked from home, 74% said they considered their Etsy shops to be businesses, not hobbies. Although most said they used Etsy to top up earnings from other work, 18% said that it was their full-time job. Mr Dickerson sees this as the start of a trend, particularly among women and under-30s, towards work with flexible hours, based on a personal interest and done at home.”²³

Randy Komisar, a partner at venture capital firm Kleiner Perkins Caufield & Byers, wrote in Forbes magazine, “New artisanal manufacturing companies take advantage of changing consumer dynamics and developing technologies in order to create value in the market, achieve long-term sustainability and build the capacity to grow in aggregate to a scale significant enough to become a meaningful source of 21st century production jobs.”²⁴

A prime example of the success of local, artisan manufacturing is Moffat County’s own Yampa Valley Fiber Works. The business owners purchased machinery to spin yarn from wool two years ago and now have a thriving business with more orders than they can keep up with. Their loyal customers value Yampa Valley Fiber Work’s connection to the land and the animals and its throw-back manufacturing processes of not washing the wool with harsh chemicals but instead using natural dyes.

²³ Ibid

²⁴ <http://www.forbes.com/sites/bruceupbin/2013/12/11/artisanal-manufacturing-creating-jobs-to-produce-things-in-america-again/#888557b73501>

Authentic products are not just a market for small, home-based business, however.



Leadville's Melanzana has become a very successful outdoor clothing brand. Production is having a hard time keeping up with sales and they are adding production workers as fast as they can train them.

Melanzana's brand is all about high quality products that are designed and manufactured in Leadville, Colorado from fabric that is made in the USA. Its workers make living wages and participate in profit sharing.



Farm to Feet is a North Carolina-based sock manufacturer that sources everything, including its point-of-sale materials in the United States. It is a premium brand that produces excellent quality products that are all sourced in the US and is committed to sustainable manufacturing.



Smartwool is headquartered in Steamboat Springs, Colorado. The sock and outdoor wear manufacturer started as a local company but has since been sold to Timberland and then VF. It still retains its commitment to using only the finest raw materials and producing the highest quality clothes possible. It has a commitment to sustainability including requiring its sheep ranchers to use humane shearing techniques.

Smartwool sources is wool exclusively from New Zealand and Australia.

There is a market opportunity to manufacture wool yarn and textiles that take advantage of the Moffat County brand – authenticity, made locally, and pride in what we produce. Employing manufacturing processes that use natural products instead of harsh chemicals, a commitment to producing only the highest quality goods and retaining a connection to the ranchers would be critical in creating a genuine, authentic brand.

Les Wong, Vice President of Operations at Smartwool believes that there is a market for artisan textiles but highlighted the importance of skilled marketing in creating the brand and in connecting with customers.

While creating an artisan yarn and textile industry would not bring significant new employment in the short run, it should be viewed as important in helping galvanize the Moffat County brand and in creating pride in the community in what can be produced locally.

There is already a small artisan community in the area that is having some success. Spirit Pass has a section devoted to locally produced products and according to its owner, the locally produced goods sell very well. Adding a successful, commercially viable artisan manufacturing business will

encourage and help provide direction to the entire artisan community.

In Table 7 the total expected economic impact of having a smaller scale commercial textile operation is estimated.

Artisan Yarn / Textile Industry Summary	
Potential # of Jobs (3 to 5 years)	20
Employment Multiplier	1.796
Ancillary Employment	36
Total Employment	56
Average Industry Wages	\$ 19.61
Average Hours of Work	41.20
Wages of Support Industries	\$ 13.96
Total New Wages	\$ 1,883,251
Incremental Property Taxes	\$ 22,532

Sources: Bureau of Labor Statistics; TTARA Research Foundation; Business Research Division, Leeds School of Business, University of Colorado Boulder

Table 7: Artisan Textiles Projected Economic Benefits

Manufacturing

Expanding the manufacturing sector is desirable because it is a basic, export-oriented industry that provides higher wage jobs than most other industries. In the United States, the average manufacturing wage is \$25.60 per hour while the average across all industries is \$25.43.

It is important to note that the “Factory Premium” or the ratio of wages in durable goods manufacturing to private non-farm wages has been in steep decline since the 1970’s and has almost disappeared. (See Figure 29) In other words, while manufacturing wages have been largely stagnant for decades, wages in other industries have caught up.



Source: Bureau of Labor Statistics, average hourly earnings of production and nonsupervisory workers, seasonally adjusted

BloombergView

Source: www.bloombergtview.com/articles/2015-04-06/factory-worker-wages-are-nothing-special-these-days

Figure 29: Decline of the "Factory Premium"

Dr. Joel Kotkin noted in Forbes that the manufacturing sectors “pay far better than alternative sources of employment for people without college degrees, such as retailing (\$27,500),



food service (\$16,000), hospitality, or the arts (\$31,000). Nationally, this cross section of higher-value blue-collar industries employs 31.3 million people, just more than a fifth of the nation’s workforce, up 1.3 million jobs since 2010.”²⁵

According to the Boston Consulting Group, wage growth overseas, rising US productivity, and currency swings are making US manufacturing more competitive. In fact, in 2015 the US was the second most cost competitive manufacturing country among the 25 most developed nation and trailed China by only 3%.²⁶ See Figure 30.

Despite gains, European producers remain disadvantaged in cost competitiveness versus China and the U.S.

Country	2015 index rank	2015 mfg-cost index	Change in mfg-cost index ('14-'15)	Change in mfg-cost index ('04-'14)
China	1	97	+1	+9
United States	2	100	N/A	N/A
South Korea	3	104	(2)	+4
Netherlands	4	106	(6)	+1
United Kingdom	5	107	(2)	(1)
Japan	6	107	(4)	+4
France	7	113	(12)	+4
Italy	8	114	(9)	+10
Germany	9	115	(6)	+7
Belgium	10	120	(4)	+10

Source: BCG. THE BOSTON CONSULTING GROUP

Source: Boston Consulting Group

²⁵ www.forbes.com/sites/joelkotkin/2014/01/30/blue-collar-hot-spots-the-cities-creating-the-most-high-paying-working-class-jobs/#24feb6ab27c1

²⁶ www.slideshare.net/TheBostonConsultingGroup/the-shifting-economics-of-global-manufacturing

Figure 30: Manufacturing Cost Competitiveness

Manufacturing jobs in the United States are making a comeback. For the first time in more than a decade, there has been steady growth in manufacturing employment. (See Figure 31).

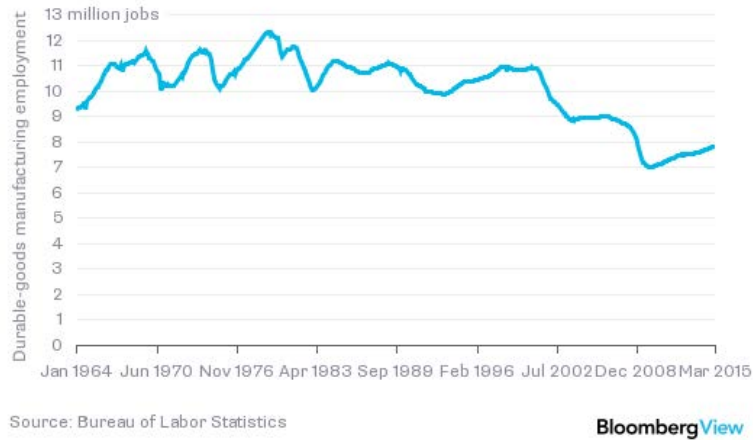


Figure 31: Manufacturing Employment

With the resurgence of manufacturing in the US, the current environment presents a good opportunity to expand manufacturing in Moffat County.

Advantages

Moffat County has many characteristics and assets that give it strategic advantages in manufacturing. An analysis of each follows.

Rail Transportation. The presence of a Union Pacific spur into Moffat County provides for convenient and cost-effective transportation of large and heavy materials.

In the past rail service to Moffat County was twice a week but it is presently only every other week. Still shipping by rail provides a 20% cost reduction over trucking freight and can be a significant advantage for industries that ship large volume or high weight products or materials.

Innovative, Skilled Workforce. Workers in Moffat County are noted for their innovation, hard work and mechanical skills. During interviews with business owners and managers, there was universal praise for the skills, work ethic and can-do attitude of the Moffat County workforce.

A motivated and skilled workforce is an increasingly rare and sought-after asset and one that will be an important factor in attracting manufacturers.

Sewer. The City of Craig has approximately 1.2M gallons per day of excess waste water treatment capacity. This capacity opens the door to manufacturing processes that require high volumes of water.

Water. Water is a scarce resource in arid northwest Colorado, eastern Utah and southwestern Wyoming. The City of Craig has 4 million gallons per day of water rights that are presently not being used. Again, this could be a valuable input for certain manufacturing processes.

Electricity. Electricity is provided by Yampa Valley Electric from the Hayden generating plant. Commercial rates are competitive with national averages at \$.092 per kwh and an industrial rate scale could provide additional savings to high consumption customers.

CNCC. Having Colorado Northwest Community College in Moffat County is a tremendous benefit because of its ability and willingness to train workers. As new industry clusters are

developed and specific skill sets requirements for workers are identified, CNCC can provide specific training and design degrees around providing that training.

Industrial Park. The 17 acre City-owned property to the west of the Public Safety complex provides a starting point for an industrial park because all necessarily utilities including fiber optic cables for broadband internet are all immediately accessible. An industrial park should be at least 120 acres to attract large industrial producers and also to allocate the costs of developing the park over a larger base. In order to make the current property viable in the long-term it would need to be expanded.

Having property identified that has access to utilities, is close to rail service, is outside the flood plain and is owned by the City is a good starting point.

Disadvantages

There are some challenges and impediments to manufacturing that must be acknowledged and overcome . These include air transportation, trucking transportation and wage pressures.

Air Cargo Transportation. During the winter skiing season, there are twenty daily flights out of the Hayden Airport. All of these flights are single-aisle jets but most like the Airbus A320 and A319 and Boeing 737s have air cargo capacity.

During the months of April and May, however, there is only one daily flight from Hayden to Denver and it is a Canadian Regional Jet with very limited cargo capacity.

Because of the discontinuity of service, an industry that relied upon air cargo transportation would probably not be viable unless inventory deliveries coincide with air cargo service.

Trucking Transportation.

Moffat County’s location, 90 miles from I70, 92 miles from I80 and 197 miles from Denver create logistical challenges. With very few raw materials or parts that can be sourced locally and limited end user markets in close proximity, manufacturers would be in the disadvantageous position of having to ship all of their raw materials in and then ship them back out to customers. Every mile that inputs or final products travel creates extra costs and creates a competitive disadvantage.

Despite Moffat County’s remoteness from major freeways, however, the freight cost situation is not as bad as may be expected. The average cost of shipping 500, 1000 and 5000 LTL loads to seven major metropolitan areas is shown in Figure 32. While shipping by truck from Moffat County is 12% more expensive than from Denver, it is less than from any of the other metropolitan areas.

	Average Freight Cost
Denver	\$ 1,772
Moffat County	\$ 1,982
Houston	\$ 2,055
Chicago	\$ 2,243
Los Angeles	\$ 2,248
Miami	\$ 2,436
Seattle	\$ 2,513
New York	\$ 2,663

Source: UPS

Figure 32: Trucking Transportation Cost Comparison

The impact of transportation on Moffat County’s competitiveness really depends on the supply chain and where product and materials are being shipped.

Some potential ways to further improve the transportation situation are:

- Find products that currently have a long supply chain that pass through or near Moffat County so manufacturing here would just be a different stopping point but wouldn't necessarily add distance,
- Look for backhaul opportunities to take advantage of transportation in or out of the County that is happening anyway,
- Explore using LMD dollars to subsidize transportation in much the same way that Routt County subsidizes airfare into the Hayden airport.

Wage Pressure.

The electrical generating station and the coal mines pay well-above Moffat County median hourly rate of \$24.10 per hour. The Bureau of Economic Analysis shows the average wage of those in the mining industry in Moffat County as \$82,586 with the average wages of the next highest industries being below \$55,000. (See Table 8)

According to business owners that were interviewed, the high wage rates at the mines and generating plants place upward pressure on wages throughout the County because businesses need to provide compensation packages that are competitive with the mines or they will lose workers when positions at the mine or plant become available.

The data doesn't necessarily confirm this point, however, as Moffat County wages excluding the mining industry are just 59% of the state average. No industry other than mining pays wages that are higher than the state average.

	Moffat County	Colorado	MC as % of State
Forestry, fishing, and related activities	\$ 8,314	\$ 18,668	45%
Mining, quarrying, and oil and gas extraction	\$ 82,586	\$ 64,883	127%
Utilities	N/A	\$ 119,928	
Construction	\$ 31,982	\$ 43,892	73%
Manufacturing	\$ 33,227	\$ 73,301	45%
Wholesale trade	\$ 54,362	\$ 82,462	66%
Retail trade	\$ 27,531	\$ 28,848	95%
Transportation and warehousing	N/A	\$ 50,296	
Information	\$ 46,743	\$ 100,124	47%
Finance and insurance	\$ 39,708	\$ 53,768	74%
Real estate and rental and leasing	\$ 5,647	\$ 14,827	38%
Professional, scientific, and technical services	\$ 15,469	\$ 66,034	23%
Management of companies and enterprises	\$ 54,083	\$ 141,433	38%
Administrative and support and waste mgmt	\$ 22,465	\$ 33,231	68%
Educational services	N/A	\$ 30,595	
Health care and social assistance	N/A	\$ 49,822	
Arts, entertainment, and recreation	\$ 11,365	\$ 22,820	50%
Accommodation and food services	\$ 19,033	\$ 24,192	79%
Other services (except public administration)	\$ 22,861	\$ 28,054	81%
Government and government enterprises	\$ 38,573	\$ 65,692	59%

Source: US Bureau of Economic Analysis

Table 8: Average Wage Comparison

Moffat County's unemployment rate of 4.9% may also create wage pressure because there are not very many skilled applicants for any job openings and employers would need to offer more attractive compensation packages in order to attract skilled workers.²⁷

In the United States, 8.3% of all jobs are in manufacturing. For Moffat County, the percentage is only 1.8. If manufacturing could be doubled as a percentage of total employment to 3.6%, the total economic impact would be as outlined in Table 9.

²⁷ www.research.stlouisfed.org/fred2/series/COMOFF1URN



Manufacturing Industry Summary	
Potential # of Jobs (3 to 5 years)	128
Employment Multiplier	3.1176
Ancillary Employment	399
Total Employment	527
Average Industry Wages	\$ 25.69
Average Hours of Work	40.60
Wages of Support Industries	\$ 13.96
Total New Wages	\$ 18,529,518
Incremental Property Taxes	\$ 144,205

Sources: Bureau of Labor Statistics; TTARA Research Foundation;
Business Research Division, Leeds School of Business, University of
Colorado Boulder

Table 9: Manufacturing Projected Economic Benefits

Entrepreneurs / Manufacturing Incubator

To begin an internet startup company all you need is a laptop, internet and a good idea. As Paul Tate notes in www.gilcommunity.com however, "...to start up an innovative new manufacturing business, the chances are you're going to need a lot more space, a lot more complex equipment, and access to a few more like-minded people to make it happen."²⁸

The complexity, capital costs and breadth of expertise required to launch a manufacturing company make it a difficult challenge. In order to be successful a company must have good financial controls, a well-designed supply chain and distribution network, excellent marketing, skilled sales, efficient processes and near-flawless quality control.

Manufacturing incubators help new businesses traverse the learning curve and become adept in all aspects of businesses. According to the International Business Innovation Association of the 1250 business incubators in the United States around 37 are exclusively dedicated to helping manufacturers.²⁹ Manufacturing incubators typically provide space, some tooling and coaching for start-up businesses.

In the United States, 25% of incubators are sponsored by economic development agencies while another 16% are sponsored by local governments. The returns on the investments in incubators are impressive. The International Business Innovation Association estimates that in 2011 49,000 companies from incubators provided 200,000 jobs and generated almost \$15B in revenue.³⁰

For every \$1 in public operating subsidies for incubators, clients and graduates generate approximately \$30 in total local taxes. Perhaps most importantly, 84% of incubator graduates stay in their local communities.³¹

Moffat County has many entrepreneurial people with good ideas that with some assistance and coaching may be able to launch successful businesses. Having a business incubator could give them exactly that help.

²⁸ www.gilcommunity.com/discussion/can-manufacturing-incubators-help-drive-next-wave-manufacturing/

²⁹ www.inbia.org/resources/business-incubation-faq

³⁰ Ibid.

³¹ Ibid.

Tourism

The National Park Service estimates that in 2015, there were 291,798 tourists that visited Dinosaur National Monument which represented a 16% increase over 2014.³² In addition, the Craig Chamber of Commerce reports that more than 375,000 hunters come to Moffat County every year.³³

Between mountain biking, river rafting, trips to the museum and eco tours, another hundred thousand visitors probably come to the County every year. This total of 766K visitors is encouraging enough but when you consider the 600K to 700K tourists who visit Steamboat Springs every year³⁴ (some of whom would be counted in the national monument visitation numbers), the magnitude of the opportunity is significant.

Tourism should not be viewed as an economic development tool of itself because it provides low-wage jobs. Tourism is important, however, for the following reasons:

1. A vibrant and growing tourism industry provides a sense of community pride (which is a critical driver of consumer confidence and community investment),
2. Increasing tourism (especially year-round tourism) creates the environment where new restaurants and recreational opportunities can open and thrive which increases the quality of life for County residents,
3. The revenue generated from tourist for the Local Marketing District provides the seed capital to undertake important projects that will create more community assets which, in turn, increases tourism and a virtuous cycle is created.

³² www.nps.gov/dino/learn/news/december2015visitation.htm

³³ www.craig-chamber.com/hunting.html

³⁴ www.steamboatresortrealestate.com/steamboat-statistics/

While there is a significant flow of tourists through and near Moffat County, the amount of spending they do in the County is surprisingly low.

For example, the revenue per tourist in Moffat County in 2014-15 versus Routt County is shown in Table 10.

	Moffat County	Routt County
Lodging	\$ 9.96	\$ 107.32
Food & Beverage	\$ 72.16	\$ 169.17
Arts & Entertainment	\$ 1.72	\$ 5.26

Source: Colorado Department of Revenue

Table 10: Comparison of Tourism Spending

When considering the amount of spending by locals and business travelers on hotels, food and entertainment in Moffat County, the amount that is contributed by tourists is very low.

The primary objective to pursue with tourism is to induce more of those who are already visiting to stay in the County's hotels, eat at its restaurants and shop at its stores. This is a much easier and more cost-effective effort than trying to bring tourists to the area.

The Town of Dinosaur and Nature Tourism are two areas of opportunity that could be developed to generate more tourism spending.

Dinosaur

Dinosaur, Colorado is an extremely fortuitous name. Situated outside Dinosaur National Monument and within a few miles of the dinosaur bones that bring hundreds thousands of families with dinosaur-obsessed children to the area, it is perfectly positioned to cash in on the tourism traffic.

Unfortunately, outside of the cleverly named streets, there is little to draw tourists to the town.

In order to convert the tourist traffic into tourist revenue, there must be significant investments in amenities that leverage the dinosaur theme and are of sufficient scale and quality to entice families. New, flagged hospitality products must also be introduced to convert the traffic into hotel stays.

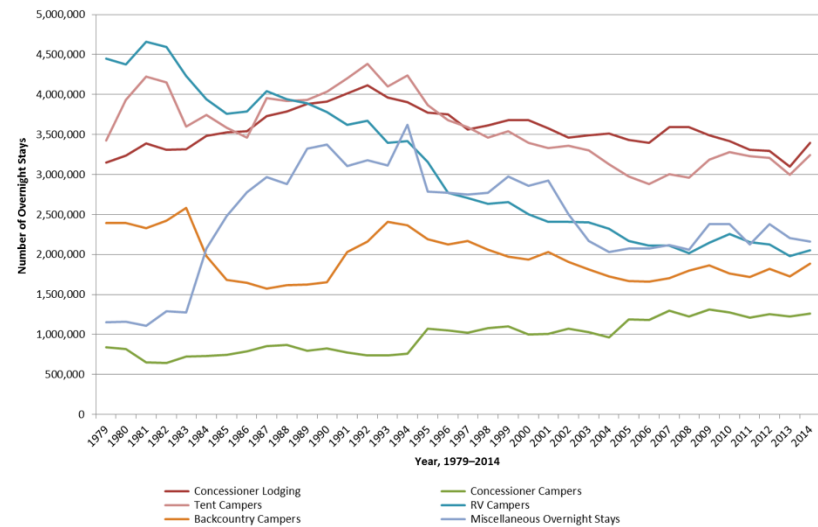
Nature Tourism / Cultural Heritage Tours

Nature Tourism is defined as “all tourism directly dependent on the use of natural resources in a relatively undeveloped state, including scenery, topography, water features, vegetation and wildlife.”³⁵

While there is scant data about Nature Tourism as a subset of total tourism, overnight stays at National Park Service facilities have fallen consistently since the 1990s but have shown some increases over the last two years. (See Figure 33)

Moffat County offers many opportunities to enjoy nature – hunting, fishing, river activities, mountain biking, bird watching among others.

One example of nature tourism that is probably unknown to many are the tours to see the Sage Grouse during their mating season. Hundreds of bird watching enthusiasts come to Moffat County every spring to see the elaborate mating dance of the male Sage Grouses. These visits happen below the radar of most people in the County and are emblematic of the many untapped opportunities to enhance nature tourism.



Source: National Park Service

Figure 33: National Park Service Visitation

Cultural Tourism is “the subset of tourism concerned with a country or region's culture, specifically the lifestyle of the people in those geographical areas, the history of those people, their art, architecture, religion(s), and other elements that helped shape their way of life.”³⁶

For Moffat County, cultural tourism means people coming to the County wanting to have an authentic ‘western’ experience. The Sombrero Horse Drive is a great example with tourists coming to Maybell to participate in a once-in-a-lifetime experience of rounding-up horses and driving them through town.

Reincarnated ‘dude ranches’ of the ‘80s are making a comeback as authentic western experiences for people wishing

³⁵ www.portals.iucn.org/library/efiles/html/tourism/section5.html

³⁶ www.en.wikipedia.org/wiki/Cultural_tourism

to connect with the land and experience a simpler, less complicated life for a few days.

Together with the Tourism Board, the County can help to facilitate Nature and Cultural Tourism through making improvements in local information about and access to the many opportunities that exist in the County. Again, less expenses and effort could be spent on trying to attract visitors to the area and more on improving the experiences of those who are already here.

Nationally, tourism accounts for 9% of all jobs. The target for Moffat County should be to bring employment up to the national average – resulting in an additional 145 jobs. (See Table 11)

As noted at the beginning of this section, growth in tourism is dilutive to median wages and has a low multiplier so the total labor impact is not as favorable as with other industries. The real importance, though, is in the revenues to the Local Marketing District that are generated by increases in hotel room stays and the economic development projects that can be leveraged from these funds.

Tourism Industry Summary	
Potential # of Jobs (3 to 5 years)	145
Employment Multiplier	0.469
Ancillary Employment	68
Total Employment	213
Average Industry Wages	\$ 13.85
Average Hours of Work	26.10
Wages of Support Industries	\$ 13.96
Total New Wages	\$ 4,707,065
Incremental Property Taxes	\$ 43,056

Sources: Bureau of Labor Statistics; TTARA Research Foundation; Business Research Division, Leeds School of Business, University of Colorado Boulder

Table 11: Tourism Projected Economic Benefit

Aquaculture

“The broad term “aquaculture” refers to the breeding, rearing, and harvesting of animals and plants in all types of water environments including ponds, rivers, lakes, and the ocean. Aquaculture is used for producing seafood for human consumption; enhancing wild fish, shellfish, and plant stocks for harvest; restoring threatened and endangered aquatic species; rebuilding ecologically-important shellfish habitat; producing nutritional and industrial compounds; and providing fish for aquariums.”³⁷

Some interesting facts about aquaculture are that:

- America’s aquaculture industry (both freshwater and marine) meets only five to seven percent of U.S. demand for seafood.
- Seventy-five percent of that is freshwater farmed catfish, trout, and tilapia.
- Marine aquaculture is only about 20% of U.S. aquaculture production.
- Marine aquaculture supplies only about 1.5 percent of the entire U.S. seafood supply.
- Two-thirds of marine aquaculture is molluscan shellfish such as oysters, clams, and mussels while the remainder is shrimp and salmon, with lesser amounts of barramundi, seabass, seabream, and other species.³⁸

The nutritional merits of eating fish are widely known and acknowledged. The American Heart Association recommends eating fish at least two times a week because fish is a great source of low-fat protein that also contains omega-3 fatty acids

37

www.nmfs.noaa.gov/aquaculture/faqs/faq_aq_101.html#8whatkind

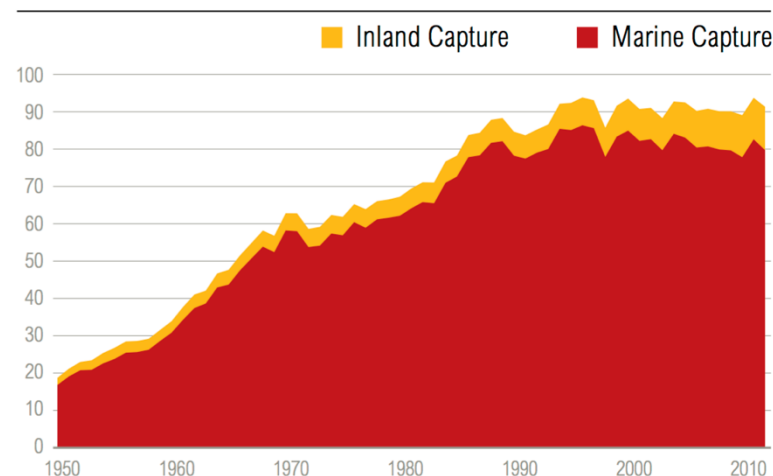
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www.nmfs.noaa.gov/aquaculture/faqs/faq_aq_101.html#8whatkind



that have been proven to benefit the heart.³⁹ “Fish is filled with omega-3 fatty acids and vitamins such as D and B2 (riboflavin). Fish is rich in calcium and phosphorus and a great source of minerals, such as iron, zinc, iodine, magnesium, and potassium.”⁴⁰

With most of the world’s natural fisheries producing at their maximum sustainable levels, future growth in the demand for seafood will need to be supplied by aquaculture. (See Figure 34)



Note: “Wild catch” includes finfish, mollusks, crustaceans, and other aquatic animals from marine and freshwater ecosystems. It excludes all aquaculture.

Source: FAO (2014b).

Figure 34: Maximization of Wild Fisheries

³⁹ www.heart.org/HEARTORG/General/Fish-and-Omega-3-Fatty-Acids_UCM_303248_Article.jsp#.VywckGOMsso

40

www.doh.wa.gov/CommunityandEnvironment/Food/Fish/HealthBenefits

It is estimated that by 2030 another 27 million tons of seafood will need to be produced.⁴¹

The growth of the global aquaculture industry is shown in Figure 35.

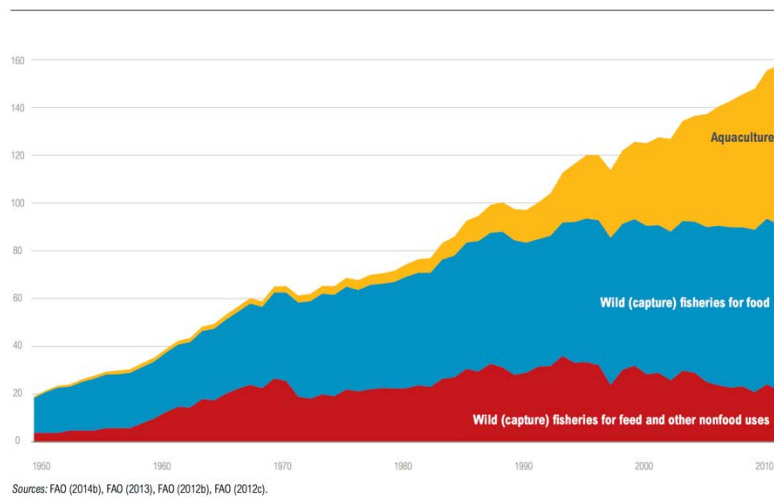


Figure 35: Growth of Aquaculture Industry

At present 90% of aquaculture production comes from Asia with 62% of that coming from China. (See Figure 36.) The America’s 5% share of production is disproportionate to its 39% share of consumption.⁴² The Food and Agriculture Organization of the United Nations (FAO) estimated in 2014

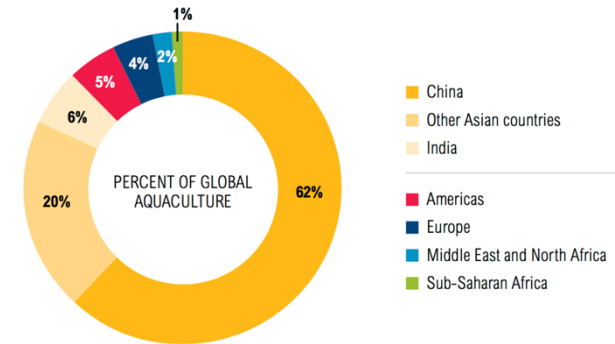
⁴¹

www.nmfs.noaa.gov/aquaculture/faqs/faq_aq_101.html#8whatkind

⁴² www.greenfacts.org/en/fisheries/1-2/06-fish-consumption.htm

that aquaculture production would increase by 4.5% from 2010 through 2030.⁴³

With such a large trade imbalance on seafood, the United States is well-positioned to experience even greater growth.



Source: FAO (2014b).
Notes: Data are for 2012. Production in Oceania (not shown here) is less than 0.5 percent of world total.

Figure 36: Global Aquaculture Production

Aquaculture has broad support as an industry because of its environmental impact vis-à-vis other sources of protein. The infographic in Figure 37 shows the efficiency of fish in converting feed into meat.

Moffat County has some key advantages for the entering the aquaculture industry. The first is the availability of waste heat from Tri-State’s generating plant. While there have been some unsuccessful attempts in this country to utilize waste heat from power plants, technology (and the experience gained from having traversed the learning curve) has advanced to the point where it is now feasible to utilize waste heat to produce even warm-water species in colder climates.

⁴³ www.fao.org/docrep/007/y5648e/y5648e07.htm#bm07.1

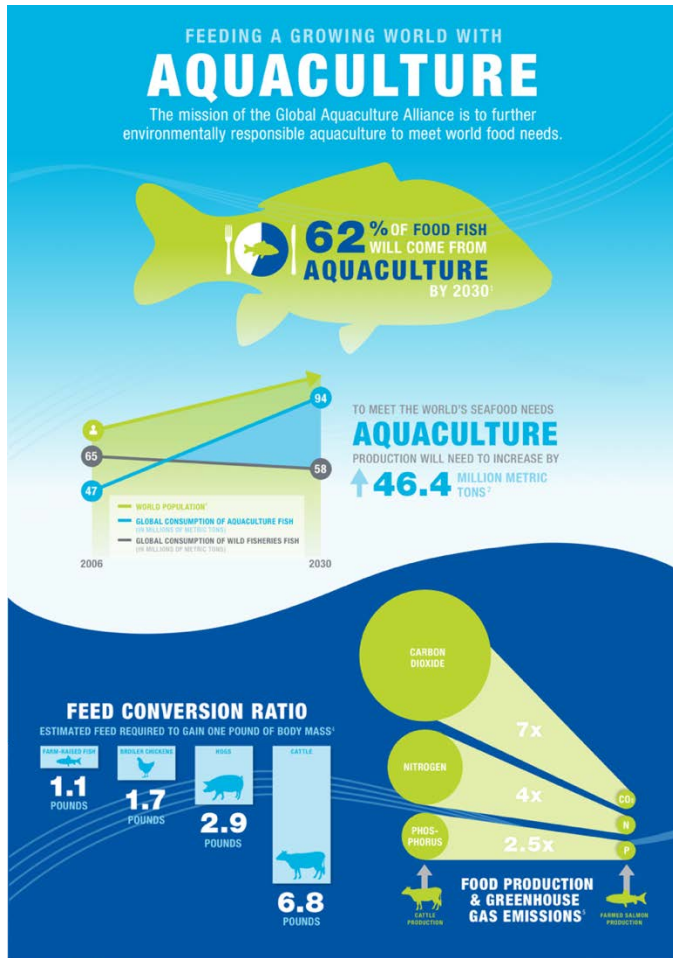


Figure 37: Aquaculture Facts

While farming fish is materially different than raising sheep, Moffat County’s agricultural background would be a net benefit in its workers learning the new industry.

Finally, it is possible that there could be some synergies between Moffat County’s other agricultural industries and aquaculture. It is possible that feed and waste products may be shared across different agricultural industries. There are an average of 8.6 employees per aquaculture business in the United States.⁴⁴ The target would be for Moffat County to have one large aquaculture facility or two smaller ones for a total employment of 17. The total economic impact of aquaculture for Moffat County is shown in Table 12.

Aquaculture Industry Summary	
Potential # of Jobs (3 to 5 years)	17
Employment Multiplier	1.132
Ancillary Employment	19
Total Employment	36
Average Industry Wages	\$ 13.60
Average Hours of Work	36.80
Wages of Support Industries	\$ 13.96
Total New Wages	\$ 1,001,208
Incremental Property Taxes	\$ 19,158

Sources: Bureau of Labor Statistics; TTARA Research Foundation; Business Research Division, Leeds School of Business, University of Colorado Boulder

Table 12: Aquaculture Potential Economic Benefits

⁴⁴ www.ncfh.org/uploads/3/8/6/8/38685499/fs-aquacultureworkers.pdf

Downtown Redevelopment

While ‘Downtown’ is not an industry, its importance to the renaissance of Moffat County is important enough to merit treatment in this report.

A community’s downtown is a critical component of its economy. Andy Kitsinger noted in www.plannersweb.com that “In most cases downtowns serve as the engine for local economies. However, downtowns are much more than a profit center to cities. They also represent the image and character of a city to the rest of the world. Downtowns are unique in that they are typically the only neighborhood that belongs to and is shared by everyone in the region.”⁴⁵

Downtown Craig is the face of Moffat County to the world and its success means much more than the prosperity of a few shop owners. Revitalizing Craig’s downtown would have positive spillover effects in raising property values, creating a sense of economic inertia that would improve consumer confidence and enhancing a sense of civic pride that would help create the kind of place that will motivate Moffat County’s youth to stay.

The downtown renaissance will require a catalytic project that will bring residents, retailers and commercial businesses downtown. Entertainment will be a key element in bringing people to the area.

As noted in the Phase 1 report. The one-way traffic on Victory Avenue is a serious impediment to creating a vibrant downtown.

⁴⁵ www.plannersweb.com/2013/09/healthy-downtown-key-strong-community/

Phase 3 Report

Summary

The Phase II study identified several industries that take advantage of Moffat County's natural strategic advantages as well as areas of focus that would be catalytic for other development and growth. The Phase III report refines those broad areas into specific projects that can be implemented.

The project recommendations build on the findings from the industry analysis and are designed to give sufficient information for Moffat County's stakeholders to make decisions on which to prioritize. Each project has potential for success and could be an important step in bringing new jobs and economic vitality. Each also has its challenges and risks. The projects are listed in order by those which are most likely to produce results and have the highest likelihood of success.

Following are brief descriptions of the proposed projects:

Downtown Mixed-use Development

Downtown Craig was once a center of commerce and entertainment but over the years has gradually lost some of its vitality and relevance to the region. There is significant and disproportionate retail leakage from the County. Retail leakage of this scale typically indicates that there is market demand for products and services that could be filled from within the County.

There is an opportunity to revitalize downtown and recapture some of the outflowing retail sales through a mixed-use development with housing, retail, professional offices, a community center and a recreation center in a downtown location. The benefit of the project would transcend the increased tax base and retail and professional jobs created. The investment in downtown, would bring significant quality-

of-life improvements and assist in attracting and retaining quality workers to the area and would create a renewed sense of pride in the community.

Themed Attraction – Dinosaur

Nearly 300,000 visitors come to the Dinosaur National Monument every year but Moffat County gets very little economic impact from these tourists as less than 30,000 come to the Dinosaur, Colorado side of the monument with the remaining going to the Jensen, Utah side that is less than 30 miles away. Having a themed attraction in Dinosaur would fill a market need for families who visit the visitor's center but would like more contemporary, active dinosaur-themed activities for their children. The attraction should be co-located with a hospitality product. The incremental lodging tax dollars would help fund further economic development.

Industrial Park

There are two realities with industrial park. The first is that if you don't have industrial lots that are shovel-ready then you have a significant disadvantage when recruiting companies. The second is that if you build it they won't necessarily come. The key is to configure the industrial park for target industries and then aggressively pursue companies in those industries.

Artisan Textile Manufacturing

There is a growing market for artisan goods and materials. With Moffat County's sheep industry and branding as the 'authentic west', there is the potential to create a textile industry in the County that focuses on natural, minimally processed yarns and textiles.

Entrepreneur / Manufacturing Incubator

An incubator is both a location and a system that brings resources and expertise to entrepreneurs. Creating an incubator in Moffat County will encourage entrepreneurship

and help existing businesses to grow and become more commercially viable.

Aquaculture/Aquaponics

Inland fisheries where fish are grown and harvested is one of the fastest-growing segments of the food production industry. Because of the availability of waste heat from the electrical generating plant, the opportunity exists to introduce aquaculture or aquaponics in Moffat County.

Other Recommendations

While Maybell will not benefit directly from any of the above projects, there are measures that can be taken to improve that community including potential development at Juniper Hot Springs, increased communication with elected officials and County promotion of the Sombrero Horse Drive.

The County also needs to make a concerted effort to communicate the positive changes and the vision for the future to help improve consumer confidence.

Downtown Mixed Use Development

There was a time when downtown Craig was the economic, cultural and entertainment center of northwest Colorado. Yampa and Victory were bustling with a constant stream of cars, shoppers and diners.



Picture 1: Historic Craig Downtown

The downtown Craig of today has lost much of its luster and is no longer the central hub of the area. The downtown's diminishing relevance represents a loss for the entire County because a downtown is a community's signature - its face to the world.

The revitalization of downtown will be a key to restoring economic vitality to Moffat County. On May 5, 2016 at the Council of Foundations' conference, "The Future of Community", the National Trust for Historic Preservation "presented analysis showing that reusing and retrofitting historic buildings in urban neighborhoods can lead to 1) thriving creative economies, 2) an influx of millennial

residents, 3) job creation in new small businesses, many owned by women and minorities, and 4) environmental savings over demolition and new construction."

In order to begin a virtuous cycle of investment, a catalytic project must be designed that will be a destination attraction and change the economic landscape.



Picture 2: Historic Yampa Avenue

The project should be a mixed-use development that combines retail, commercial, professional offices, market-rate housing, restaurants, community spaces, a recreation center, a community/senior center, and open space.

In the post-war years, urban planning led to segregation of industrial and commercial uses from residential areas to create buffers from noisy and polluting industries. This segregation of uses created large suburban tracts of housing which were separated from the commercial cores of the cities and precipitated the decline of urban downtowns.

In recent years, planning professionals have realized that having retail, commercial and residential uses located together

creates a vitality and energy that is good for the business owners as well as desirable for the resident. Mixed-use developments are becoming the standard development tool to revitalize downtowns and create attractive housing for young professionals and millennials.



Picture 3: Mixed-use Development

In order to bring a concentration of residents as well as shoppers back to the downtown area, density must be created. The challenge in Craig is identifying the downtown. While Victory Avenue would seem to be the main thoroughfare, it sees only half of the east/west traffic on I40 and Yampa Avenue is home to more historic buildings. Furthermore, there is not sufficient available space to accommodate all of the venues that are recommended.

A feasibility study should be conducted to identify the locations that would be most suitable for each venue and a

master plan developed that ties new development together. Following are the potential elements of the mixed-use development:

Recreation Center

Having 'something to do' during the long northern Colorado winters was cited by residents as one of the primary challenges of living in Moffat County. Many residents and stakeholders offered the idea of a recreation center as a way to enhance the quality of life and appeal of the County.

A recreation center can house many different activities. Among the possibilities are:

- Lap swimming pool
- Kiddie pool with slides / in-water playground
- Indoor track
- Multi-purpose courts
 - Basketball
 - Volleyball
 - Pickleball
- Aerobics / yoga / Pilates / Zumba rooms
- Climbing wall
- Weight room
- Cardio room
 - Ellipticals
 - Treadmills
 - Stationary bikes
- Racquetball / squash courts
- Sauna / steam room
- Indoor surfing
- Indoor batting cages

One of the keys to creating a successful and well-utilized recreation center is to match the amenities to the interests of the community. Through surveys and community input, the center can be tailored to meet Moffat County's unique needs.

The importance of having a recreation center is that it creates a significant improvement in the quality of life. A well-designed and adequately scaled facility can tip the scales when youth are deciding whether to stay in the community or if a business is looking to open a facility in the area.

For example, the ERBM Recreation & Park District that services eastern Rio Blanco County constructed a recreation center in Meeker. This facility attracts many residents from Craig because of its amenities and activities. The center also serves as a community gathering place and many senior citizens meet there for coffee.

Market-rate Housing

There is a shortage of market-rate housing that is appealing to young professionals in Moffat County. That group is a target demographic that is key to the future of the County. Creating appealing housing for young professionals should be a priority for the County.

Apartments and studios above retail and commercial space has proven to be very popular among millennials and young professionals. A mixed-use development with retail and professional offices on the first floor with housing above leads to density of usage that creates a sense of community and vitality.

In addition to new construction, a survey of existing buildings should be performed. Several of the older buildings along Yampa Avenue have second floors that should be inventoried to determine its current usage and if it would be suitable for residential uses.



Professional Offices

The 2012 Moffat County Consumer Preference Study by Yampa Valley Data Partners estimated that 43% of doctor services and 29% of dental services for Moffat County residents were being performed outside of the County. Leakage is to be expected because not all medical specialties are available in the County. The Centers for Disease Control and Prevention (CDC) estimates that only 54.6% of doctor visits in 2014 were made to primary care physicians.

Further evidence of the leakage is contained in Table 13 that shows that per capita spending on health care in Moffat County is 30% less than the state average and is nearly 60% less for health care services which are primarily doctor visits. Either Moffat County residents are significantly healthier than the rest of the state or they are visiting medical professionals outside of the County.

	Total Revenue (\$1,000s)	Spending per Resident
Colorado		
Total Health Care	\$ 29,488,161	\$ 5,404
Health Care Services	\$ 12,713,068	\$ 2,330
Moffat County		
Total Health Care	\$ 50,270	\$ 3,784
Health Care Services	\$ 12,806	\$ 964

Source: US 2012 Census

Table 13: Health Care Spending

While there are cardiologists, general surgeons, anesthesiologists, neurologists and other specialists that practice in Moffat County, expanding the number of specialists would enable the County to retain more of the spending. A key to attracting more specialists and dentists to the County will be

to have attractive office space available. An office in a thriving mixed-use area would be a very compelling proposition for a medical practitioner. Better City has identified a medical user that may have interest in locating at a mixed-use development.

Community Center

In the 21st century “Community Center” is a somewhat amorphous concept that means something different in every community. Essentially it has become the catch-all that describes any community gathering place that houses various public and non-profit entities. Among the possible uses of the community center would be conference rooms, convention space, preschool and social services.

The County Library on Green Street was built in 1981 and has had no capital improvements since its construction. The building needs a new roof, carpeting and some other upgrades that are estimated to exceed \$200K. In the 21st century, libraries have become much more than a place to check out books and now serve as community gathering places, information centers, and public working space. If a separate community center is built, many of the 80,000 annual patron visits would go to the new facility.

Rather than investing in renovating the existing building, an alternative could be to co-locate the library within a mixed-use complex. By co-locating, the library staff could help run the community center and the library’s popular programs like reading time would be perfect for a community center.

Retail / Entertainment

According to the Consumer Preference Study, 27% of household furnishings, 22% of clothing, 26% of entertainment activities, and 24% of recreational equipment are purchased outside of the County (excluding internet sales).

Within that lost revenue lies a great opportunity to recapture some of the retail and entertainment business that is currently leaving the County. A private developer has already expressed interest in building a movie theater / arcade in the area. That would be an ideal attraction for the area and would help generate traffic.

With a movie theater, professional offices and a community / recreation center as catalytic attractions, the development would have intrinsic appeal to retailers. Retailers who offer unique or popular goods or services would be recruited to the development.

Restaurants

Moffat County has 30% more full-service restaurants per capita than the state average, but the total per capita spending on restaurants is only 55% of the state average (See Table 2). There are two important conclusions from the data: 1) Moffat County is under-consuming dining out, by almost half, compared to the rest of the state, and 2) There is a disproportionate number of restaurants in the County but they have annual per-store sales that are less than half the state average.

	Total Full-Service Restaurant	Restaurants per 1000	Sales per Capita	Sales per Restaurant
Colorado				
Full-Service Restaurants	4691	0.86	\$ 834.95	\$ 971,210
Fast Food	3821	0.70	\$ 587.70	\$ 839,266
Moffat County				
Full-Service Restaurants	15	1.13	\$ 459.90	\$ 407,350
Fast Food	4	0.30	\$ 460.41	\$1,529,250

Source: US 2012 Census

Table 14: Restaurant Spending

The 2012 Moffat County Consumer Preference Study estimated that 13% of restaurant spending left the County. The combination of under-consumption of dining out and significant restaurant leakage would seem to indicate that residents are not satisfied with their restaurant choice and that there is latent demand.

If per capita spending were to rise to 75% of the state average and half of the restaurant spending that is currently leaving the County were to be recaptured, there would be an additional \$2.7M in annual restaurant sales in Moffat County. This would be enough to support 2.7 additional restaurants at the state average of sales per restaurant.

The additional demand would only be created by restaurants of sufficient quality and variety to change consumption patterns. If the restaurants were located in a vibrant, dynamic development with other amenities, it would only strengthen their probability of success.

One idea that has been presented is to have a steakhouse that uses local cattle, lamb and wild game. This is a concept that could prove to be very successful – especially among tourists and visitors.

The opportunity transcends just retaining Moffat County spending. Restaurants that are unique and of sufficient quality would be able to attract visitors and tourists from Steamboat Springs and also induce those traveling through the County to stop and dine.

Senior Center

A recent study by Yampa Valley Data Partners of the utilization of the current Senior Center in the Bell Tower showed that approximate 90 seniors spend 270 hours per month in activities at the center. With a total population of 2,429 over

60 years of age, the utilization of the center is less than 4%.⁴⁶ According to researchers from the University of Utah, 16% of seniors nationwide report using senior centers. However, almost two-thirds indicate they will be visiting senior centers by 2025 so there is opportunity for far greater participation in Moffat County.⁴⁷

There are 11,400 senior centers nationwide that serve more than one million seniors. 75% of participants visit 1 to 3 times per week and spend, on average, 3.3 hours per visit. The National Council on Aging notes that, “Research shows that older adults who participate in senior center programs can learn to manage and delay the onset of chronic disease and experience measurable improvements in their physical, social, spiritual, emotional, mental, and economic well-being.”⁴⁸

There is a growing body of research, however, that demonstrates that senior’s need for interaction can best be filled not by isolating them among their own peers but by creating intergenerational connections.

As Nancy Henkin, the founder and executive director of Temple University’s [Intergenerational Center](#) asks: “Instead of a senior and a youth center, why not one energetic community center where people come together and intentionally nurture trust and empathy through interacting with each other?”⁴⁹

⁴⁶ Yampa Valley Data Partners, Senior Social Center Feasibility Study, April 2016

⁴⁷ www.forbes.com/sites/nextavenue/2015/03/19/why-we-need-to-get-rid-of-senior-centers/#4978c88ebedd

⁴⁸ www.ncoa.org/news/resources-for-reporters/get-the-facts/senior-center-facts/#intraPageNav0

⁴⁹ www.forbes.com/sites/nextavenue/2015/03/19/why-we-need-to-get-rid-of-senior-centers/#4978c88ebedd

Last year, the The Family Services of Westchester opened the Lanza Family Center for All Ages in White Plains, N.Y. “It offers spaces where the various age groups will interact during planned intergenerational activities as well as through informal encounters. Children, teens and older adults will garden together, share meals, sing songs, cook side-by-side and participate in events that allow them to form lasting impressions and enrich each other’s lives”, according to the center’s director Rebecca Lapel.

Seniors represent a wealth of knowledge and experience and have much to offer. Rather than a facility that separates them from the rest of the community, future senior centers will most likely be integrated space where seniors can interact with and offer their many talents to younger generations.

By combining aspects of a senior center into a mixed-use facility, Moffat County will become a leader in integrating seniors, one of its most valuable resources, into the community. This will improve senior’s standard of living, create vitality in the downtown core and provide benefits to those that they interact with.

Water Canal

Craig lacks amenity differentiation and community of choice assets that can act as attractants for residents and businesses alike. These assets should be developed through a strategic planning effort that creates corridors of activity and spurs investment. Although the Yampa River would appear to be the most natural area of focus, the Yampa River is not dam controlled and development along the river may be limited due to floodplain constraints. One opportunity that should be considered is the development of a water canal, similar in purpose to others that have been developed in cities such as San Antonio and Oklahoma City. San Antonio’s iconic River Walk has become the central feature of the city. Oklahoma

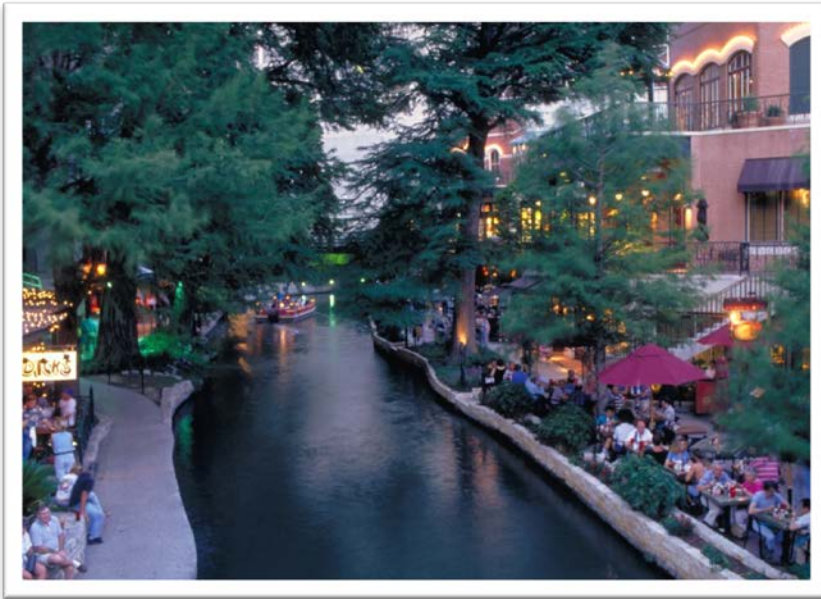
City’s Bricktown has created a vibrant, attractive, and popular destination that has seeded the expansion of its downtown.



Picture 4 - Oklahoma City Bricktown

A level controlled water canal would leverage the County’s latent water rights and help distinguish Craig from other communities in western Colorado. The canal would serve as a permeable and walkable corridor that connects the community’s disjointed activity centers: the historic downtown, indoor mall site, and other businesses along Victory Way. The exact location and path of the water canal should be determined through a community planning effort and developed over time using a phased approach. Private investment along the water canal should be secured including

having the proposed mixed-use development act as an anchor for the initial phase.



Picture 5: San Antonio's River Walk

Walking Trails

The Yampa River and Fortification Creek flow through Craig. Yet, with the exception of the City Park, there is no connection between the City and these beautiful bodies of water. Especially in the arid west, flowing water should be cherished, showcased and be the centerpiece of any community.

While it may not be possible to put retail and restaurants directly on the rivers, it is nonetheless critical to create linkages. Any developments should tie into trails that connect to the Yampa River and Fortification Creek. Creating a network of nature trails that tie the new development areas to

the rivers will be a critical element of creating an authentic sense of place.



Picture 6: Yampa River

Open / Community Space

Dr. John Compton of Texas A&M University is a leading researcher on open spaces in developments and has concluded that, "Parks and open space create a high quality of life that attracts tax-paying businesses and residents to communities.

In a 2001 survey of 50 senior executive of Fortune 500 companies by Harris Interactive for the Kearney/EDS Corporation attributes of cities were ranked by what they considered most important. The survey revealed that the executives ranked quality of life issues such as parks and recreation, traffic and climate as the number two most important factor - tied with the cost of living, and just behind

the number one factor – having a pool of talented, skilled workers.

The survey went on to say that, “Small company owners say recreation, parks, and open space are the highest priority in choosing a new location for their business. Across the U.S., access to parks and open spaces has become a measure of community wealth— a tool for attracting businesses and residents by guaranteeing quality of life and economic health.”⁵⁰

Incorporating open spaces that invite gathering and community interaction will be a key to creating an inviting environment that families, young professionals and tourists will be drawn to. The downtown development must incorporate open spaces that celebrate Moffat County’s unique history and heritage (sculptures of elk, wood carvings, mining carts, etc.) and its connection to nature while being functional and appealing.

Part of having 21st Century open space is to provide free Wi-Fi. A Wi-Fi hotspot would need to be established for the whole development that establishes connectivity for the patrons of the development.

Realign Victory Way

The current configuration of Victory Way is harmful to local retailers and is anathema to the concept of building a contiguous downtown. Although traffic engineers advocate for one way streets so traffic flows efficiently, this is at cross-purposes with small-town city planning and commercial development. One-way streets cut in half the visibility, traffic flows, and access for retailers and businesses. Visitors to town

easily become frustrated because of the difficulty in navigating the commercial corridor. Is it any wonder that many retailers along Victory Way have struggled?

A retail corridor should have a slow traffic flow with the automobile being subordinated to pedestrian activity. CDOT should be approached to change the configuration and if need be, swap control of Victory Way with a county road so Craig can control and correct the improper flow of traffic through its commercial corridor. This should become a high priority item for future transportation infrastructure investments.

Tax Increment Financing

The proposed mixed-use development will be a significant undertaking for Moffat County. A feasibility study will provide an estimate of the market demand for the project and its cost and profitability. Typically, large scale projects of this scope require greater investment than the project can provide. One mechanism to provide capital investment to projects that have significant public interest is through tax increment financing.

The Colorado Municipal League offers the following explanation of tax increment financing:

“Urban renewal authorities (URAs) are created by municipalities to redevelop areas within their jurisdiction that are found to contain blight or slum conditions and require public participation to attract redevelopment. An urban renewal project is a public/private partnership. The majority of the funding comes from the private sector; public investment comes from tax increment financing (TIF), which is the increased amount of property tax or municipal sales tax revenue collected within the URA after the project begins. This

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www.americantrails.org/resources/economics/landconscompton.html

new revenue is generated by the increased property values that result [from] the project.”⁵¹

In this case, because the project will not happen on its own “but for” community investment, the taxing entities can elect to forego a percentage of the incremental property and / or sales taxes that the project would generate for a specified number of years and return that money to the developer to lower the capital requirements.

While it wouldn’t be certain if tax increment financing would be required until a feasibility study is completed, the likelihood is very high. City, county and school district officials should become educated on tax increment financing and be prepared to offer this incentive if necessary.

Next Steps

A feasibility study needs to be conducted to determine the market demand for each of the constituent components of the above recommendations. The demand projections would be weighed against estimated costs to determine the financial viability of each component. Funding sources, which may include federal and state grants and loans as well as tax increment financing, would also be reviewed.

Following is a more detailed, though not comprehensive, list of considerations:

- Determine the scope of the development. Possible venues include:
 - Recreation Center
 - Community Center
 - Water Canal
 - Professional Center (Physicians, Dentists, etc.)

- Market-rate Housing
- Retail
- Restaurants
- Senior Citizen’s Center
- Library
- Determine what kinds of amenities should be included in the Recreation Center
- Determine if the development can be integrated with a water canal and trails connecting to Fortification Creek or the Yampa River.
- Determine the required acreage.
- Determine the best location or if there should be multiple sites.
- Determine development costs.
- Determine the ongoing operational costs.
- Determine if a recreation district would be required.
- Establish the level of community support a recreation district.
- Identify sources of funding.
- Establish timeline for grants, financing, and development.
- Determine interest of development community in the project.
- Determine if restaurants and retailers be recruited.

⁵¹ www.cml.org/issues.aspx?taxid=11125

Themed Attraction – Dinosaur

“The Quarry Exhibit was a bit anti-climactic. Fascinating, but a bit dry.”

“... our kids got bored.”

“Yes, you can touch dinosaur bones and all that. But, if you are not into fossils and dinosaurs, then you probably won't enjoy this park as much.”

“Not much to see. That about sums it up. Spent about 30-45 minutes there to see rock wall with dinosaur bones.”

“There isn't much at all for small children.”

“Of course it's interesting to see bones that are millions of years old but it's not the kind of thing we'd spend all day doing (I have a 9-year-old and 5-year-old) and there isn't much more to see. I was also surprised they didn't have some kind of cafe or place to get food.”

“... my kids (age 12 and 8) found this a little bit boring.”

The preceding quotes are from reviews of Dinosaur National Monument by vacationers on Tripadvisor.⁵² In fairness, of the 187 visitor ratings from those visiting the Monument with families, 130 were excellent, 40 good, 16 average and only one poor. The vast majority of reviewers were very positive in their assessment of the Monument. These reviews, however, were done by adults and those that mentioned their children's perspective tended to highlight that outside of an hour or so at the visitor's center there wasn't much for the children to do.

⁵² www.tripadvisor.com/Attraction_Review-g57155-d145736-Reviews-or10-Dinosaur_National_Monument-Vernal_Utah.html/BackUrl#REVIEWS

Nearly 300,000 visitors a year visit the Monument every year, with 10% visiting the Dinosaur, Colorado side of the monument and the remaining visiting the Jensen, Utah side less than 30 miles away. Most seem to enjoy what is there but many come away with a feeling of wanting more: “Not much to see”, “anti-climactic”, “kids got bored”.



Picture 7: Dinosaur National Monument Visitor's Center

In these observations lies the seed of an opportunity. Dinosaur, CO is perfectly named and ideally located to provide a more active entertainment option for visitors to the Monument. The best suited attraction would be an outdoor water park. Indoor and outdoor water parks are among the fastest growing entertainment destinations in the country. According to Hotel and Leisure Advisors, in 2015, a total of 18 water parks opened in the United States representing more than \$500M in investment. In 2016, investment is expected to accelerate. As

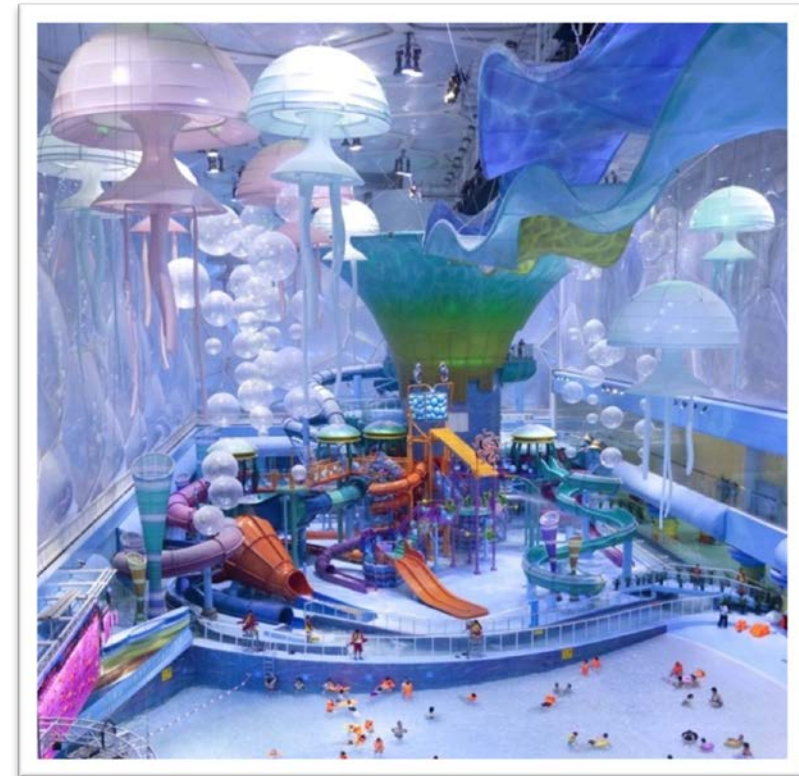
of February 2016, there were 996 waterparks scattered throughout the U.S..⁵³

Cities in Colorado have joined the trend and there are five major water parks slated to open this year – two each in Colorado Springs and Loveland and one in Aurora. Three of the water parks will be attached to hotel developments. According to Nate Traylor, a senior editor of Pool and Spa News, “This follows a nationwide trend of increased combination hotel/waterparks. Attached waterparks remain one of the best ways for hotels to increase occupancy and extend stays.”⁵⁴

The popularity of water parks is a global phenomenon. In China, the second most popular tourist attraction behind the Great Wall is not Tiananmen Square, the Terra Cotta Warriors nor Guilin. It is the Water Cube Waterpark (See Picture 8).⁵⁵ The World Waterpark Association explains, “Waterparks appeal to families who want quality recreation time in an extremely safe environment. After all, waterparks are the safest place to have fun in the water compared to oceans, rivers, lakes and even swimming pools. Thus, parents can feel confident about going to a waterpark with their kids.”⁵⁶

A water park in Dinosaur would probably operate between the months of May and September when the Monument

visitations spike and also when the temperatures rise and are most conducive to outdoor water recreation (See Figure 38).



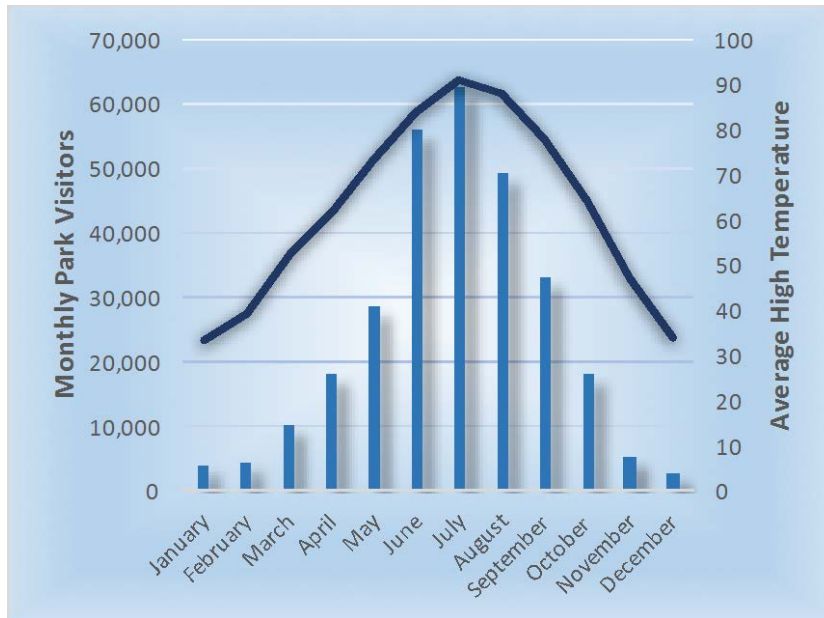
Picture 8 - Beijing's Water Cube

⁵³ www.hladvisors.com/publications-research/publications-research/publication-details/2016-s-waterpark-forecast-bigger-is-better

⁵⁴ www.aquaticsintl.com/facilities/waterparks-resorts/why-colorado-is-suddenly-awash-in-waterparks_o

⁵⁵ www.cnn.com/2013/07/31/travel/worlds-best-water-parks/

⁵⁶ www.waterparks.org/web/About_WWA/Press_Room/FAQ_s_on_Waterparks/web/FAQs_On_Waterparks.aspx?hkey=ea10de72-cf42-4b20-995a-3458275db940



Source: US National Park Service / Weather.com

Figure 38: Dinosaur Visitation & Weather

The water park could be modeled after some of the new designs that incorporate traditional lap pools, splash pads, kiddie pools and water slides. The Long Branch Water Park in Dodge City, Kansas that will open later this month is one example of this concept (See Picture 9). The important difference would be the dinosaur theme that would dominate the park. Imagine sliding down the back of a brachiosaurus, water shooting out of the three horns of a triceratops and eating pterodactyl nuggets at the concession stand.

Key to making the concept successful would be to attach a hospitality product to the project. The importance of the hotel is both to give tourists a convenient place to stay while enjoying the park and also to pull into the County, room nights that are currently going to Vernal. The increase in lodging

would also be a boon to the Local Marketing District. A local developer has already expressed interest in constructing a 50-room motel and should be approached about participating in this type of development.



Picture 9: Long Branch Water Park, Dodge City, Kansas

Besides a hospitality product, at least one national fast-food franchise would need to be recruited to the area to provide a recognizable eating option for the tourists.

Next Step

To determine the viability of a themed water park in Dinosaur a feasibility study would need to be conducted. Among other things, the study would:

- Determine appropriate size and scale to make the venue a viable attraction for tourists.
- Determine what ancillary support businesses would be required (fast food, hospitality, etc.).
- Determine if the venue could be done through private development.
- Identify the best location.

- Identify how the investment could best be leveraged to catalyze other investment.
- Determine how the water park can be used to motivate the community to clean up and remove blight.
- Determine development costs.
- Identify sources of funding.
- Establish the timeline for grants, financing, and development.

Industrial Park

As identified in the Phase II report, manufacturing is an industry that is experiencing a renaissance in the United States. The shift towards more technical, value-added manufacturing gives the advantage to firms and countries that can innovate and apply capital-intensive solutions to problems rather than just supply the cheapest labor.

The growing applications of 3D printing, pulse welding and advanced materials are just a few examples of how technology is shattering old manufacturing paradigms. For example, the Economist reports that “over 60 million custom-shaped hearing aid shells and earmoulds have been made with 3D printers since 2000.” Tim Caffrey of Wohlers Associates estimates that 3D-printed products and services grew by 26% last year to around \$5.2B but could exceed \$550B by 2025.⁵⁷

Moffat County’s pioneer heritage and ‘get the job done’ work ethic would be a great asset in helping young technologies work out their kinks and expand their markets. With CNCC’s assistance in training new workers, manufacturers could begin production and be assured of a trained and qualified workforce.

In order to attract manufacturing companies, however, it is essential to have finished lots developed and ready. Recruiting manufacturers is intensely competitive and companies always have options. It is irrational to think that a company would be willing to wait for infrastructure to be connected and an industrial park developed. It must be done in advance and be ready to build on.

By investing in forward-looking manufacturing, Moffat County could position itself for success and growth for years to come. It is critical to select target industries that are experiencing

growth and for which Moffat County has strategic advantages. Accordingly, the industrial park needs to be developed to accommodate existing technologies and manufacturing as well as emerging ones.

Next Step

In order to know the optimal configuration and scope of an industrial park a feasibility study must be conducted. For example, the infrastructure and land required if the target industry is steel fabrication is significantly different than if it is textile manufacturing. The feasibility study would identify target industries and then determine what land is best suited for those industries.

Other information the feasibility study would provide includes:

- Determine what acreage would be required.
- Identify best location.
- Determine development costs.
- Identify sources of funding.
- Determine timeline for grants, financing, and development.
- Determine interest in the development community.
- Solicit industry recruiting support from the State.

⁵⁷ The Economist, April 30, 2016, page 71

Artisan Textile Manufacturing

The growing movement toward authentic purchasing was chronicled in the Phase II report. Because Moffat County is a significant producer of wool and its branding as the 'genuine old west', it is uniquely positioned to capitalize on this market by supplying natural, minimally processed yarns and textiles.

There is a major step, however, in bridging the gap between supplying the wool and the producers who use the textiles. While there is an established market for artisan textiles and yarns through Etsy and similar specialty channels, those markets are niche and quite limited in size.

In order for an artisan textile operation to succeed on a commercial scale, it would either need to be a joint venture with a clothing manufacturer or sign a supplier agreement with a major clothing line in advance. The question of whether the textile manufacturing would be a co-op of sheep ranchers or a private third party would need to be explored. The risk with these approaches is whether the requisite manufacturing expertise can be recruited since there are no similar operations in the area. To begin an operation of the complexity of high-volume textile manufacturing is a considerable undertaking and the risk of failure is not insignificant. Alternatively, an existing textile manufacturer with an established customer base could be recruited. This approach entails far less risk but also removes a level of control.

In order to move forward with this market opportunity, there would need to be an in-depth study to determine the feasibility of the concept. These studies are the most challenging because it entails creating a market where one does not currently exist. Once the concept is verified, the optimal way forward would need to be determined and then partners would need to be recruited.

Next Step

In order to determine how to best enter the market, a feasibility study would need to determine if a co-op, joint venture or recruiting textile manufacturer is the best way to gain entrée into the market. Other elements of the study would include:

- Identify building / location;
- Determine initial scale of the operations;
- Identify incentives or support that will be required to launch the enterprise; and
- Determine sources of funding.

Entrepreneur / Manufacturing Incubator

Since manufacturing has been identified as a potential target industry and the decision is made to move forward with an industrial park, one way to leverage that investment is to create an incubator. The Phase II report described the successes that incubators with various emphases are having throughout the country.

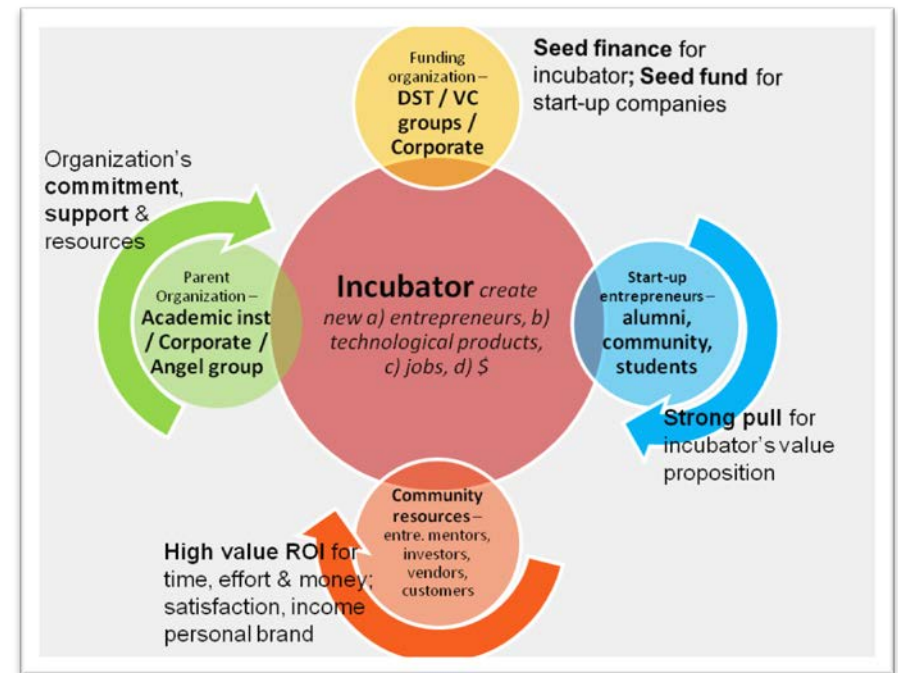
While it is not strictly a pre-requisite to have an industrial park to create a manufacturing incubator, it would nonetheless be counter-productive to put significant effort and investment into helping start-ups become commercially successful and then not have a place for them to go when they are ready to expand. It is our recommendation, therefore, that an incubator be an adjunct to an industrial park that is developed and ready for construction.

In order for an incubator to be successful there must be a firm foundation in understanding the target market and a commitment to provide the requisite support. The Wadhvani Foundation provided the following insights into making a successful incubator:

“The value proposition of an incubator, therefore, is derived from how successfully it can develop a robust and relevant support structure to fulfil these fundamental needs of a start-up. The NBIA advises new teams considering setting up incubators “To lay the groundwork for a successful incubation program, incubator developers must first invest time and money in a feasibility study. An effective feasibility study ... determine[s] whether the proposed project has a solid market, a sound financial base and strong community support – all critical factors in an incubator’s success. Once established, model business incubation programs commit to industry best practices such as structuring for financial sustainability, recruiting and appropriately compensating management with

company-growing skills, building an effective board of directors, and placing the greatest emphasis on client assistance (incubated start-ups)”.⁵⁸

The following diagram from the Wadhvani Foundation shows the matrix of organizations and individuals who must be committed to an incubator’s success (see Figure 39).



Source: Wadhvani Foundation

Figure 39: Incubator Community Involvement

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www.aspeninstitute.org/sites/default/files/content/docs/resources/A%20White%20Paper_Metrics%20%20Milestones%20for%20Incubators.pdf

From the diagram, it is clear that there must be a high level of commitment from the community for investments of time and resources into the incubator. The core of the incubator concept is providing entrepreneurs who have technical skills with the resources and mentoring they need to fill their knowledge and experience gaps. It is essential, therefore, to ensure that the community has the requisite skills and resources and is committed to supporting the new businesses.

One way for communities to attain the requisite expertise and knowledge to help nascent businesses is by leveraging outside resources. In Colorado, Manufacturer's Edge is a tremendous resource that allows communities to benefit from a team of experienced professionals. "Manufacturer's Edge is a statewide manufacturing assistance center, partially funded by the NIST Manufacturing Extension Partnership (MEP). Manufacturer's Edge encourages the strength and competitiveness of Colorado manufacturers through onsite technical assistance through coaching, training, and consulting, collaboration-focused industry programs, and leveraging government, university and economic development partnerships."⁵⁹

Next Step

As detailed above, the key to running a successful incubator is understanding what skills and resources the community has to offer and if there is sufficient commitment to lend support to new businesses. A feasibility study would:

- Determine if there is sufficient entrepreneurial activity and interest to make the investment pay off.
- Determine if the requisite skills exist in the community that would be needed to mentor new start-ups.

- Determine if the individuals and organizations possessing those skills are willing to commit to supporting an incubator.
- Identify the best building / location.
- Determine if the incubator should be co-located with industrial park.
- Determine development costs.
- Determine sources of funding.
- Establish the timeline for grants, financing, and development.
- Establish strategic incubator partnerships along the Front Range.

⁵⁹ www.manufacturersedge.com/about-us/

Aquaculture

The National Institute of Food and Agriculture estimates that global demand for seafood will increase by 70% over the next 30 years.⁶⁰ The United States consumes \$7.4M tons of seafood every year⁶¹ but imports 90% of it.⁶²

The National Oceanic and Atmospheric Administration estimates that domestic aquaculture will continue to grow by 8%.⁶³ While catfish makes up the vast majority of current domestic seafood production, warm water species like tilapia are growing in both supply and demand.

While Moffat County has a good supply of available water, the requirements for freshwater in aquaculture are significant and may not be the best use of a scarce resource. Between 5% and 10% of a fishery's water needs to be replaced on a daily basis in a typical fishery. New technologies with closed loop, recirculating aquaculture systems (RAS), reduce the amount of water needed and are more sustainable.⁶⁴

Another way to reduce the amount of water needed is aquaponics. Aquaponics uses the effluent from the fish tanks and circulates that waste product through soilless growing beds where plants are suspended floating in Styrofoam beds with their roots in the water. As the plants consume the nutrients from the waste water from the fish tanks, they purify the water so it can be recirculated to the fish tanks. This

⁶⁰ www.nifa.usda.gov/program/aquaculture?prnum=2068

⁶¹ www.nmfs.noaa.gov/aquaculture/docs/aquaculture_docs/world_prod_consumtion_value_aq.pdf

⁶² www.fishwatch.gov/aquaculture

⁶³ *ibid*

⁶⁴ Phone conversation with Dennis DeLong with Pentair Aquaculture Services

symbiotic relationship between the fishes and the plants creates a profitable and sustainable method of producing both fish and marketable vegetables.

Given Moffat County's background in agriculture and the region's limited water supplies, an aquaponics facility is probably best suited for the area.

There are several companies that provide the equipment and training to begin a turnkey operation. It would be possible for a new operator to open a facility and with sufficient consulting and training could traverse the learning curve. It may also be possible to recruit an existing aquaculture company to the area.

The ideal location for a fishery would be on the property owned by the city opposite the solar array on County Road 139 near the Tri-State generating plant. The land would need some grading but has the significant advantage of being close to the plant and its available waste heat for keeping the ponds warm. Heating is one of the largest operating costs of a fishery and having the waste heat circulating through radiators in the tanks would help to defray these costs.

The downsides of using the waste heat from the plant are that it would only be available around 85% of the time so a backup source of heat would be required. Also, the infrastructure for piping waste heat is very expensive and would add significantly to the capital costs of the project. Because of the requirement of having redundancy - piping the waste heat to the facility as well as having a full-scale heating source as a backup - the capital costs of this project would be significantly higher than comparable facilities. Those upfront costs would be offset by the lower operating costs.

It is important to understand the employment potential of a commercial aquaculture or aquaponics fishery. A full-scale facility can produce between 200,000 to 250,000 pound per

year and would have between 5 and 7 employees. Adding aquaponics would slightly increase the number of employees. Even with an employment multiplier of 2.0 (which would be at the high end of the estimated impact), the total jobs added from the project would most likely be around a dozen.

Next Step

The most important consideration when deciding if an aquaculture facility is viable in Moffat County is understanding the market for the seafood in the area. Because fish fillets are produced in such volumes and at such low costs overseas, it is very difficult to compete in this segment of the market. Domestic producers have been most successful in delivering live fish to markets and restaurants. Since the live fish market is specialized and most common in Asian communities, a market study would need to be conducted to determine the potential market within a reasonable transportation distance from the County.

The market study would form the foundation of a broader feasibility study that examines the development cost of building a fishery including land acquisition costs, costs of running utilities including waste heat from the electricity generating plant, costs of construction and equipment. The study would also consider the operating costs of the fishery and potential revenue. The feasibility study would determine the projects potential and quantify the economic risks.

A summary of the deliverables of a feasibility study is as follows:

- Establish whether there is interest in the industry for the project.
- Determine market potential and which species of fish would be most viable.
- Determine if aquaponics would be viable and more profitable.

- Determine how much acreage would be required.
- Identify which land would be best suited.
- Identify equipment and training costs.
- Determine the development costs including utilities and piping waste heat.
- Determine operating costs.
- Develop a marketing plan.
- Identify the sources of funding.
- Establish the timeline for grants, financing, and development.

Other Recommendations

In addition to the projects identified above, there are other recommendations that would be of benefit to the County.

Maybell

Having the attraction in Dinosaur will help increase traffic and potential add-on tourism possibilities for Maybell.

One potential future development would be at Juniper Hot Springs. To revive the old resort at Juniper Hot Springs would be synergistic with the development in Dinosaur.

It would also be beneficial to create more regular feedback with the residents of Maybell. We recommend quarterly town hall-type meetings.

Finally, the promoter of the Sombrero Horse Drive has to take on the liability of the event personally. We recommend that the County or the Tourism Board investigate the feasibility of becoming the promoter and covering the event under their umbrella policy.

Consumer Confidence

The population of Moffat County is large enough and median incomes high enough that there should be much more prosperity and vitality in the County than there currently is. The under-consumption of retail and restaurants in comparison to the rest of the state are just two evidences of a more general economic malaise.

During many of the interviews, county residents indicated that because of uncertainty with the mine and power plant they and others they knew were postponing purchases or scaling back on spending. In economic terms, this reduction in spending is attributable to low consumer confidence and because of the

multiplier effect has a magnified effect on the County's economy.

It is imperative, therefore, that the narrative about the County and its economic future be changed. Fear and pessimism need to be replaced by a positive vision for the future. This report along with commencing the projects identified herein needs to serve as the rallying point to demonstrate to the community that a new era of investment and economic vitality has begun.

Concerted and intentional efforts need to be made to communicate the positive changes that are happening in the community and the long-term impact they will have. We recommend that each elected official make it a focus of their public service to sell the vision of the future to the public and media.

Resilience

“It is becoming increasingly apparent that regional economic prosperity is linked to an area’s ability to prevent, withstand, and quickly recover from major disruptions (i.e., ‘shocks’) to its economic base.”

Economic Development Administration, “Economic Resilience”⁶⁵

The three phases of Moffat County’s Economic Development Strategic Plan qualify as a Comprehensive Economic Development Strategy (CEDS) per the definitions of the Economic Development Administration⁶⁶. Having a CEDS plan makes the County eligible to apply for EDA grants for implementation of projects identified in the plan.

Part of a CEDS Plan is to create a framework to ensure that the community is resilient against economic and industry shocks as well as natural disasters.

Two of the most important aspects of creating resiliency in a community are:

1. Creating economic diversification, and
2. Establishing a process for regular communication, monitoring, and updating of business community needs and issues.

By ratifying this Economic Development Strategic Plan and committing to implementation of key projects, Moffat County is taking a decisive and affirmative step towards increasing industry diversification.

Having a mechanism to keep the collective ‘ear to the ground’ to anticipate shocks to the community is an important way to

create a resilient economy. The communication between Moffat County and the City of Craig is good and improving. The inclusion of representatives from Dinosaur on the Local Marketing District Board is also an affirmative step to include more of the County in economic decision making and get information from a wider representation of the area.

Following are recommendations for Moffat County to maintain and improve its economic resilience:

- Continue close coordination with representatives from Tri-State Generation and Transmission Association to stay abreast of developments at the power plant and with the coal mines.
- Empower the Local Marketing District to lead the economic development efforts in the County. The Board must have the resources, information and authority to coordinate efforts and take decisive actions.
- Create a disaster action plan. (See Colorado Economic Resilience Plan⁶⁷).

⁶⁵ www.eda.gov/ceds/content/economic-resilience.htm

⁶⁶ www.eda.gov/ceds/

⁶⁷ www.eda.gov/about/files/disaster-recovery/EDA_CO-Economic-Resilience-Planning_Oct2014.pdf

Conclusions

The success of the Comprehensive Economic Assessment for Moffat County will depend on the extent to which the recommendations are implemented. There will need to be significant community involvement and follow up to ensure that the recommended projects move forward and that the expected results are achieved. The responsible parties for each element of implementation will need to be identified and their stewardships clearly identified and expected completion times understood.

It is essential to have mileposts that identify the completion of key steps and also that measure the results of the project. Following are the criteria for evaluating the success of the implementation of the economic assessment that need to be collected and analyzed on at least a yearly basis:

Implementation Evaluation Criteria:

- 1) Number of jobs created after implementation of the CEDS.

The central motivation for undertaking the economic assessment was to diversify Moffat County's economy by increasing the number of jobs outside of the utilities and energy industry clusters. As each project is implemented, the number of jobs that are added to the County will be tracked and reported annually. Direct employment can be determined by polling of the companies who have been directly impacted by the projects, ie – employers at the industrial park, aquaponics businesses, employees at the Dinosaur attraction / hotel, etc.

Indirect employment is much more difficult to define with precision but could be estimated by looking at total employment in the County and then adjusting for

any exceptional events (like a major layoff at a significant employer or an employer in an unrelated industry who expends their business.

- 2) Number and types of investments undertaken in the region.

Every project will result in either private or public investment or both. Each investment must be tracked and categorized (public, private or a public/private partnership). The overall level of investment brought to the community is not only a key metric of the increase of economic activity that the projects are bringing but also serves as a key marketing tool to demonstrate to developers and employers the magnitude of change that is happening in the community.

- 3) Number of jobs retained in the region.

Related to tracking the number of jobs created, it is essential to understand the overall employment picture for the County as the projects are implemented. This is important because if, for example, a project results in a new restaurant opening, the restaurant may bring diners back to the County who were before going to another County, thereby reducing retail leakage and increasing overall employment, or they just take customers from other businesses who will have to reduce employment and there is no net gain to the County's employment.

In tracking overall employment, it is important to factor in larger macro-economic considerations. A booming state or national economy or conversely a national economy in recession would have significant impact on Moffat County's employment and could obscure the job retention due to implementing the economic assessment. In order to account for such macro changes, comparative metrics need to be

developed that compare Moffat County's change in employment to surrounding counties and the state average.

- 4) Amount of private sector investment in the region after implementation of the CEDS.

The projects that have been selected were chosen because of their potential to be catalytic. If the implementation of the economic assessment is successful, then the amount of investment in the County will not be limited to just the specific projects that are implemented. Measuring the catalyzed private sector investment that happens as a result of the initial project investments will help determine if a virtuous cycle of investment and job growth has been started.

As with tracking employment, it will be necessary to metrics that compare the level of investment before the implementation of the projects and that also compare surrounding counties and the state average to adjust for changes in the macro economy.

- 5) Changes in the economic environment of the region.

While employment is the leading objective of the implementation of the economic assessment, there should be positive externalities that extend to other areas of the economy. The following metrics should be tracked before, during and after implementation and compared to regional and state data:

- Population
- Median Incomes
- Median Home Prices
- Percentage of Population Living under the Poverty Level
- Growth in Labor Force

Appendix A: Available Grants, Loans, & Incentive Programs

Federal Programs

Eligibility

Most of Moffat County (the “County”) is currently eligible for federal programs designed to assist economically distressed communities and the entire County is eligible for other programs that are rural community specific. In addition, there are other programs that do not require economic distress criteria and are generally available to all communities.

Economically distressed criteria include unemployment, lower-than-average household income, and recent job losses.

Funding applications for programs that are specific to rural communities, defined as areas with a population below a certain threshold, are reviewed using a series of scoring criteria, which allows communities experiencing economic distress to receive higher scores. The higher the score the more competitive an application becomes and the greater likelihood that the application will be approved.

Funding availability under each program is subject to change. Moffat County should inquire with the specific Federal entity regarding the availability of funding prior to completing a funding application.

Sources

The primary sources of Federal funding available to Moffat County include the following:

- Department of Commerce’s Economic Development Agency (EDA)
- Department of Agriculture (USDA) Rural Development
- Small Business Innovation Research (SBIR) Program
- Department of Housing and Urban Development (HUD)
- Department of Homeland Security (DHS)
- Department of Labor (DOL)
- Department of Energy (DOE)

- Department of the Treasury
- Small Business Administration (SBA)
- Department of Health and Human Services (HHS)

Uses

These programs are available for a variety of uses including economic development studies, planning, infrastructure investments, research, housing development, the redevelopment of blighted areas, financing, and credit enhancements. A brief overview of programs available under these sources is listed below.

EDA

Moffat County is eligible for four programs with the EDA:

EDA Programs: Moffat County Eligible

Program	Description
Public Works Program	EDA's Public Works program helps distressed communities revitalize, expand, and upgrade their physical infrastructure. This program enables communities to attract new industry; encourage business expansion; diversify local economies; and generate or retain long-term, private-sector jobs and investment through the acquisition or development of land and infrastructure improvements needed for the successful establishment or expansion of industrial or commercial enterprises.
Economic Adjustment Assistance	This program can be used for construction and non-construction assistance (including public works, technical assistance, economic recovery strategies, and revolving loan fund (RLF) projects) in regions experiencing severe economic dislocations that may occur suddenly or over time.
Short Term Planning	This program provides assistance to eligible recipients to create regional economic development plans in order to stimulate and guide the economic development efforts of a community.
Local Technical Assistance	This program helps eligible recipients fill the knowledge and information gaps that may prevent leaders in the public and nonprofit sectors in economically distressed regions from making optimal decisions on local economic development.

USDA



There are three USDA programming sources that are available to the County:

1. Business Programs,
2. Housing Programs, and
3. Community Programs.

Moffat County is eligible for each program offered under the Business and Housing programming sources and some of the programs offered under the Community programming source.

USDA Business Programs

These programs are available to municipalities with a population of less than fifty thousand, except for the IRP, which has a population limit of twenty-five thousand. There are eight separate programs under USDA Business Programs:

USDA Business Programs

Program	Description
Intermediary Relending Program (IRP)	An intermediary makes direct loans to businesses from its revolving loan fund. The intermediary pays one percent for thirty years. Loans can be used for community development projects, the establishment or expansion of businesses, and the creation or saving of rural jobs.
Rural Economic Development Loans and Grants (REDLG)	The intermediary, electric or telephone cooperatives makes direct loans or grants to profit or non-profit business and public bodies for rural economic development and job creation projects. Loans are up to one million dollars at zero percent interest with a term of ten years. The grant is up to three hundred thousand dollars and must be used on a community facility. If the grant is repaid it can be used as a revolver to fund additional projects within the community.

Rural Micro-entrepreneur Assistance Program (RMAP)	This program provides training, technical assistance or small loans to new and existing rural small businesses.
Business and Industry Loan Guarantees (B&I)	Businesses can apply for a guaranteed loan through federal or state-chartered banks, credit unions, or savings & loan associations. Loans can be provided for most business purposes except production agriculture. Loan proceeds can be used for the acquisition, start-up and expansion of businesses that create rural employment.
Renewable Energy and Efficiency Grants (REAP)	This program pays up to 25% of project costs including wind, solar, biomass, geothermal, or other renewable energy sources. It also can be used to make energy efficiency improvements.
Value-Added Producer Grants (VAPG)	Agricultural producers and producer organizations can use this program to conduct feasibility analyses, develop business and marketing plans, and conduct other types of studies to help establish a viable value-added business venture. This program can also be used to establish working capital accounts.

[USDA Housing Programs](#)

Municipalities with a population of less than twenty thousand are eligible for these programs. There are seven separate programs under the USDA Housing Programs, four of which are for individuals and families, and the remaining three for public bodies, non-profits, for profits, and other entities.

[USDA Housing: For Individuals and Families](#)

Program	Description
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Single Family Home Ownership Guaranteed Loans	Through a private lender, eligible homebuyer applicants can receive a loan guarantee up to 100% of market value.
Single Family Home Ownership Loans	A direct loan program through the USDA Rural Development office to provide loans up to 100% of market value, amortized over 33 years.
Single Family Home Repair Loans and Grants	Provides very low-income applicants with loans and grants to make essential repairs and remove health and safety hazards. Loan terms of up to 20 years at 1%, up to \$20,000. Maximum grant is \$7,500.
Mutual Self-Help Housing Grants	Designed to assist applicants with building homes as a group with construction guidance from non-profit organizations. Loans are provided for site, material, and skilled labor. Applicants receive a direct loan while the non-profit housing organization receives a grant to hire a supervisor and pay other administrative expenses.
Rural Housing Site Loans	Section 524 loans are made to acquire and develop sites for low- or moderate-income families, with no restriction as to the method of construction.
Single Family Housing Repair Loans & Grants	Also known as the Section 504 Home Repair program, this provides loans to very-low-income homeowners to repair, improve or modernize their homes or grants to elderly very-low-income homeowners to remove health and safety hazards.

USDA Housing: For Public Bodies, Non-Profits, and For-Profits, and Other Entities

Program	Description
Housing Preservation	A two-year grant term to repair and rehabilitate single-family housing or rental properties.
Rental Housing for Families and Elderly Direct Loans and Loan Guarantees	A direct loan or loan guarantee program for the new construction or substantial renovation of rental housing.
Farm Labor Housing	To provide farm, farm organizations and corporation, non-profits, Tribes, and public agencies with direct loans and grants for the new construction or substantial rehabilitation of farm labor housing.

Community Programs

Moffat County is eligible for four separate programs under USDA Community Programs:

USDA Housing: For Public Bodies, Non-Profits, and For-Profits, and Other Entities

Program	Description
Rural Broadband Loan and Loan Guarantee	A grant, direct loan, or loan guarantee for the construction, acquisition and improvement of broadband transmission facilities and equipment, and land and buildings used in providing broadband service. Eligible applicants are legally organized entities providing or proposing to provide broadband service in eligible rural communities.

Electric and Telecommunication	A direct loan or loan guarantee for generation, bulk transmission facilities, and distribution of electric power. Loans and loan guarantees are also available to enhance 911 emergency service, digital switching equipment, and fiber-optic cable, along with traditional main system telecommunications service. Eligible applicants are non-profit and cooperative associations, public bodies, and other utilities.
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Distance Learning and Telemedicine	A grant to fund telecommunications-enabled information, audio and video equipment, and related technologies to encourage and improve telemedicine and distance learning services in rural areas. Eligible applicants are incorporated organizations or partnerships, libraries, public bodies, and tribes or tribal organizations.
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Community Facilities Program	A direct loan, loan guarantee, or grant to build facilities, buy essential equipment, public safety, schools, libraries, and hospitals. Eligible applicants are public bodies and non-profit groups.
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USDA Agricultural Programs

These programs are available to agricultural producers, non-profits and local governments to support agricultural activities. The following programs fall under the USDA Agricultural Marketing Service:

USDA Agricultural Programs

Program	Description
Specialty Crop Block Grant	A grant administered by state departments of agriculture that enhances the competitiveness

Program (SCBGP)	of specialty crops (fruits, vegetables, tree nuts, dried fruits, horticulture, nursery crops, and floriculture), including locally grown and consumed specialty crops. Funds can be used for research and feasibility studies, business planning, marketing and promotion, and training and technical assistance.
Sustainable Agriculture Research and Education (SARE)	A grant intended to advance sustainable innovations in American agriculture. Supports research and feasibility studies apart from business planning, training, and technical assistance on topics such as on-farm renewable energy, pest and weed management, sustainable communities, agro-forestry, marketing, and more.
Beginning Farmer and Rancher Development Program (BFRDP)	A grant or costs associated with education, training, outreach, and mentoring beginning farmers and ranchers, as long as the costs are normally allowable and reasonable. May be used for acquisition of non-fixed equipment for use on the project, including high tunnels.
Environmental Quality Incentives Program (EQIP)	A grant that provides financial and technical assistance for planning and implementing conservation practices that address threats to soil, water, air, and other natural resources on farm and ranch lands.
Farmers Market Promotion Program (FMPP)	Grant program designed to facilitate and promote farmers markets and other direct-to-consumer market channels for agricultural products. Funds can be used for research and feasibility studies, business planning, equipment purchase, and training and technical assistance.

Federal-State Marketing Improvement Program (FSMIP)	Provides matching funds to States to explore barriers, challenges, and opportunities in marketing, transporting, and distributing food and agricultural products. Funds can be used for research and feasibility studies, business planning, marketing and promotion, equipment rental, building or room rental, and training and technical assistance.
Community Food Projects Competitive Grant Program (CFP)	Designed to increase food security in low-income communities by developing linkages between sectors of the food system, supporting the development of entrepreneurial projects, and encouraging communities' long-term planning. Funds can be used for research and feasibility studies, business planning, construction, working capital, and marketing and promotion.
Agriculture and Food Research Initiative (AFRI): Global Food Security	AFRI has seven "challenge" areas; one program area relevant to food hubs is "Sustainable Food Systems to Reduce Hunger and Food Insecurity." This program supports integrated research, education, and extension projects that increase food security by having access to improved sustainable local and regional food systems. Projects could include components such as, sustainable food production, processing, distribution, marketing, addressing policy and consumer issues, healthy food choices, farmer prosperity, and natural resource issues, such as increased biodiversity, clean water, and healthy soils. Funds are available to universities and can be used for research, education, and extension integrated projects, conference, and

	strengthening grants.
Farm Storage Facility Loan Program	This program provides low-interest financing for producers to build or upgrade on-farm storage and handling facilities. Finances the purchase, construction, or refurbishment of farm storage facilities including on-site storage, cooling, cribs, bins, safety equipment, and cooling and monitoring devices, including off-farm labor and materials. Funds can be used for research and feasibility studies, business planning (attorney or archeological fees permitted), construction, and equipment purchase.

Risk Management Education and Outreach Partnership Cooperative Agreements Program	Funds risk management strategies related to production (including crop insurance), marketing, legal, human, and financial issues.
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Small Business Innovation Research (SBIR) Program

Program	Description
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The Small Business Innovation Research (SBIR)	The SBIR program stimulates technological innovation in the private sector by strengthening the role of small business concerns in meeting Federal research and development needs, increasing the commercial application of federally supported research results, and fostering and encouraging participation by socially and economically disadvantaged and women-owned small businesses. The program is structured in three phases to take a project from R&D to commercialization.
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HUD and FHA

HUD & FHA: Programs for Moffat County

Program	Description
State Administered CDBG	Also known as the Small Cities CDBG program, States award grants to smaller units of general local government that carry out community development activities. Annually, each State develops funding priorities and criteria for selecting projects. Moffat County is considered a non-entitlement community under the CDBG program.

CDBG Section 108 Loan Guarantee Program	Provided that the State of Colorado agrees to pledge CDBG funds necessary to secure a Section 108 loan, Moffat County as a non-entitlement community may apply for a loan. Applicants may receive a loan guarantee directly or designate another public entity, such as an industrial development authority, to carry out their Section 108 assisted project.
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HOME Investment	HOME is the largest Federal block grant to State and local governments designed exclusively to
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Partnership Program	create affordable housing for low-income households. HOME funds are often used to fill the financing gap of projects using Low-Income Housing Tax Credits. Local jurisdictions, such as Moffat County, may be eligible for this program.
Choice Neighborhoods	Choice Neighborhoods grants primarily fund the transformation of severely distressed public and/or HUD-assisted housing developments through rehabilitation, demolition, and new construction. Moffat County may be eligible depending on the number of public and /or HUD-assisted housing development within the County.

HUD & FHA: Programs for Individuals

Program	Description
Section 3	Provides job training and other assistance to very-low and low-income individuals.
203k Rehabilitation Mortgage Insurance	The Section 203(k) program is HUD's primary program for the rehabilitation and repair of single-family properties. As such, it is an important tool for community and neighborhood revitalization and for expanding homeownership opportunities. Applicants can be single-family homeowners and non-profits.

HUD & FHA: Programs for Non-Profits

Program	Description
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Self-help Homeownership Opportunity Program (SHOP)	SHOP awards grant funds to eligible national and regional non-profit organizations and consortia to purchase home sites and develop or improve the infrastructure needed to set the stage for sweat equity and volunteer-based homeownership programs for low-income persons and families. These grantees include Habitat for Humanity and the Housing Assistance Council, which provide services nationwide.
Federal Home Loan Bank Challenge Grants	Grantees include non-profits that administer the program with affiliate organizations.
203k Rehabilitation Mortgage Insurance	The Section 203(k) program is HUD's primary program for the rehabilitation and repair of single-family properties. As such, it is an important tool for community and neighborhood revitalization and for expanding homeownership opportunities. Applicants can be single-family homeowners and non-profits.

HUD & FHA: For Developers

Program	Description
FHA Loan	Through lenders, this program provides loan guarantees for multi-family housing unit developers to reduce the financing costs and equity required to construct multi-family properties and to provide affordable housing.

Department of Homeland Security

US Citizen and Immigration Services - EB-5 Immigrant Visa

Program	Description
US Citizen and	As a rural community, Moffat County is

Immigration Services - EB-5 Immigrant Visa

eligible for the EB-5 program. The EB-5 program provides accredited foreign investors with an opportunity to start on the path towards US citizenship by investing in small business enterprises that create jobs in the US. Much of the County is defined as a Targeted Employment Area (TEA) and the minimum qualifying investment in a TEA is \$0.5 million. The investment must result in the creation of ten jobs. There are ten regional centers in the State of Colorado that coordinate investments for EB-5 investors:

1. Civitas Denver Regional Center, LLC
2. CMB Colorado Regional Center, LLC
3. Colorado Growth Fund, LLC
4. Colorado Regional Center, LLC
5. EB5 Affiliate Network State of Colorado Regional Center, LLC
6. Encore Colorado RC, LLC
7. Front Range Regional Center, Inc.
8. InvestAmerica EB-5
9. Live in America - Colorado Regional Center LLC
10. Rocky Mountain High Regional Center

[Federal Emergency Management Administration \(FEMA\) – Federal Insurance and Mitigation \(FIMA\)](#)

Program

Description

National Flood Insurance Program (NFIP)

The National Flood Insurance Program aims to reduce the impact of flooding on private and public structures. It does so by providing affordable insurance to property owners and by encouraging communities to adopt and enforce floodplain management regulations. These efforts help mitigate the effects of flooding on new and improved structures. Overall, the program reduces the socio-economic impact of disasters by promoting the purchase and retention of general risk insurance, but also of flood insurance, specifically.

Pre-Disaster Mitigation (PDM)

The PDM Program is designed to assist States, territories, Federally-recognized tribes, and local communities in implementing a sustained pre-disaster natural hazard mitigation program. This program awards planning and project grants and provides opportunities for raising public awareness about reducing future losses before disaster strikes.

Hazard Mitigation Grant Program (HMGP)

The purpose of the HMGP program is to help communities implement hazard mitigation measures following a Presidential major disaster declaration. Hazard mitigation is any action taken to reduce or eliminate long term risk to people and property from natural hazards.

Department of Labor

Employment and Training Administration (ETA)

Program	Description
Pay for Success	Under the Pay for Success program, a government agency commits funds as the financial funding agency to pay for specific target outcomes that are achieved within a given timeframe. A key feature of the Pay for Success concept is that the financial capital to cover the total operating costs of achieving the target outcome is provided by independent private, philanthropic, or other social investors for the entire period of performance of the project. The investors' motivation for accepting the risks of funding the project is an expectation of a return on their investment. Payment of the committed funds by the government agency is contingent on achievement of results. Depending on the payment criteria and outcomes used, the investor may achieve a positive return in addition to repayment of the principal investment.
Work Opportunity Tax Credit	The Work Opportunity Tax Credit is a Federal tax credit incentive that Congress provides to employers for hiring individuals from certain target groups who have consistently faced significant barriers to employment.

Department of Energy

Loan Guarantees

Program	Description
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Loan Guarantees	The Department of Energy offers loan guarantees to eligible companies using innovative green technology. Although not specifically available to Moffat County, this loan guarantee program may be available to eligible companies within the County.
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Department of the Treasury

Community Development Financial Institution (CDFI) Fund

The CDFI Fund was created for the purpose of promoting economic revitalization and community development through investment in and assistance to CDFI's. Through monetary awards and the allocation of tax credits, the CDFI Fund helps promote access to capital and local economic growth in urban and rural low-income communities across the nation.

Through its various programs, the CDFI Fund enables locally based organizations to further goals such as: economic development (job creation, business development, and commercial real estate development); affordable housing (housing development and homeownership); and community development financial services (provision of basic banking services to underserved communities and financial literacy training).

Programs offered through the CDFI Fund

Program	Description
Bank Enterprise Award (BEA) Program	The BEA Program complements the community development activities of insured depository institutions (i.e., banks and thrifts) by providing financial incentives to expand investments in CDFIs and to increase lending, investment, and service activities within economically distressed communities. Providing monetary awards for increasing community development activities leverages CDFI Fund dollars and puts more capital to

	work in distressed communities throughout the nation.
Capital Magnet Fund (CMF) Program	CMF awards can be used to finance affordable housing activities as well as related economic development activities and community service facilities. Awardees will be able to utilize financing tools such as loan loss reserves, loan funds, risk-sharing loans, and loan guarantees to produce eligible activities whose aggregate costs are at least ten times the size of the award amount.
Community Development Financial Institutions (CDFI) Program	The purpose of the CDFI Program is to use federal resources to invest in CDFIs and to build their capacity to serve low-income people and communities that lack access to affordable financial products and services. Through the CDFI Program, the CDFI Fund provides two types of monetary awards to CDFIs - Financial Assistance awards and Technical Assistance awards.
Financial Assistance (FA) Awards	The CDFI Fund makes awards of up to \$2 million to certified CDFIs under the FA component of the CDFI Program. A CDFI may use the award for financing capital, loan loss reserves, capital reserves, or operations. FA awards are made in the form of equity investments, loans, deposits, or grants, and the CDFI is required to match its FA award dollar-for-dollar with non-federal funds of the same type as the award itself. This requirement enables CDFIs to leverage private capital to meet the demand for affordable financial products and services in economically distressed communities.

Technical Assistance (TA) Awards	TA grants allow certified CDFIs and established entities seeking to become certified to build their capacity to provide affordable financial products and services to low-income communities and families. Grants may be used for a wide range of purposes. For example, awardees can use TA funds to purchase equipment, materials, or supplies; for consulting or contracting services; to pay the salaries and benefits of certain personnel; and/or to train staff or board members. The CDFI Fund makes awards of up to \$100,000 under the TA component of the CDFI Program.
Financial Education and Counseling (FEC) Program	Through the FEC Pilot Program, the CDFI Fund provides grants to eligible organizations to enable them to provide a range of financial education and counseling services to prospective homebuyers.
New Markets Tax Credit (NMTC) Program	The NMTC Program provides tax credit incentives to investors for equity investments in certified Community Development Entities, which invest in low-income communities. The credit equals 39% of the investment paid out (5% in each of the first three years, then 6% in the final four years, for a total of 39%) over seven years (more accurately, six years and one day of the seventh year). The latest Notice of Allocation Availability (NOAA), made available \$5 billion of NMTC investment authority, with no more than \$100 million in tax credit investment authority available to any one organization. An organization wishing to receive awards (an

“Allocatee”) under the NMTC Program must be certified as a CDE by the Fund. To qualify as a CDE, an organization must:

- Be a domestic corporation or partnership at the time of the certification application;
 - Demonstrate a primary mission of serving, or providing investment capital for, low-income communities or low-income persons; and
 - Maintain accountability to residents of low-income communities through representation on a governing board of or advisory board to the entity.
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**Certification –
Community
Development
Entity (CDE)**

Organizations that are certified Community Development Financial Institutions (CDFIs) by the CDFI Fund and/or Specialized Small Business Investment Companies (SSBICs) by the Small Business Administration automatically qualify as CDEs. Colorado has seven certified CDE’s with various subsidiaries. The certified CDE’s are:

- Capmark Community Development Fund LLC
- Colorado Growth and Revitalization Fund LLC
- Greenline Community Development Fund, LLC
- Hospitality Fund
- Mercy Loan Fund
- Structured Products Group CDE LLC
- The Rose Urban Green Fund, LLC

The Greenline Community Development Fund is the only of the Colorado certified CDEs that has significant remaining allocation (approximately \$45M). The following list show’s national CDEs with remaining allocation that have historically operated in Colorado.

- Waveland Community Development, LLC (\$7.5M)
 - ESIC New Markets Partners LP (\$5M)
 - Capital Impact Partners (\$8.78M)
 - National Cities Fund, LLC (\$14M)
 - Community Hospitality Healthcare Services LLC (\$20M)
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Certification – Community Development Financial Institution (CDFI)	<p>Colorado has six certified CDFI’s:</p> <ol style="list-style-type: none"> 1. Colorado Enterprise Fund 2. Colorado Housing Assistance Corporation 3. Colorado Housing Enterprise 4. First nations OWEESTA Corporation 5. Mercy Loan Fund 6. Mile High Community Loan Fund
Low-Income Housing Tax Credits (LIHTC)	<p>The Low-Income Housing Tax Credit is an incentive program created to encourage the construction or rehabilitation of buildings for low-income tenants. States can only allocate credits within their state boundaries, and the Colorado Housing and Finance Authority (CHFA) administers these credits.</p>
State Small Business Credit Initiative (SSBCI)	<p>Businesses with less than 500 employees that have been turned down for traditional credit resources can qualify for a loan participation or loan guarantee through the SSBCI. CHFA administers the US Treasury’s State Small Business Credit Initiative. Eligible applicants can get up to 80% guaranteed of a principal loan amount with terms of up to 7 years.</p>
Business Energy Investment Tax Credit (ITC)	<p>In general, credits are available for eligible solar, fuel cell, small wind turbines, geothermal systems, micro-turbines, and combined heat and power systems placed in service on or before December 31, 2016.</p>

Small Business Administration

Programs offered through the Small Business Administration

Program	Description
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Small Business Investment Company	<p>SBICs are privately owned and managed investment funds, licensed and regulated by SBA, that use their own capital plus funds borrowed with an SBA guarantee to make equity and debt investments in qualifying small businesses. The U.S. Small Business Administration does not invest directly into small business through the SBIC Program, but provides funding to qualified investment management firms with expertise in certain sectors or industries.</p> <p>There are currently no qualified SBICs in Colorado. However, a number of SBICs operate outside of the State where they are located.</p>
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Department of Health and Human Services

Programs offered through the Department of Health and Human Services

Program	Description
Community Economic Development Grants (CED)	<p>Provides technical and financial assistance for the creation of employment and business opportunities in low-income communities. Serves the dual purposes of facilitating access to healthy food options and creating job and business development opportunities in low-income communities. Includes projects addressing the elimination of food deserts and that finance grocery stores, farmer’s markets, and other retail sources that provide access to fresh nutritious food. Funds can be used for construction, marketing and promotion, working capital, training, technical assistance, equipment purchase, and land</p>

lease or purchase.

Colorado State Programs

Some applicable state funding programs include:

Colorado Tourism Office

Programs offered through the Colorado Tourism Office

Program	Description
Matching Grant Program	The CTO has a matching grant program that provides assistance to the tourism industry for marketing efforts. Travel regions throughout the state are eligible for these grant dollars, as well as statewide associations, organizations and other nonprofit entities that engage in promoting travel throughout the entire state. These grants are competitive and are awarded annually.

Department of Agriculture

Programs offered through the Department of Agriculture

Program	Description
Beginning Farmer Program	The Colorado Agricultural Development Authority (CADA) loan program, known as the Beginning Farmer Program, involves a three-way transaction between the lender, the borrower and CADA. Through the issuance of a tax-exempt bond by CADA to the lender, all interest paid by the borrower is tax exempt. The result is an interest rate to the borrower below commercial rates. Funds can only be used for the purchase of agricultural land and depreciable agricultural property.

Enrich Colorado Ag Grant Program

The Program was created by the Colorado Department of Agriculture (CDA) to provide necessary funding for technical and operational issues, research, sales and marketing needs for food and agricultural products that are grown, raised or processed in Colorado. The grant has a 50% match requirement and is for amounts up to \$15,000.

Advancing Colorado's Renewable Energy (ACRE3) Program

The ACRE3 program promotes the development and implementation of renewable energy and energy efficiency projects for Colorado's agricultural producers and processors under the direction of the Colorado Agricultural Value-Added Development Board. The Colorado Department of Agriculture has identified the following three priorities: Agricultural Hydropower, Energy Efficiency, and Renewable Heating & Cooling.

Department of Transportation

Programs offered through the Department of Transportation

Program	Description
2015 Transportation Investment Generating Economic Recovery (Tiger II) Program	Through this program, Discretionary grants will fund capital investments in surface transportation infrastructure and will be awarded on a competitive basis to projects that will have a significant impact on the nation, a region, or metropolitan area.

Department of Local Affairs

Programs offered through Department of Local Affairs

Program	Description
Rural Economic Development Initiative (REDI) Program	The purpose of the Rural Economic Development Initiative (REDI) Program is to help eligible rural communities develop plans and undertake projects to create jobs, drive capital investment, and increase wages to help grow and create resiliency and diversity in the local economy. The program will fund community asset analysis to determine potential economic development opportunities, stakeholder convening for solution development resulting in new or updated local plans competitive grant funding for community infrastructure, business facilities and job training.
Colorado Blueprint 2.0	The Blueprint 2.0 program is an initiative from the Office of Economic Development and International Trade that pairs communities with specific economic development needs with resources from corresponding State agencies.
The HOME Investment Partnership Program	The HOME Investment Partnership Program (HOME) was created by the National Affordable Housing Act of 1990 and HOME funds provide competitive funding to local government, non-profit, and private developers. The purpose of the HOME Program is to provide a wide range of activities that build, buy, and/or rehabilitate affordable housing for rent or ownership or provide direct rental assistance to low-income people.

Housing Development Grand & Loan Funds	These funds consist of monies appropriated to the Colorado Affordable Housing Construction Grants and Loan Fund by the General Assembly. Use of HDG/HDLF funds requires a 50% match. HDG/HDLF provides funds for acquisition, rehabilitation, and new construction through a competitive application process to improve, preserve or expand the supply of affordable housing and to finance foreclosure prevention activities in Colorado, as well as to fund the acquisition of housing and economic data necessary to advise the State Housing Board on local housing conditions.
Private Activity Bond Program	Private Activity Bonds are tax-exempt bonds issued for specific purposes including manufacturing “small issue” industrial development, single-family mortgages, qualified redevelopment projects, qualified residential rental projects, exempt facility projects, mortgage credit certificates and student loans.
Conservation Trust Fund (CTF)	CTF monies from net lottery proceeds are distributed to more than 400 eligible local governments: counties, cities, towns and special districts that provide park and recreation services in their service plans. Funding can be used for interests in land and water; for park or recreation purposes; for all types of open space, including but not limited to flood plains, green belts, agricultural lands or scenic areas; or for scientific, historic, scenic, recreational, aesthetic or similar purpose.

Energy & Mineral Impact Assistance Fund (EIAF)	The EIAF program provides grants and loans for planning, construction and maintenance of public facilities, and the provision of public services. Eligible recipients are political subdivisions socially or economically impacted by the development, processing or energy conversion of minerals and mineral fuels. Projects funded include but are not limited to water and sewer improvements, road improvements, construction/improvements to recreation centers, senior centers and other public facilities, fire protection buildings and equipment, and local government planning.
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The Department of Natural Resources

Programs offered through the Department of Natural Resources

Program	Description
Colorado Healthy Rivers Fund Grants	Established jointly by the Colorado Water Conservation Board and the Water Quality Control Commission, in cooperation with the Colorado Watershed Assembly, the Program helps support local watershed organizations in their efforts to provide clean water, protect habitat, and improve recreation and accessibility.

Office of Economic Development and International Trade

Programs offered through the Office of Economic Development and Trade

Program	Description
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Strategic Fund	The Strategic Fund is a cash incentive program; businesses must create and maintain permanent net new jobs for one year before receiving an incentive. More generally, the Colorado Office of Economic Development and International Trade (OEDIT) supports recruitment, retention and economic growth throughout the state, offering a variety of financial resources including financing programs, incentives, grants and tax credits.
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Advanced Industries Accelerator Grants	The Advanced Industries (AI) Accelerator Programs promote growth and sustainability in Colorado's 7 advanced industries by helping drive innovation, accelerate commercialization, encourage public-private partnerships, increase access to early stage capital and create a strong ecosystem that increases the state's global competitiveness. Target Industries are: <ul style="list-style-type: none"> • Advanced manufacturing • Aerospace • Bioscience • Electronics • Energy and natural resources • Infrastructure engineering • Technology and information
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Job Growth Incentive Tax Credit	The performance-based Job Growth Incentive Tax Credit provides a state income tax credit to businesses undertaking job creation projects that would not occur in Colorado without this program. Tax credits are available for companies creating at least 20 jobs in any county or five jobs in an Enhanced
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	Rural Enterprise Zone.
Job Growth Incentive Tax Credit – Higher Education Partnership	Job Growth Incentive Tax Credit (JGITC) Higher Education Partnership (HEP) is a performance-based job creation incentive program centered on companies partnering with State Higher Education Institutions to support job growth, academic development and economic expansion. More generally, the Colorado Office of Economic Development and International Trade (OEDIT) supports recruitment, retention and economic growth throughout the state, offering a variety of financial resources including financing programs, incentives, grants and tax credits.
Enterprise Zone Tax Credit	Colorado's Enterprise Zone (EZ) program provides tax incentives to encourage businesses to locate and expand in designated economically distressed areas of the state.
Colorado FIRST / Existing Industry Customized Training Program	These programs increase transferable job skills that support both the company's economic competitiveness and enhance worker's resumes and long-term employment opportunities.
Infrastructure Assistance	The infrastructure assistance program is designed to create new permanent jobs and retain existing jobs, primarily for low to moderate income persons in rural areas.
Manufacturing Sales and Use Tax Exemption	Colorado provides an exemption from state sales and use tax on purchases of manufacturing machinery, machine tools and parts.

Advanced Industry Investment Tax Credit	The Colorado Advanced Industry Investment Tax Credit helps Colorado's advanced industry companies receive more capital from Colorado investors.
Tourism Office Matching Grant Program	This matching grant program provides assistance to the tourism industry for marketing efforts. Travel regions throughout the state are eligible for these grant dollars, as well as statewide associations, organizations and other nonprofit entities that promote travel throughout Colorado.
Film Incentive Program	The Office of Film, Television & Media attracts and facilitates content creation in the state in order generate economic growth and job creation in all of its communities. The office administers a 20% performance-based rebate.
Creative Industries Grants and Programs	Colorado Creative Industries promotes, supports and expands the creative industries to drive Colorado's economy, grow jobs and enhance our quality of life.
Regional Tourism Act (RTA)	The Regional Tourism Act (RTA) establishes a program that gives local governments the opportunity to apply with the Economic Development Commission (EDC) for approval of a large scale Regional Tourism Project that is of an extraordinary and unique nature, is anticipated to result in a substantial increase in out-of-state tourism, and that generates a significant portion of the sales tax revenue by transactions with nonresidents of the zone.
Venture Capital Authority (VCA)	The Colorado Venture Capital Authority (VCA) was established in 2004 to make seed- and early-stage capital investments in businesses. The VCA was allocated \$50 million in premium

tax credits, which it subsequently sold to insurance companies. The VCA selected fund manager High Country Venture, LLC, and established Colorado Fund I and Colorado Fund II, each with approximately \$25 million.

CDBG Planning and Feasibility Studies

The federally-funded CDBG Planning and Feasibility Study grant program provides funding to determine the feasibility of a project or to plan for a project to be located in Colorado. These projects need to meet an economic development objective, and create or retain permanent jobs primarily for low- and moderate-income persons. OEDIT has \$75,000 available annually to fund requests.

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Appendix B: Comprehensive Economic Development Strategy (CEDS) Action/Implementation Plan

The below action/implementation plan has columns for each of the required items and should contain all of the goals and objectives to be completed over a five year time frame.

CEDS ACTION/IMPLEMENTATION PLAN							
CEDS Goal: I. Establish Information Networks							
Objective or Task to be Implemented	Lead Agency*	Expected Results	Performance Measures and Evaluation Indicators	Funding Source/Agency	Time Frame	Jobs Created	Priority
1. Host meeting with stakeholders to nominate organization to be responsible for communication and information hub.	Moffat County Local Marketing District	Organization will be accepted as communication and information hub.	Inter-Governmental Agreements or other form of documentation between entities agreeing to utilize accepted organization as communication and information hub.	N/A	9/2016-11/2016	N/A	High
2. Establish mechanisms to facilitate active and regular communication between stakeholders to collaborate on common challenges.	Organization identified in objective 1.	Regular meetings are held for communication between stakeholders.	Stakeholders such as public, private, education, nonprofit and government are aware of each other's roles and activities related to the economy and CEDS plan.	N/A	9/2016-9/2017	N/A	High
3. Establish communication networks and information collection protocols.	Organization identified in objective 1	Broadly understood knowledge of key elements (such as supply-chain relationships) for economic efforts.	Opportunities to enhance and expand business retention and expansion programs are utilized as a vehicle to mobilize action and facilitate information sharing.	N/A	9/2016 – 9/2017	N/A	Medium
4. Review process on ongoing basis.	Stakeholders	Process is improved upon to create most effective use of resources.	Stakeholders know value to Information Network created and are actively participating.	N/A	9/2016-9/2021	NA	Low
5. Concerted effort to communicate positive changes and the vision for the future to help improve consumer confidence.	Stakeholders	Instill consumer confidence and community pride.	General feeling of community uneasiness is reduced and local consumption is increased.	N/A	9/2016 – 9/2021	TBD	Medium

*Lead agencies for this goal have not yet been confirmed.

CEDS ACTION/IMPLEMENTATION PLAN							
CEDS Goal: II. Establish Economic Resilience							
Objective or Task to be Implemented	Lead Agency*	Expected Results	Performance Measures and Evaluation Indicators	Funding Source/Agency	Time Frame	Jobs Created	Priority
1. Continue close coordination with representatives from Tri-State Generation and Transmission Association (power plant).	Moffat County City of Craig	To anticipate economic changes to the community.	Moffat County and the City of Craig stay abreast of developments at the power plant and with the coal mines.	N/A	9/2016-9/2021	N/A	High
2. Continue to address issues relating to economic and social impacts to the county from federal land management decisions and new legislation.	Moffat County	Research and implement solutions to issues effecting Moffat County's Natural Resources.	Monitor and keep abreast of the effects of state and federal policies and legislation involving such areas as coal, oil, gas, sage grouse, wilderness, grazing and other local government issues effecting Moffat County.	N/A	9/2016-9/2021	N/A	High
3. Empower the Local Marketing District to lead the economic development efforts in the County.	City of Craig Town of Dinosaur Moffat County Local Marketing District	The board has the resources, information and authority to coordinate efforts and take decisive actions.	City of Craig, Town of Dinosaur and Moffat County approve the annual operating plan that aligns with economic diversity efforts.	TBD	9/2016-9/2021	TBD	Medium
4. Create an economic disaster action strategy.	Community Stakeholders	Develop and implement a strategy for disaster recovery.	Create a disaster recovery plan that seeks to bolster the community's long term ability to withstand or avoid economic change and create initiatives that establish and utilize capabilities of an economic development organization to be responsive to the community's recovery needs post-disruption.	TBD	9/2016 – 9/2021	N/A	Medium

***With the exception of task #2 the lead agencies for this goal have not yet been confirmed.**

CEDS ACTION/IMPLEMENTATION PLAN

CEDS Goal: III. Expand Economic Development

Objective or Task to be Implemented	Lead Agency*	Expected Results	Performance Measures and Evaluation Indicators	Funding Source/Agency	Time Frame	Jobs Created	Priority
1. Pursue a downtown mixed use development project.	Moffat County City of Craig Local Market District	Feasibility of project determined.	Feasibility study performed on project determining such areas as the scope of development, costs, ongoing costs, community support for project, capacity needs are identified, potential job creation and interest of development.	TBD	9/2016-9/2021	N/A	High
2. Implement a downtown mixed use development project.	Moffat County City of Craig Local Market District	Downtown mixed use development project implemented for the Craig, CO Downtown area.	Monies and investors are secured to implement successful project to expand economy.	TBD	9/2016-9/2021	TBD	High
3. Pursue an Entrepreneur /Manufacturing Incubator.	Moffat County City of Craig Local Market District Craig/Moffat Economic Development Partnership	Feasibility of project determined.	Feasibility study performed on project determining such areas as the scope of development, costs, ongoing costs, community support for project, potential job creation and interest of development.	TBD	9/2016 – 9/2021	N/A	High
4. Implement an Entrepreneur /Manufacturing Incubator.	Moffat County City of Craig Local Market District Craig/Moffat Economic Development Partnership	Entrepreneur/Manufacturing Incubator is implemented as a specific niche industry to Moffat County.	Monies and investors are secured to implement successful project to expand economy.	TBD	9/2016-9/2021	TBD	High
5. Pursue an Industrial Park	Moffat County City of Craig Local Market District Craig/Moffat Economic Development Partnership	Feasibility of project determined.	Feasibility study performed on project determining such areas as the scope of development, costs, ongoing costs, capacity needs are identified, community support for project, potential job creation and interest of development.	TBD	9/2016 – 9/2021	N/A	Medium
6. Implement an Industrial Park	Moffat County City of Craig Local Market District Craig/Moffat Economic Development Partnership	Industrial Park is implemented.	Monies and investors are secured to implement successful project to expand economy.	TBD	9/2016-9/2021	TBD	Medium

7.Pursue a Themed Attraction/Destination	Moffat County Town of Dinosaur Local Market District	Feasibility of project determined.	Feasibility study performed on project determining such areas as the scope of development, costs, ongoing costs, community support for project, capacity needs are identified, potential job creation and interest of development.	TBD	9/2016 – 9/2021	N/A	Medium
8. Implement a Themed Attraction/Destination.	Moffat County Town of Dinosaur Local Market District	Themed Attraction /Destination are created for increase in Tourism, as a specific niche industry, to the Dinosaur, CO area.	Monies and investors are secured to implement successful project to expand economy.	TBD	9/2016-9/2021	TBD	Medium
9. Pursue an Artisan Textile Factory	Moffat County Local Market District	Feasibility of project determined.	Feasibility study performed on project determining such areas as the scope of development, costs, ongoing costs, community support for project, potential job creation and interest of development.	TBD	9/2016 – 9/2021	N/A	Medium
10. Implement an Artisan Textile Factory	Moffat County Local Market District	Artisan Textile Factory is implemented as a specific niche industry to Moffat County.	Monies and investors are secured to implement successful project to expand economy.	TBD	9/2016-9/2021	TBD	Medium
11. Pursue Aquaculture/ Aquaponics to harvest inland fisheries and food production.	Moffat County Local Market District	Feasibility of project determined.	Feasibility study performed on project determining such areas as the scope of development, costs, ongoing costs, capacity needs are identified, community support for project, potential job creation and interest of development.	TBD	9/2016 – 9/2021	N/A	Low
12. Implement Aquaculture/ Aquaponics to harvest inland fisheries and food production.	Moffat County Local Market District	Aquaculture/ Aquaponics is implemented as a specific niche industry to Moffat County	Monies and investors are secured to implement successful project to expand economy.	TBD	9/2016-9/2021	TBD	Low

***Lead agencies for this goal have not yet been confirmed.**